Funding and Resource Planning

Texas Higher Education COORDINATING BOARD

IDEA AGENDA ITEM V-F
BOARD AGENDA ITEM VIII-E

Financial Condition Analysis of Texas Public Community College Districts

March 2023

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Texas Higher Education Coordinating Board

Agency Mission

The mission of the Texas Higher Education Coordinating Board (THECB) is to provide leadership and coordination for Texas higher education and to promote access, affordability, quality, success, and cost efficiency through *60x30TX*, resulting in a globally competitive workforce that positions Texas as an international leader.

Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

The THECB's core values are:
Accountability: We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.
Efficiency: We accomplish our work using resources in the most effective manner.
Collaboration: We develop partnerships that result in student success and a highly qualified, globally competent workforce.
Excellence: We strive for excellence in all our endeavors.

Please cite this report as follows: Texas Higher Education Coordinating Board. (2022). Financial Condition Analysis of Texas Public Community College Districts. Austin, TX.

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Executive Summary

An annual report on the financial condition of the state's community colleges is required as referenced in the General Appropriations Act, Senate Bill 1, 87th Texas Legislature, Rider 12 (page III-226). The rider states:

"Each community college shall provide to the Texas Higher Education Coordinating Board financial data related to the operation of each community college using the specific content and format prescribed by the Coordinating Board. Each community college shall provide the report no later than January 1st of each year. The Coordinating Board shall provide an annual report due on May 1 to the Legislative Budget Board and Governor's Office about the financial condition of the state's community college districts."

The objective of this report is to provide an assessment of the overall financial health of the state's 50 public community college districts and to identify institutions under financial stress using common financial ratios. This analysis is intended to be a broad financial evaluation. Other key performance indicators must be considered to gain a complete understanding of an institution's financial strength. This analysis is not intended for peer group comparisons or for benchmarking purposes.

The Fiscal Year (FY) 2022 "Financial Condition Analysis of Texas Public Community College Districts" indicates that Texas community colleges are in a strong fiscal position relative to historical averages, as summarized in Figure 2. While more colleges indicated financial stress this year (five indicated low to moderate stress and one indicated severe stress), the increase is relative to unusually low financial stress indicators in FY 2021.

Table 1. Year-to-Year Comparison of the Percentage of Texas Public Community College Districts Meeting Financial Standards, FY 2021-2022

	Institutions Meeting Standard					
Standard	**2021 Count**	**2021 %**	**2022 Count**	**2022 %**	**Change**	**% Change**
Composite Financial Index	48	96%	47	94%	-1	-2%
Primary Reserve	48	96%	48	96%	0	0%
Viability Ratio	47	94%	46	92%	-1	-2%
Return on Net Position	49	98%	45	90%	-4	-8%
Operating Margin	47	94%	43	86%	-4	-9%
Equity Ratio	49	98%	49	98%	0	0%
Leverage Ratio	50	100%	50	100%	0	0%

Source: THECB Community College Annual Reporting and Analysis Tool 2022

Introduction

There are 50 public community college districts in Texas, with the oldest dating back to 1869. They are locally controlled governmental entities established via an election process.

State statute specifies that newly created districts must have 15,000 postsecondary students and a minimum assessed property valuation of $2.5 billion. Six of the existing districts do not currently meet the assessed property valuation standard.[1]

Due to the structure of community college districts, local control enables districts to determine their own financial path. State law and rules of the Texas Higher Education Coordinating Board (THECB or Coordinating Board) impose some limitations, but local autonomy and demographics account for much of the variation in resource allocation and revenue collection.

Community college districts have four primary funding sources: state funding, local taxes, tuition and fees revenue, and federal funding. Although some districts have endowments, they are more commonly found in universities.

Government Accounting Standards Board Pronouncements 68 and 75

Governmental Accounting Standards Board (GASB) pronouncements 68 and 75 transferred pension and other post-employment benefit (OPEB) liability from the state-level financial statements of the Teachers Retirement System and Employees Retirement System to the individual financial statements of the institutions. This transfer increased the visibility of pension and OPEB liability at the community college district level. The overall effect to statewide financial ratios and to the financial condition of community college districts was substantial.

To make these financial indicators meaningful, the effects of GASB 68 and 75 on liabilities, deferred inflows, and deferred outflows have been removed from the calculation of net position, which affects several ratios. However, the effects of GASB implementation are still represented in ratios that measure operating expense, such as operating margin and primary reserve.

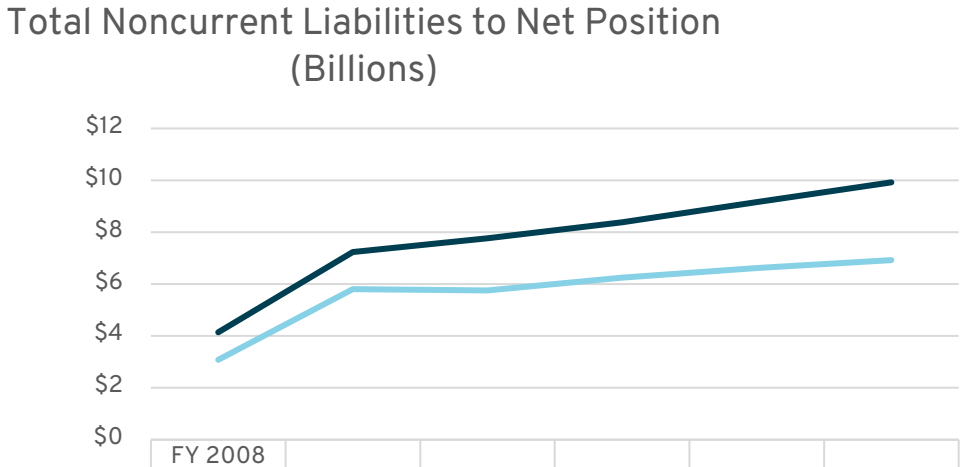
[1] Community College Annual Reporting and Analysis database (institutional reporting)

Noncurrent Liabilities to Net Position Comparison

Two financial components are considered in analyzing the overall financial condition of Texas community colleges: long-term debt (noncurrent liabilities) and cash (net position). The comparison in Figure 1 shows total noncurrent liabilities to net position. The graph does not include the impacts of GASB 68 and 75 on noncurrent liability balances for Fiscal Year (FY) 2022.

