

THECB Special Called Board Meeting: Invited Testimony

Dr. William Serrata, El Paso Community College
Ray Martinez III, Texas Association of Community Colleges



Texas Association of
Community Colleges

TEXAS — BY THE — NUMBERS

#1 U.S. EXPORTER
FOR 20 YEARS IN A ROW



\$375B
IN 2021

MORE THAN

14.5 MILLION

PEOPLE IN THE
CIVILIAN LABOR FORCE



9TH LARGEST ECONOMY IN THE WORLD*

*IF TEXAS WERE A NATION

26 COMMERCIAL
AIRPORTS

19 SEA PORTS

22 INTERSTATE
HIGHWAYS

34 FOREIGN
TRADE ZONES

58 FREIGHT
RAILROADS

367 MILES OF
COASTLINE

NO PERSONAL
OR CORPORATE
INCOME TAX



TEXAS IS THE LARGEST
ENERGY-PRODUCING
STATE IN THE NATION

TEXAS IS THE LEADING
DESTINATION FOR COMPANIES
RELOCATING FROM OTHER STATES



A LEADING  JOBS CREATOR

IN 2021, TEXAS ADDED
694,400 JOBS

90% 
GRADUATION RATE

TEXAS' HIGH SCHOOL GRADUATION
RATE IS AMONG THE TOP 5
HIGHEST IN THE NATION, WITH A
90% COMPLETION RATE

TEXAS LED THE NATION IN
HIGH TECH EXPORTS FOR THE
9TH CONSECUTIVE YEAR



\$50B
IN 2021

THE LONE STAR STATE IS HOME TO

53 FORTUNE 500
COMPANY HQs



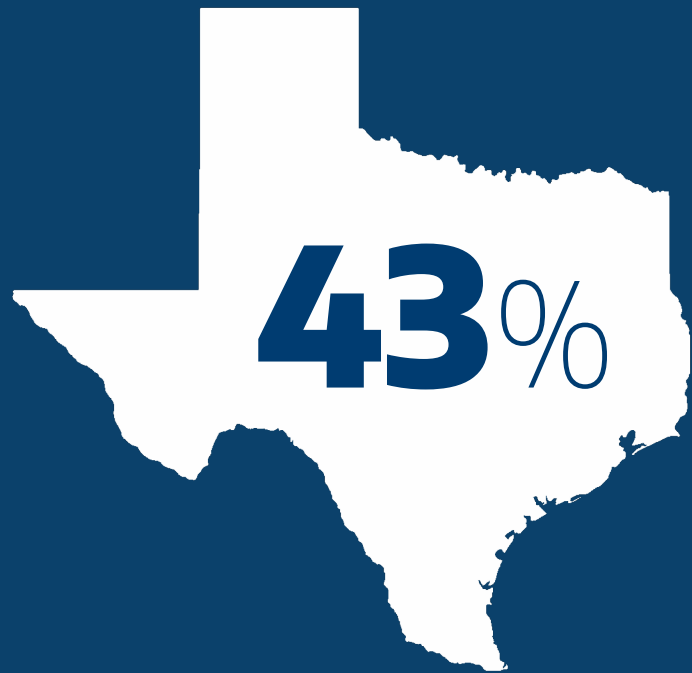
All Eyes ON TEXAS

Community Colleges Focus on Preparing
the Workforce of Tomorrow

“Many of the more than 4 million jobs the state expects to add in the next 15 years will require a bachelor’s degree or more. But there will also be continued need for what some call “middle-tier” workers—those **with more than a high school diploma but less than a four-year college degree.**”

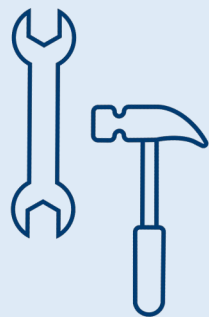
Texas Higher Education Enrollments

Sector	Certified 2019 Enrollment	Certified 2020 Enrollment	Certified 2021 Enrollment	Certified 2022 Enrollment	Fall 2021 to Fall 2022 Percent Change	Fall 2019 to Fall 2022 Percent Change
Public Universities	657,985	667,046	665,213	666,322	0.2%	1.5%
Public Community Colleges	726,300	650,499	639,546	642,290	0.4%	-11.6%
Public State and Technical Colleges	20,810	23,106	25,818	27,064	4.8%	30.1%
Health-related Institutions	29,735	30,528	31,548	31,869*	1.0%	7.2%
Independent Colleges Universities	125,918	125,373	128,242	128,255*	0.0%	1.9%
Total	1,560,748	1,496,552	1,490,367	1,495,800	0.4%	-4.2%



Texas community colleges enroll 43% of all postsecondary students in the state.