Total noncurrent liabilities have increased $3.84 billion since FY 2008 to the current amount of $6.92 billion in FY 2022. Most of the increase is due to institutions issuing general obligation (GO) bonds. Net position has increased $5.78 billion since FY 2008, to $9.92 billion in FY 2022.

Figure 1. Comparison of Statewide Noncurrent Liabilities to Net Position of Texas Public Community Colleges, FY 2008-2022



	FY 2008 (Base Year)	FY 2018*	FY 2019*	FY 2020*	FY 2021*	FY 2022*
Total Noncurrent Liabilities	$3.08	$5.80	$5.76	$6.24	$6.61	$6.92
Net Position	$4.14	$7.23	$7.76	$8.39	$9.16	$9.92

Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB noncurrent liability*

Financial Analysis in Higher Education

The concept of using selected indicators, such as ratios, for financial analysis dates to at least 1980. Financial analysis can measure success against institutional objectives and provide useful information to form a basis for sound planning.

The overall financial health of an institution can be assessed using two dimensions of inquiry. First, is the institution financially capable of successfully carrying out its current programs? Second, is the institution able to carry out its intended programs well into the future?

Along with these two dimensions, four key financial questions need to be asked:

- Are resources sufficient and flexible enough to support the mission?
- Are resources, including debt, managed strategically to advance the mission?
- Does asset performance and management support the strategic direction?
- Do operating results indicate the institution is living within available resources?

A widely accepted metric called the Composite Financial Index (CFI) is often used to address these four key questions. The index was developed over time by a consortium of consulting companies led by KPMG and introduced in 1999.[2] Many institutions, including the U.S. Department of Education, the State of Ohio Board of Regents, credit-rating agencies, and countless institutions of higher education, employ the index or similar approaches.

The CFI blends four core financial ratios into one metric, providing a more balanced view of an institution's finances; weakness in one measure can be offset by strength in another. Additionally, measuring the index over time provides a glimpse of the progress institutions are making toward achieving financial goals. The CFI includes the following four core ratios: primary reserve, viability, return on net position, and operating margin.

The Coordinating Board has been calculating the CFI and sharing related data with community college districts since 2007.

[2] For more information, see *Strategic Financial Analysis for Higher Education*, 6th edition, KPMG, Prager, Sealy & Co., Bearing Point, 2005.

Metrics Used in This Report

This report uses a Composite Financial Index (CFI) to provide one metric to efficiently analyze the financial health of all Texas community college districts. Other metrics used in this analysis include an equity ratio and a leverage ratio. The industry standard for assessing overall financial condition is to use the CFI.

The threshold for the CFI was established by considering the original work conducted by KPMG in creating the index and industry practice. While variability exists in the statewide CFI when looking at a year-to-year comparison, the overall financial condition of public community colleges has improved, with the statewide CFI increasing from 3.0 in FY 2011 to 4.7 in FY 2022.

Composite Financial Index

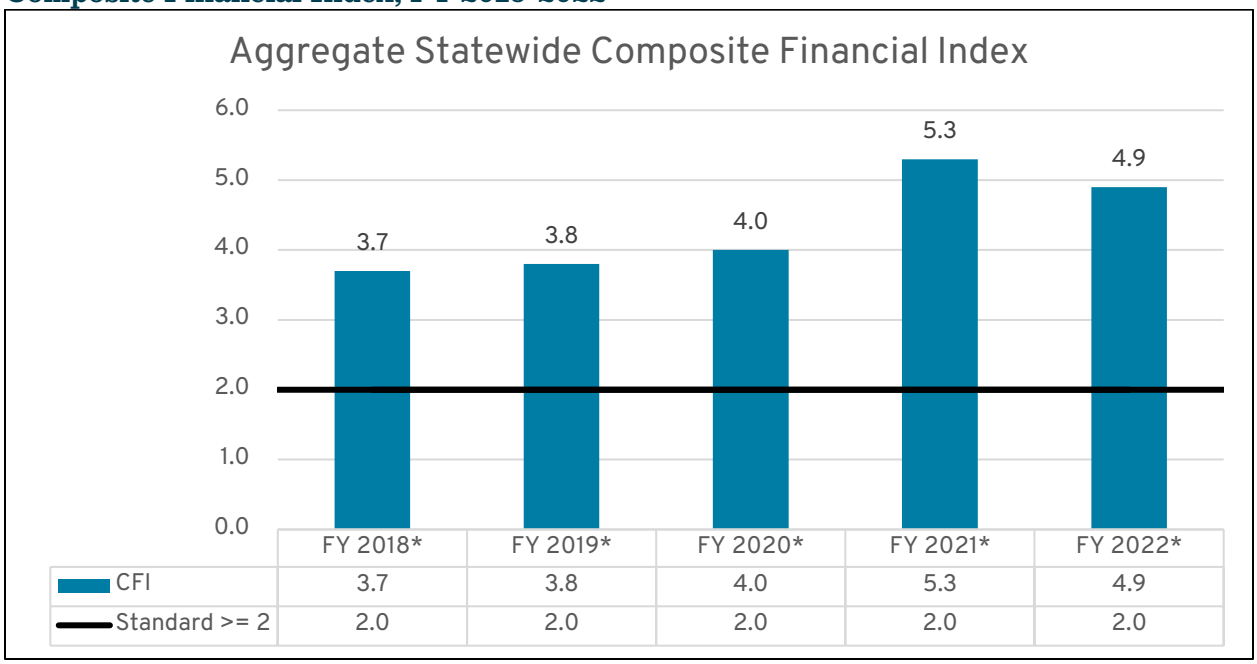
The CFI measures the overall health of an institution by combining four ratios into a single metric. The four core ratios used in the CFI include return on net position, operating margin, primary reserve, and viability. It is computed using the following four-step methodology:

1. Compute the values of the core ratios.
2. Calculate strength factors by dividing the core ratios by threshold values.
3. Multiply the factors by specific weights.
4. Total the resulting scores to obtain the Composite Financial Index.

CoreRatio		Value		Strength Factor		Weight	Score
Return on Net Position	/	0.02	=	Factor	X	20%	= Score
Operating Margin	/	0.007	=	Factor	X	10%	= Score
Primary Reserve	/	0.133	=	Factor	X	35%	= Score
Viability	/	0.417	=	Factor	X	35%	= Score
				Composite Financial Index	=	Total Score	

The threshold standard (2.0) was met by 47 of 50 districts in 2022, one less than in 2021. CFI numbers generally range from 0.0 to 10.0, although it is possible to have a CFI higher than 10.0 or below zero. One institution fell below zero in 2022. A year-to-year comparison of statewide CFI can be seen in Figure 2.

Figure 2. Year-to-Year Comparison of the Texas Public Community College Composite Financial Index, FY 2018-2022



Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB liabilities, deferred inflows, and deferred outflows*

Financial Ratios

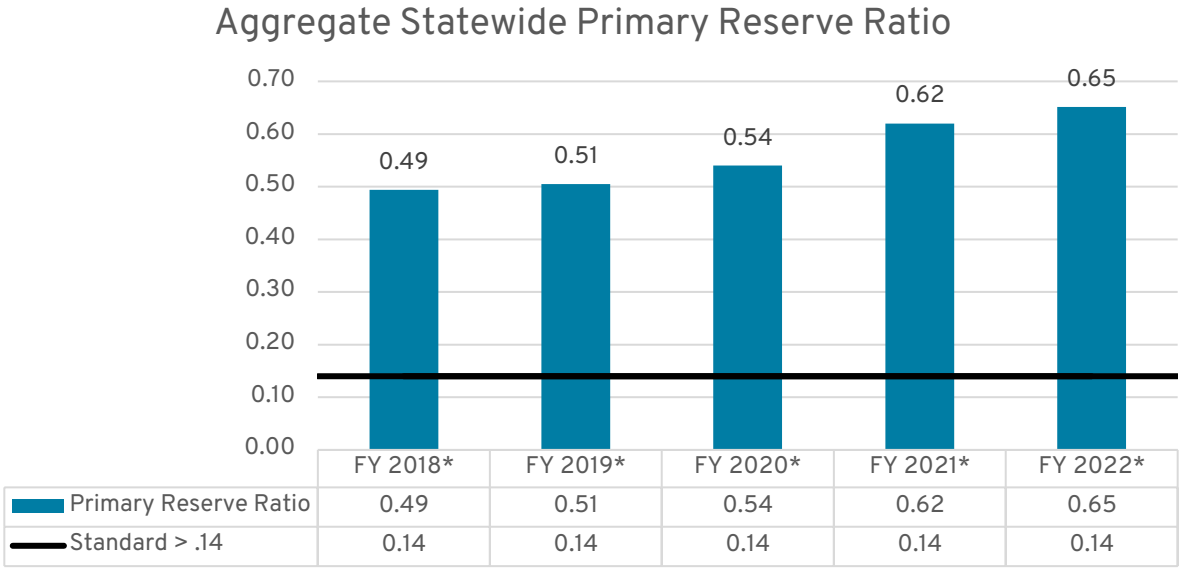
Primary Reserve Ratio

The primary reserve ratio measures financial strength and flexibility by comparing expendable net position to total expenses, as expressed in Figure 3. This measure answers the question, "How long can the institution survive without additional net position generated by operating revenue?"

Calculation: (Total expendable net position + unrestricted net position) / (operating expenses + interest expense on debt)[3]

The 2022 statewide ratio for public community colleges is .65. A ratio of 0.14 or greater is the standard used in this report. The standard was met by 48 of the 50 districts.

Figure 3. Year-to-Year Comparison of the Texas Public Community College Primary Reserve Ratio, FY 2018-2022



	FY 2018*	FY 2019*	FY 2020*	FY 2021*	FY 2022*
Primary Reserve Ratio	0.49	0.51	0.54	0.62	0.65
Standard > .14	0.14	0.14	0.14	0.14	0.14

Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB liabilities, deferred inflows, and deferred outflows*

[3] Interest expense on debt includes all debt, both tax and other revenue supported.