Our colleges:



Award

93%

of all career and technical education degrees & certificates



Enroll

94%

of all dual credit enrollments in the state

Provide a pathway for transfer



69%

of all FY2021 bachelor's degree graduates had **some transfer** credits from a two-year college

34%

of all FY2021 bachelor's degree graduates had **more than 30 transfer credit hours** from a two-year college

Access to Higher Education is Our Mission

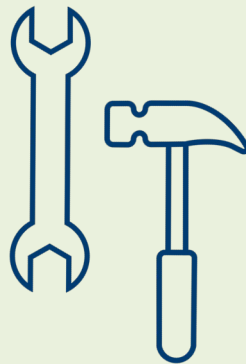
Texas Ranks 6th in **AFFORDABILITY**

Average Tuition & Fees
Public, two-year, 30 SCH

Rank	State	\$\$\$
1	California	\$1,285
3	Arizona	\$2,160
5	Florida	\$2,506
6	TEXAS	\$2,828
**National Avg.		\$3,501

28%

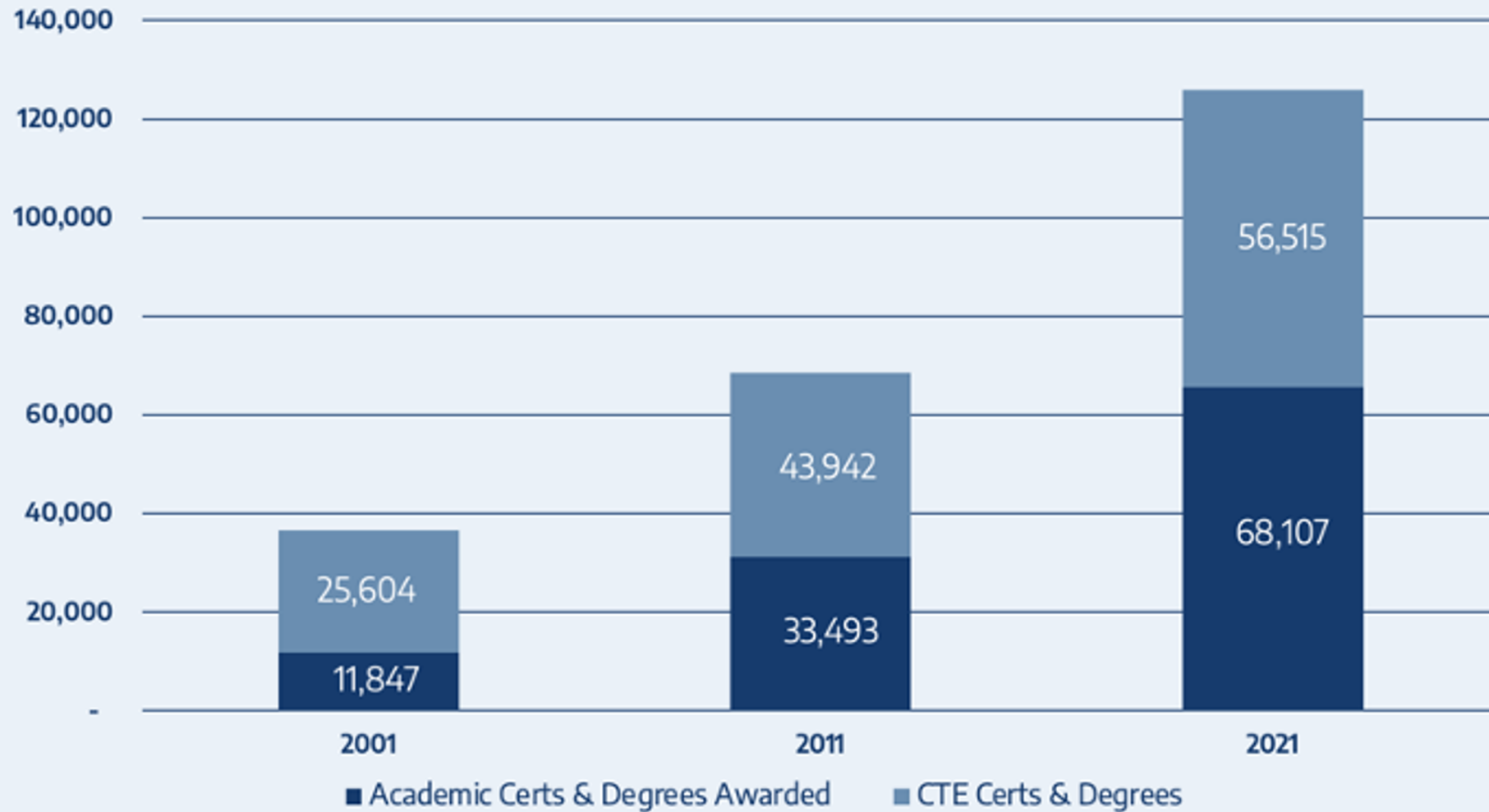
of students are
enrolled in
DUAL CREDIT



24%

of students enrolled in 2022 were
in **WORKFORCE PROGRAMS**

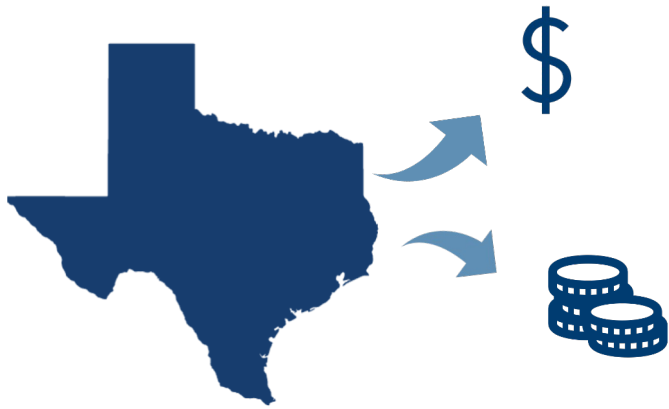
Texas Community Colleges Help Meet Workforce Needs



Degrees and certificates earned **increased by 61% from 2011 to 2021** despite mostly flat enrollment:

- **28% growth** in CTE credentials
- **104% growth** in Academic certificates and degrees