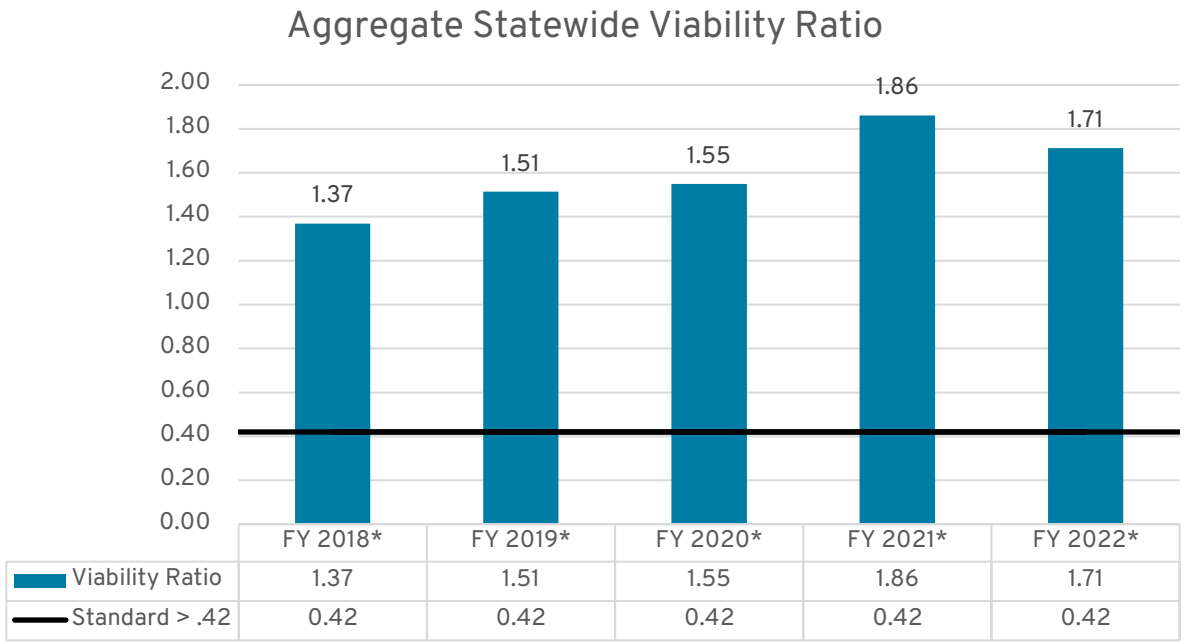
Viability Ratio

The viability ratio measures the financial health of the institution by comparing total expendable net position to total noncurrent liabilities, as expressed in Figure 4. This ratio is similar to a coverage ratio used in the private sector to indicate the ability of an organization to cover its long-term debt and answers the question, "How much of the debt can the institution pay off with existing resources?"

Calculation: (Total expendable net position + unrestricted net position) / noncurrent liabilities, excluding general obligation debt

The 2022 statewide ratio for public community colleges is 1.71. A ratio of 0.42 or greater is the state standard, which was met by 46 of 50 districts.

Figure 4. Year-to-Year Comparison of the Texas Public Community College Viability Ratio, FY 2018-2022



Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB liabilities, deferred inflows, and deferred outflows*

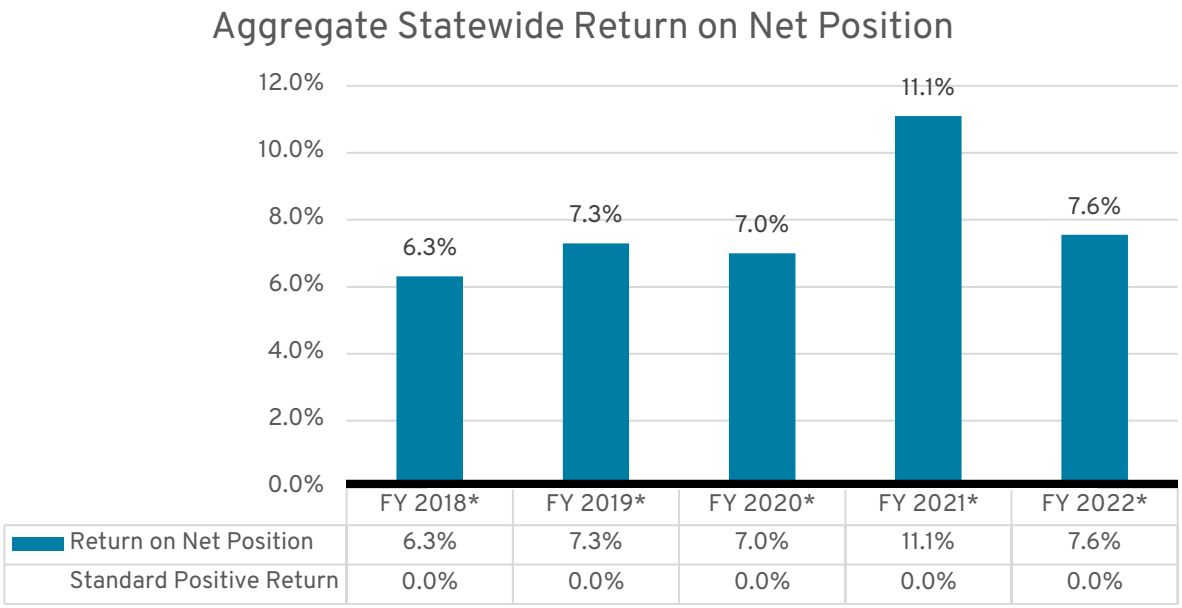
Return on Net Position

Return on net position measures total economic return during the fiscal year, as expressed in Figure 5. This measure is similar to the return-on-equity ratio used in examining for-profit concerns and answers the question, "Is the institution better off financially than it was a year ago?"

Calculation: Change in net position / Total net position (beginning of year)

The 2022 statewide ratio for public community colleges is 7.6%. A positive return is the standard used in this report and was met by 45 of 50 colleges. Four fewer institutions met this standard in 2022 than did in 2021.

Figure 5. Year-to-Year Comparison of the Texas Public Community College Statewide Net Position, FY 2018-2022



	FY 2018*	FY 2019*	FY 2020*	FY 2021*	FY 2022*
Return on Net Position	6.3%	7.3%	7.0%	11.1%	7.6%
Standard Positive Return	0.0%	0.0%	0.0%	0.0%	0.0%

Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB liabilities, deferred inflows, and deferred outflows*

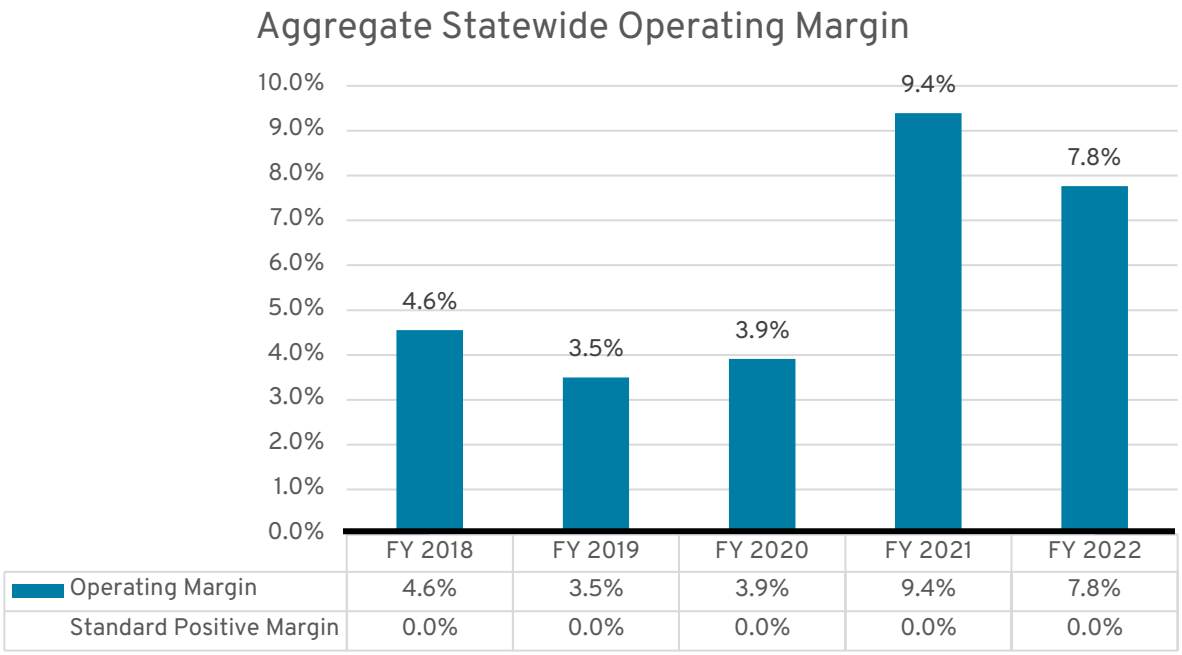
Operating Margin

Operating margin indicates an operating surplus or deficit in the given fiscal year, as expressed in Figure 6. This ratio is similar to a profit margin and answers the question, "Did the institutions balance operating expenses with available revenue?" Depreciation expense is included to reflect the use of physical assets in measuring operating performance.

Calculation: Total income - Total operating expense / Total income[4]

The 2022 statewide margin for public community colleges is 7.8%. A positive margin is the standard used in this report. The standard was met by 43 of the 50 districts, 4 fewer than in 2021.

Figure 6. Year-to-Year Comparison of the Texas Public Community College Statewide Operating Margin, FY 2018-2022



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Operating Margin	4.6%	3.5%	3.9%	9.4%	7.8%
Standard Positive Margin	0.0%	0.0%	0.0%	0.0%	0.0%

Source: THECB Community College Annual Reporting and Analysis Tool 2022

[4] Total income includes all operating revenue plus formula funding, property tax, and Title IV federal revenue.

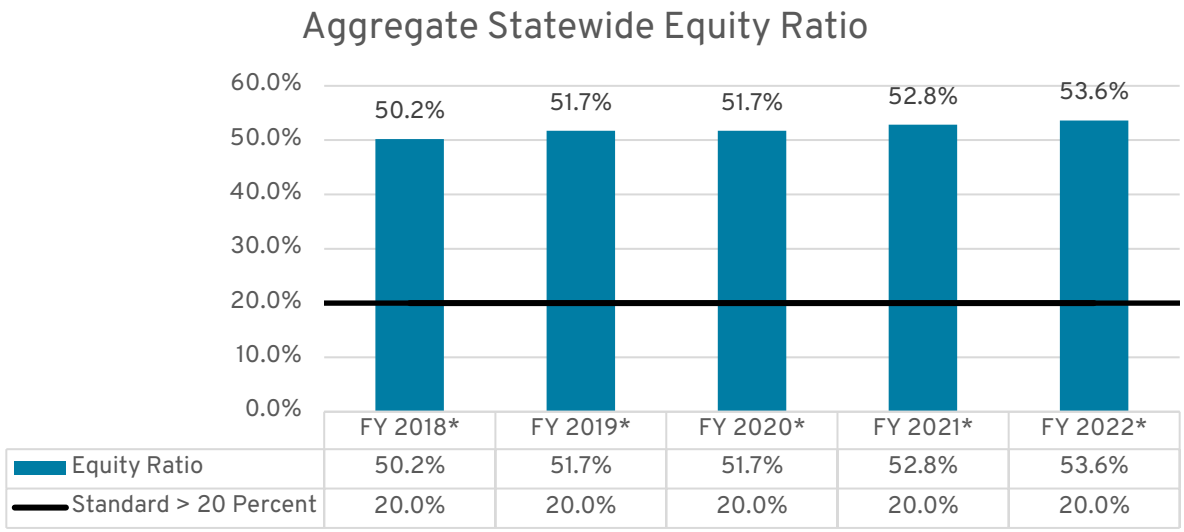
Equity Ratio

The equity ratio measures capital resources available and a college's ability to borrow, as expressed in Figure 7. The U.S. Department of Education (ED) introduced this ratio to enhance reporting for institutions that do not have long-term debt. The ED uses financial ratios, in part, to provide oversight to institutions participating in programs authorized under Title IV of the Higher Education Act.

Calculation: Net position / Total assets

The 2022 statewide ratio for public community colleges is 53.6%. A ratio of 20% or greater is the standard used in this report. The standard was met by 49 of 50 colleges.

Figure 7. Year-to-Year Comparison of the Texas Public Community College Statewide Equity Ratio, FY 2018-2022



Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB liabilities, deferred inflows, and deferred outflows*