Texas community colleges are currently funded through 3 main sources of revenue



State Appropriations



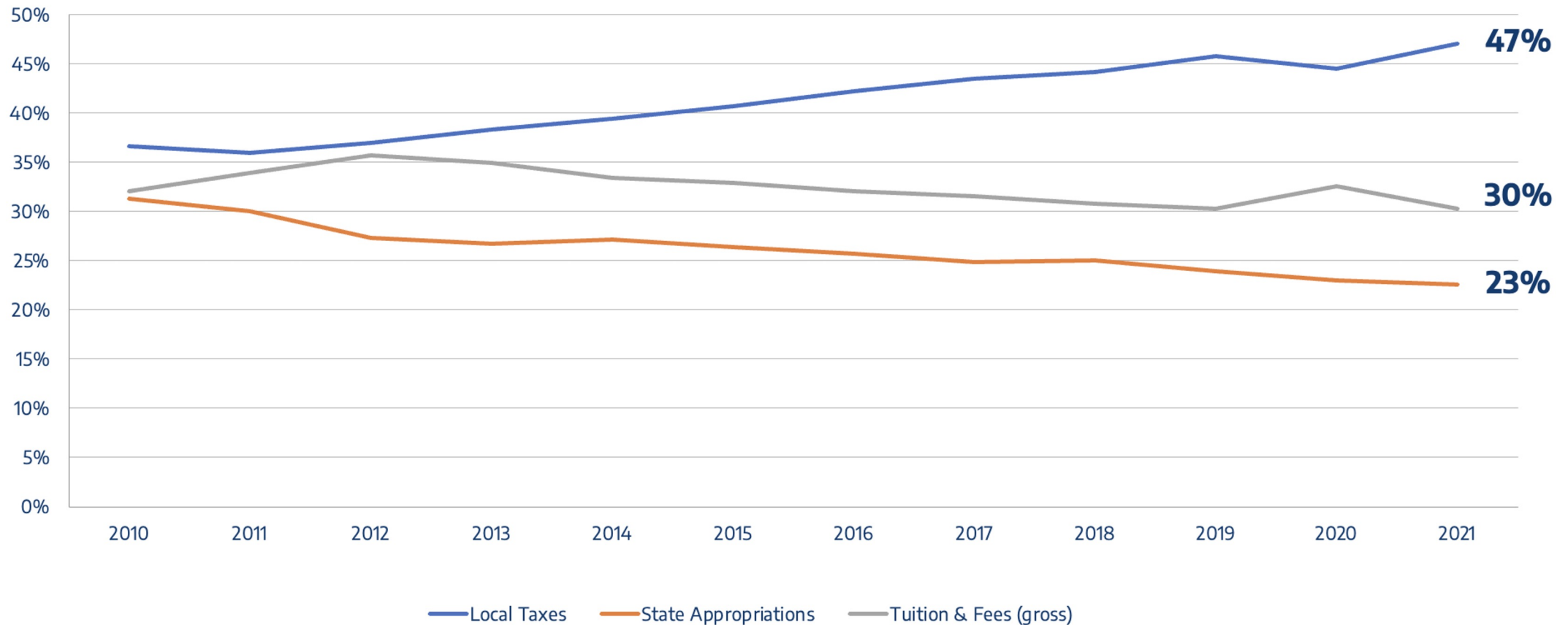
Local Property Taxes



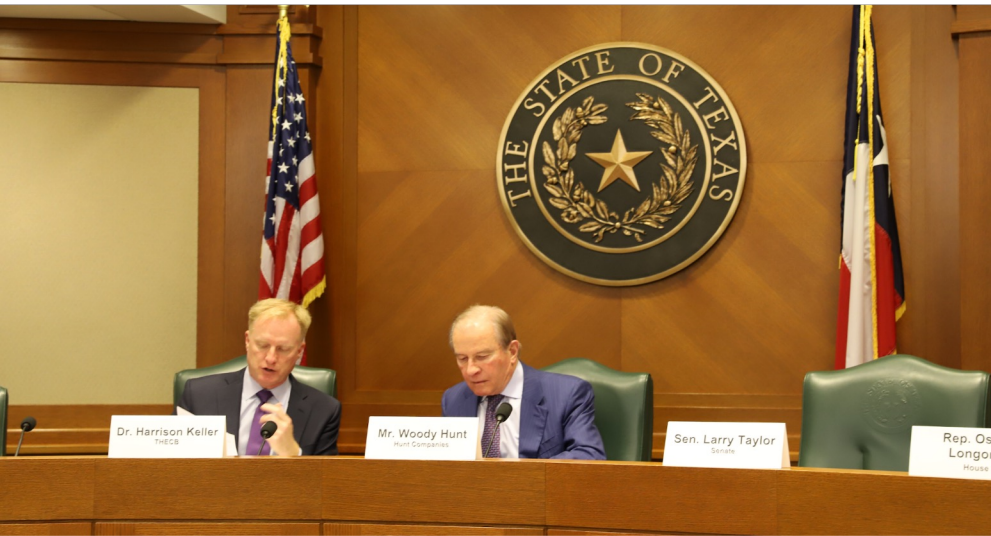
Tuition & Fees

Funding streams have significantly changed

Relative composition of primary revenue sources, 2010-2021



Texas Commission on Community College Finance



- **Inaugural meeting** – November 15, 2021
- The full Commission met a total **7 times**
- Commission broke into **three workgroups** to further explore topics:
 - College Operations
 - Student Supports
 - Workforce Policy
- **Final report timeline:**
 - **September 12, 2022** – Commission issued first draft of report
 - **October 18, 2022** – Commission presented updated draft and unanimously approved the recommendations
 - **November 17, 2022** – Final report published and made public
- **Texas Legislative Session started January 10, 2023**

Three Major Themes from Commission Recommendations



**State Funding for
Outcomes**

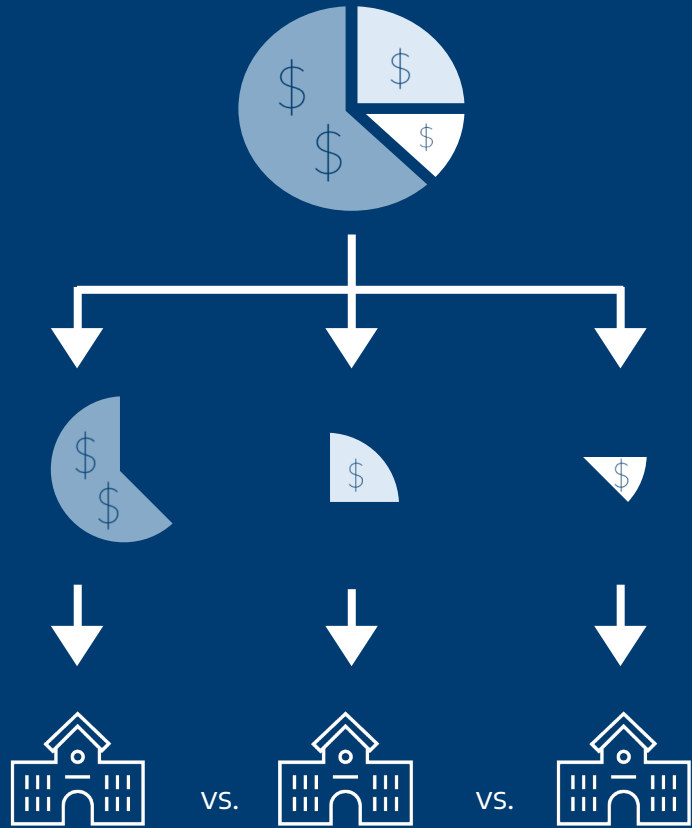


**Affordability for
Students**

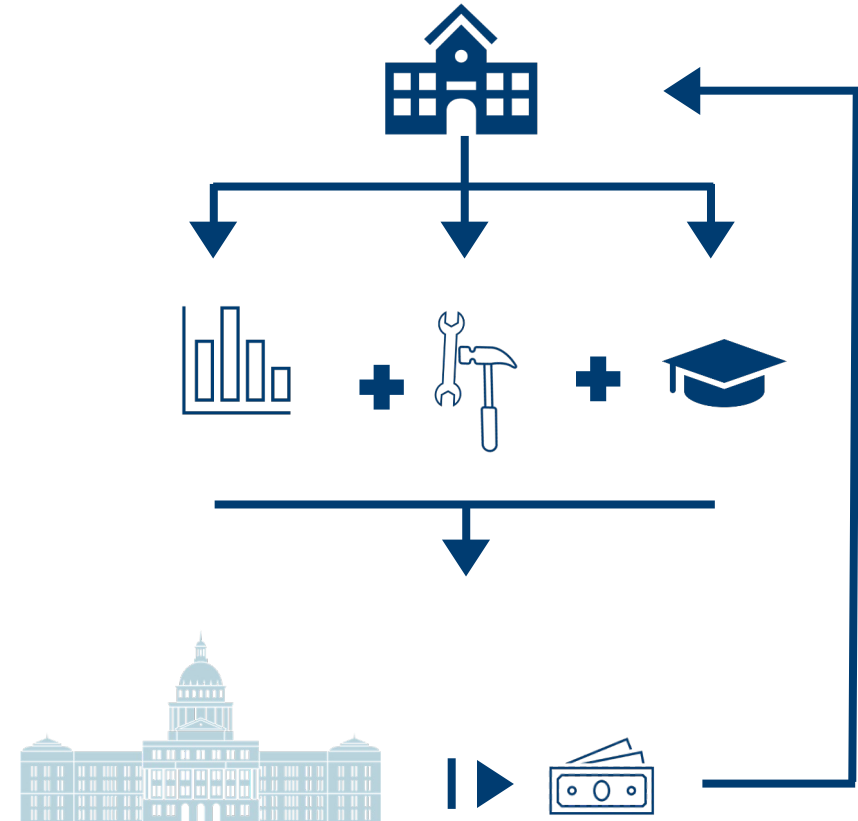


**Investments in
College Capacity**

Static Formula

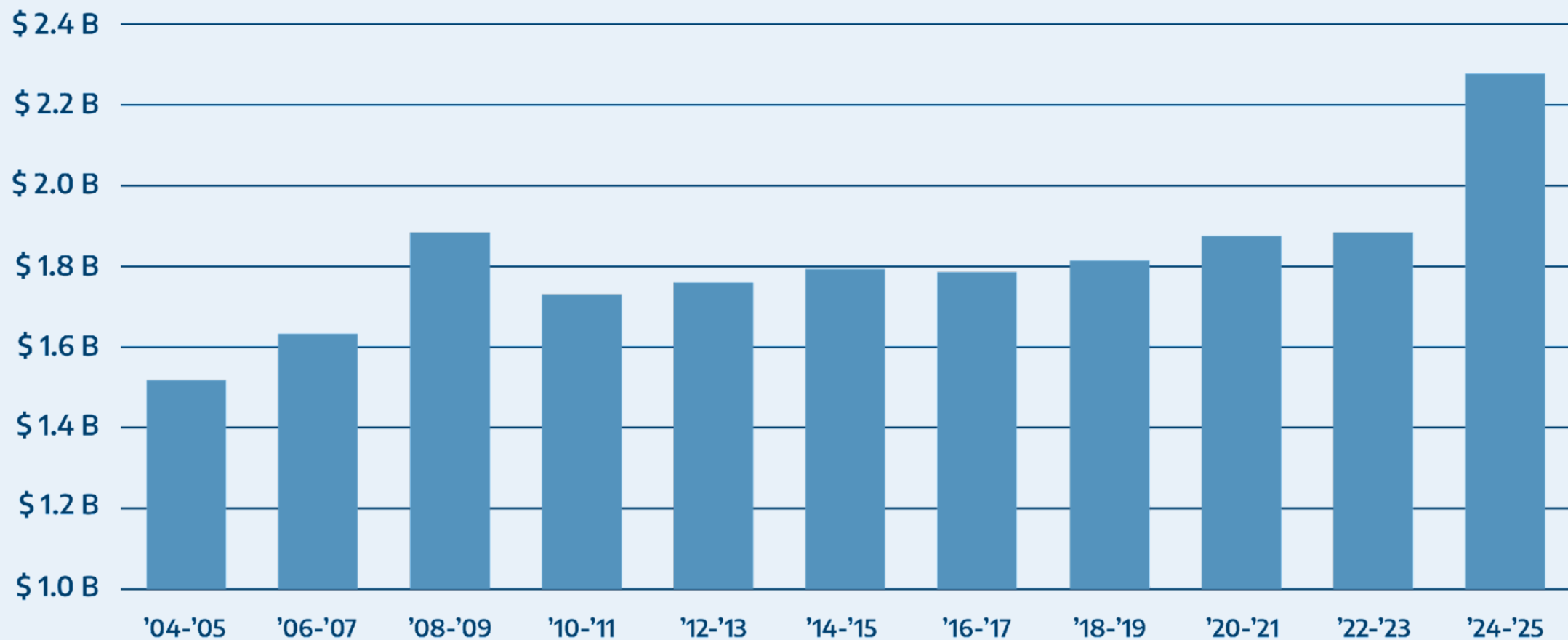


Dynamic Formula



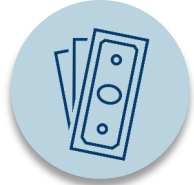
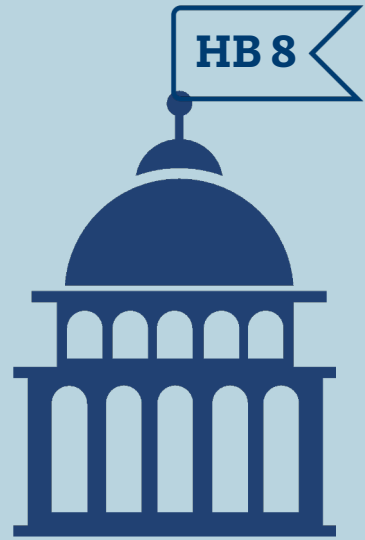
This is a **historic opportunity** to transition from a funding model that is static and merely redivides the same pie, to one that provides colleges with predictable funding based on outcomes.