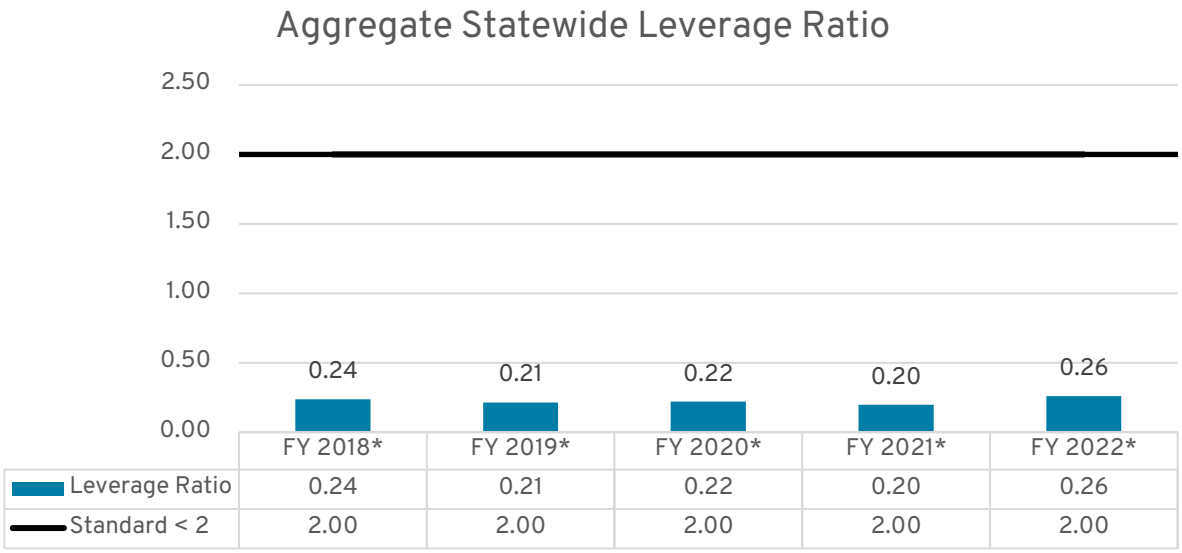
Leverage Ratio

The leverage ratio measures the amount of debt in relation to net position and provides an indication of the amount of interest and principal the institution must absorb in the future, as expressed in Figure 8. This ratio is similar to the debt-to-equity ratio used in the private sector. The leverage ratio differs from the viability ratio in that investment in physical plant assets is included as part of the numerator. Long-term debt includes bonds payable, excluding GO bonds and long-term liabilities.

Calculation: Long-term debt / Total net position

The 2022 statewide ratio for the public community colleges is 0.26. A ratio of less than 2.0 is the standard used in this report. This standard was met by all colleges.

Figure 8. Year-to-Year Comparison of the Texas Public Community College Statewide Leverage Ratio, FY 2018-2022



	FY 2018*	FY 2019*	FY 2020*	FY 2021*	FY 2022*
Leverage Ratio	0.24	0.21	0.22	0.20	0.26
Standard < 2	2.00	2.00	2.00	2.00	2.00

Source: THECB Community College Annual Reporting and Analysis Tool 2022
**Excluding GASB 68 and 75 pension and OPEB liabilities, deferred inflows, and deferred outflows*

Financial Condition

As seen in Table 2, the number of colleges failing to meet indicator standards has increased slightly compared to the unusually strong results of FY 2021, in which colleges received a significant amount of pandemic-related federal aid.

Table 2. Year-to-Year Comparison of the Number of Texas Public Community Colleges Meeting Financial Indicators, FY 2018-2022

	FY 2018*	FY 2019*	FY 2020*	FY 2021*	FY 2022*
Met all 7 indicators	30	25	26	43	38
Met 6 indicators	11	11	15	3	6
Met 5 indicators	3	6	4	3	4
Met 4 indicators	3	6	3	1	1
Met 3 indicators	3	1	1	0	0
Met 2 or fewer indicators	0	1	1	0	1

*Without GASB 68 and 75 implementation

In addition to the Coordinating Board Analysis, the following institutions provided comments for inclusion in this report. Their comments are produced below.

Wharton County Junior College: Wharton County Junior College experienced an unrealized loss on investments of $2.2 million that caused the ratios to reflect a negative position. Enrollment was dramatically impacted by the pandemic also and has not returned to previous levels.

Gus Wessels Jr. CPA, Dean of Financial and Business Services, Wharton County Junior College

Northeast Texas Community College: The calculation of Operating Margin states Total Income - Total Operating Expense/ Total Income, and is to answer the question, "Did the institutions balance operating expenses with available revenue?" Unfortunately, Northeast Texas Community College operating margin per the report is – 2.3%, but NTCC had an operating surplus for the year of $1,366,798, less non-operating expenses of $1,295,074, plus Capital Contributions of $315,595, resulting in an increase in net position of $387,319. THECB's report is showing a negative operating margin, because the calculation does not include all available revenue, General Obligation Bond Tax Revenue of $2,034,967 and Capital Contributions of $315,595 are excluded. Non-operating expenses, such as interest expenses, are correctly excluded per the definition. Additionally, GASB 68 and 75 inter-period expenses are included and cause significant "on paper only" increases in operating expenses. For Fiscal Year 2022, GASB 68 and 75 inter-period expenses were $690,784. However, if the calculation was to follow Total Income – Total Operating Expenses, and included only General Obligation Bond Tax Revenue, NTCC's operating margin would be 4.3%. This would increase the Composite Financial Index as well, to 2.8, removing both Financial Stress Indicators for Northeast Texas Community College.

Jeffery Chambers CPA, Vice President for Administrative Services, Northeast Texas Community College

Frank Phillips College: Frank Phillips College continued to see an increase in enrollment resulting in additional costs at a time when peak inflation was occurring. In addition, the following factors also contributed negatively to the financial ratios:

- A reduction in the stock market affected the Foundation assets
- Unearned revenues increased
- Depreciation expense increased resulting in a decrease in capital assets
- A timing of expenditure of federal funds verses related reimbursement