State Investment in Community Colleges



Source: Fiscal Size Up, Legislative Budget Board

Key Components of House Bill 8



Financial Aid for Swift Transfer (FAST)

A new financial aid program that would allow “educationally disadvantaged” students to enroll in dual credit classes at no cost to them.



Shared Services

Encourages public junior colleges to participate in institutional collaborations that help students afford college, complete credentials, and transfer.



Performance Tier

The funding level that constitutes the majority of state funding and is comprised of measurable outcomes.



Base Tier

The funding level that ensures each public junior college has access to a defined level of funding for instruction and operations.



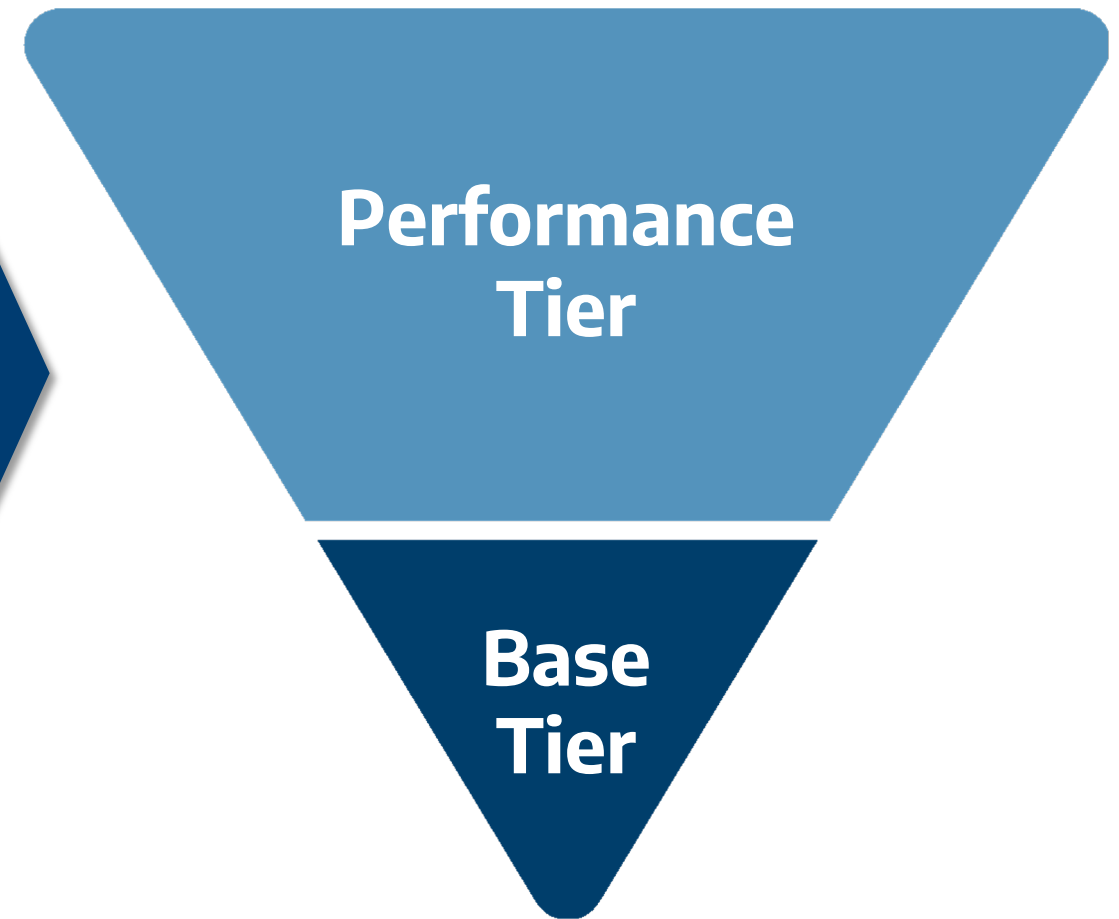
Community College Standing Advisory Committee (SAC)

A group of community college leaders that will provide advice and counsel to the Texas Higher Education Coordinating Board during implementation.

Legacy Funding Model



HB 8 Funding Model



Historic opportunity transition from a funding model primarily based on contact hours to one primarily based on **dynamic outcomes**.

Community College Standing Advisory Committee

VERY LARGE COLLEGES

- William Serrata, El Paso College, CEO (**Chairman**)
- Jennifer Mott, Lone Star College, CFO
- Teri Zamora, San Jacinto College, CFO
- Jenna Cullinane Hege, Austin Community College, IR

MEDIUM COLLEGES

- Jeremy McMillen, Grayson College, CEO
- Chris Sullivan, Angelina College, CFO
- Pam Anglin, Paris College, CEO

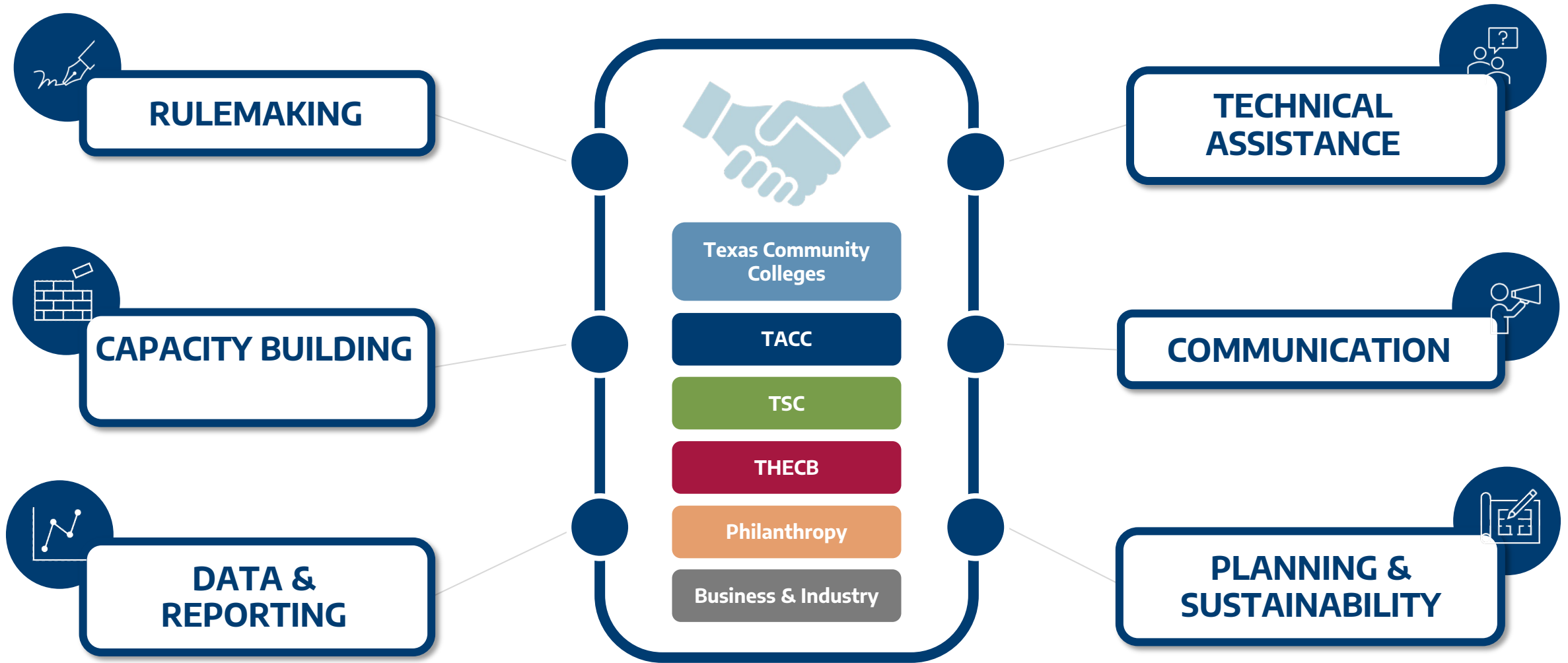
LARGE COLLEGES

- Brent Wallace, North Central Texas College, CEO
- Leonard Rivera, Del Mar College, CE
- Ray Martinez, President & CEO, TACC

SMALL COLLEGES

- Tex Buckhaults, Clarendon College, CEO
- Brenda Claxton, Howard College, CFO

Implementation Requires Partnership



Thank you



For further information, please visit:

Texas Association of Community Colleges

<https://tacc.org/>

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