Glendon Forgey, President, Frank Phillips College

Appendix A: FY 2022 Composite Financial Index, Core Financial and Other Ratios

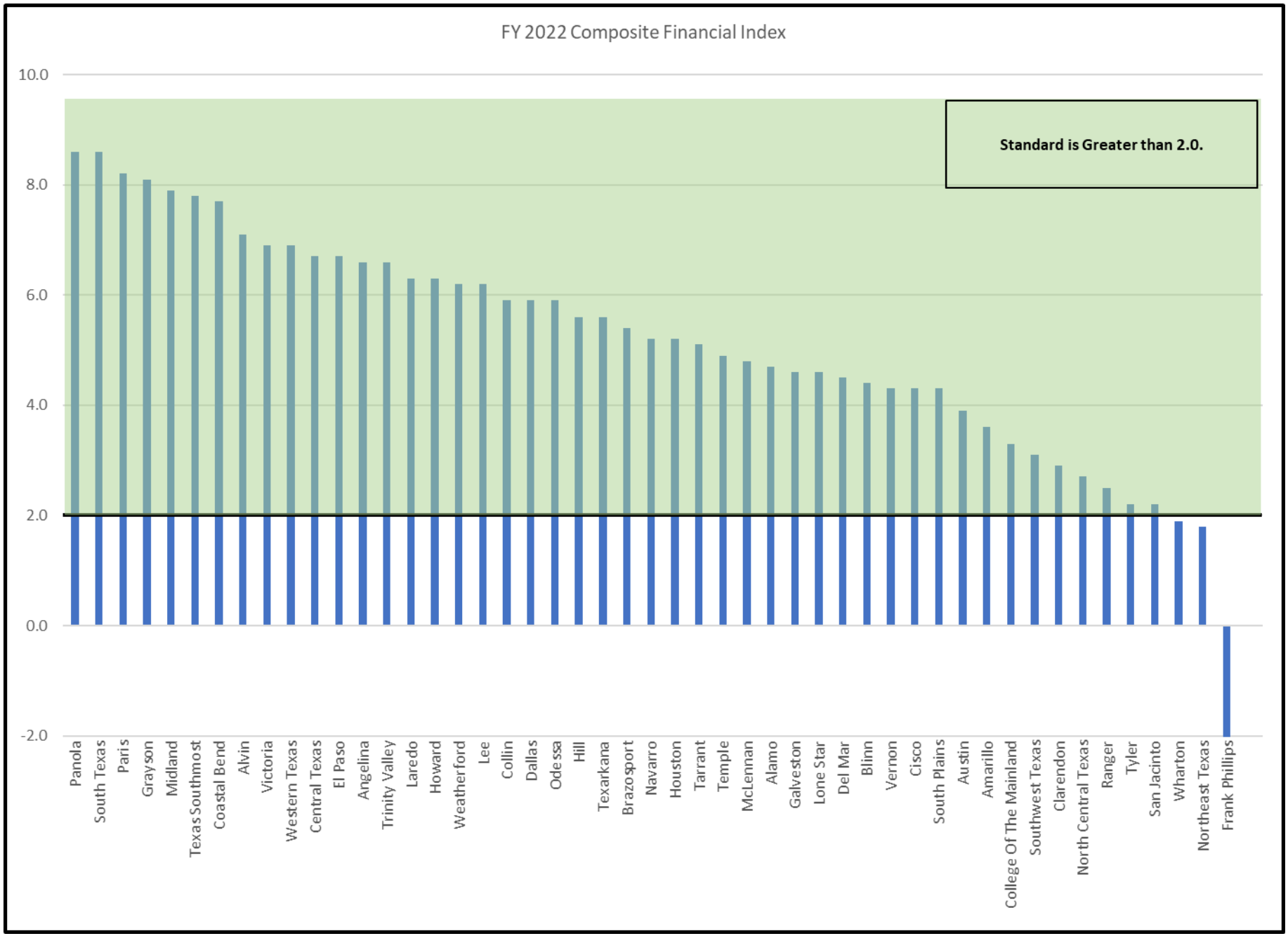
Financial Stress Indicator	District	Composite Financial Index	Return on Net Position	Operating Margin	Primary Reserve	Viability Ratio	Equity Ratio	Leverage Ratio
0	Alamo	4.7	14.4%	8.3%	0.40	1.38	44.8%	0.21
0	Alvin	7.1	13.6%	11.0%	0.46	93.76	58.6%	0.00
1	Amarillo	3.6	**(1.8%)**	0.1%	0.47	3.00	42.5%	0.02
0	Angelina	6.6	4.7%	6.6%	0.65	73.56	79.0%	0.00
1	Austin	3.9	24.6%	6.9%	0.26	**0.31**	27.1%	1.07
0	Blinn	4.4	6.5%	21.4%	0.76	0.88	55.5%	0.48
0	Brazosport	5.4	8.5%	9.4%	0.47	2.74	53.0%	0.01
1	Central Texas	6.7	**(2.9%)**	1.9%	1.21	58.78	88.4%	0.00
0	Cisco	4.3	14.0%	10.9%	0.18	1.71	74.4%	0.13
0	Clarendon	2.9	8.4%	5.5%	0.16	1.07	83.4%	0.00
0	Coastal Bend	7.7	25.2%	20.2%	0.45	13.61	67.2%	0.03
2	College Of The Mainland	3.3	18.6%	**(1.0%)**	0.16	1.39	**11.0%**	0.00
2	Collin	5.9	**(1.5%)**	**(2.4%)**	1.10	172.12	51.3%	0.00
0	Dallas	5.9	6.6%	1.3%	0.58	90.96	80.9%	0.00
1	Del Mar	4.5	2.6%	**(2.6%)**	0.43	8.98	37.8%	0.00
0	El Paso	6.7	12.0%	17.0%	1.15	1.78	63.7%	0.37
5	Frank Phillips	**(2.6)**	**(7.1%)**	**(6.5%)**	**(0.04)**	**(3.67)**	72.7%	0.00
0	Galveston	4.6	6.2%	12.0%	0.86	0.84	56.6%	0.61
0	Grayson	8.1	11.2%	13.8%	0.92	17.66	77.7%	0.01
0	Hill	5.6	2.7%	1.6%	0.61	248.87	87.3%	0.00
0	Houston	5.2	10.8%	6.8%	0.71	1.55	50.2%	0.29
0	Howard	6.3	6.3%	9.2%	0.76	3.17	74.2%	0.13
0	Kilgore	4.3	4.1%	9.8%	0.45	1.97	76.9%	0.16
0	Laredo	6.3	14.3%	12.5%	1.02	1.35	43.0%	0.48
0	Lee	6.2	12.0%	13.3%	0.67	2.70	60.0%	0.13
0	Lone Star	4.6	12.1%	19.5%	0.48	1.34	38.6%	0.15
0	McLennan	4.8	17.4%	9.8%	0.27	1.64	52.3%	0.17
0	Midland	7.9	11.3%	14.3%	0.87	8.83	84.2%	0.04
0	Navarro	5.2	11.8%	10.2%	0.46	2.18	69.1%	0.13
0	North Central Texas	2.7	2.0%	1.8%	0.41	1.32	58.6%	0.00
2	Northeast Texas	**1.8**	7.8%	**(2.3%)**	0.21	0.96	31.5%	0.33
0	Odessa	5.9	10.0%	6.9%	0.90	1.77	55.9%	0.19
0	Panola	8.6	8.4%	11.9%	1.23	70.77	67.3%	0.00
0	Paris	8.2	7.6%	14.6%	1.12	5.59	87.3%	0.10
1	Ranger	2.5	9.5%	5.4%	0.21	**0.29**	36.5%	1.12
1	San Jacinto	2.2	1.1%	**(2.3%)**	0.30	1.89	23.8%	0.20
0	South Plains	4.3	8.5%	4.8%	0.46	1.79	72.4%	0.18
0	South Texas	8.6	8.9%	6.0%	1.26	629.08	78.7%	0.00
0	Southwest Texas	3.1	8.4%	7.9%	0.28	0.61	54.9%	0.40
0	Tarrant	5.1	4.1%	8.9%	1.11	0.85	65.3%	0.45
0	Temple	4.9	12.0%	7.2%	0.42	1.87	23.8%	0.07
0	Texarkana	5.6	9.3%	15.1%	0.80	1.92	67.4%	0.00
0	Texas Southmost	7.8	1.7%	6.8%	1.20	6.83	76.1%	0.05
0	Trinity Valley	6.6	7.6%	11.3%	0.52	18.53	86.6%	0.00
2	Tyler	2.2	7.0%	7.9%	**0.11**	**0.26**	49.3%	0.40
0	Vernon	4.3	9.6%	5.1%	0.40	1.90	71.0%	0.22
0	Victoria	6.9	10.4%	7.8%	0.51	378.49	70.8%	0.00
0	Weatherford	6.2	12.9%	19.2%	1.20	0.95	52.1%	0.52
0	Western Texas	6.9	10.9%	22.9%	1.22	1.91	72.2%	0.26
3	Wharton	**1.9**	**(1.5%)**	**(2.5%)**	0.31	1.90	76.5%	0.00
0	Statewide	4.9	7.6%	7.8%	0.65	1.71	53.6%	0.22

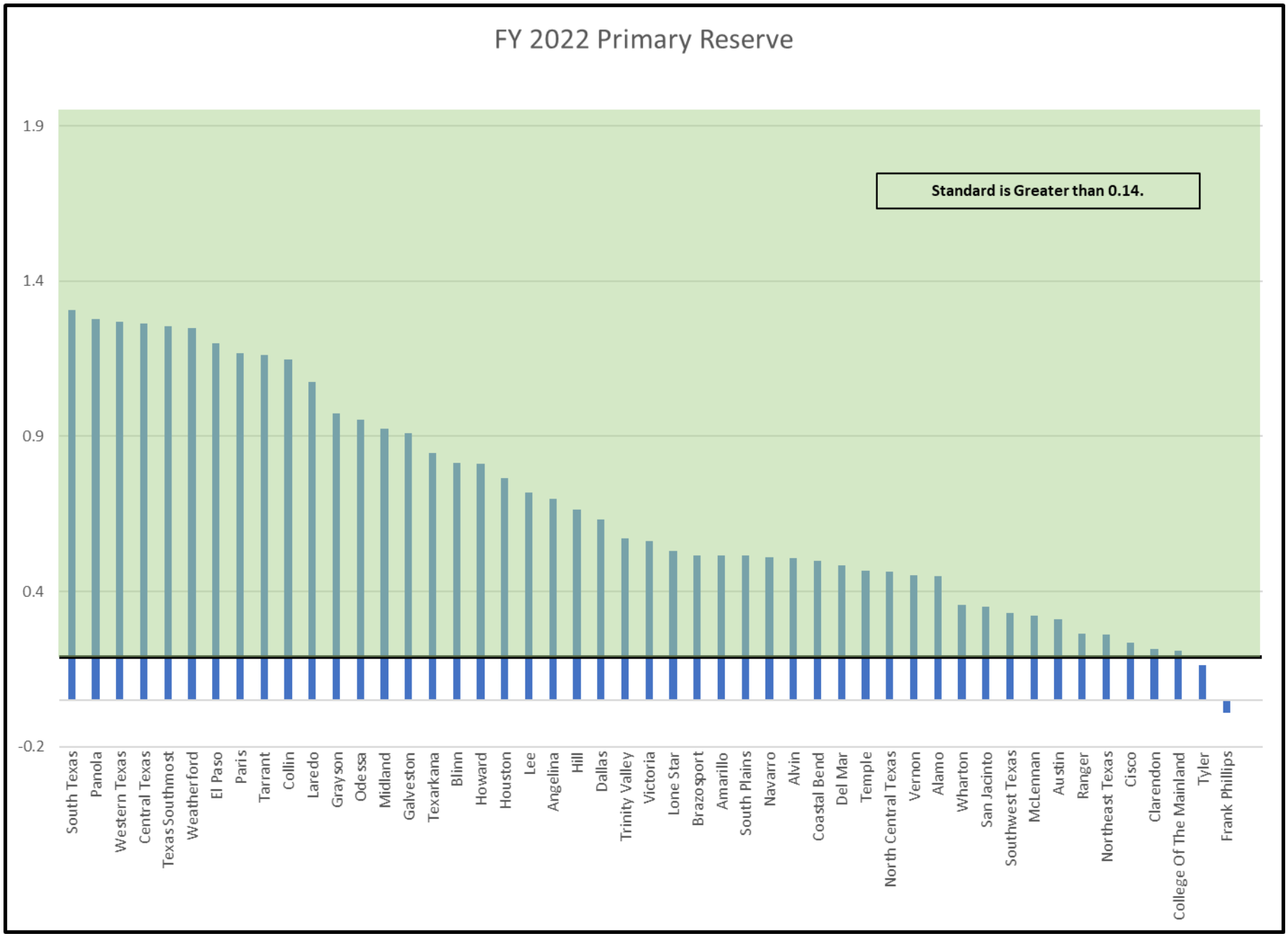
Bold fonts indicate ratios that do not meet the state standard.

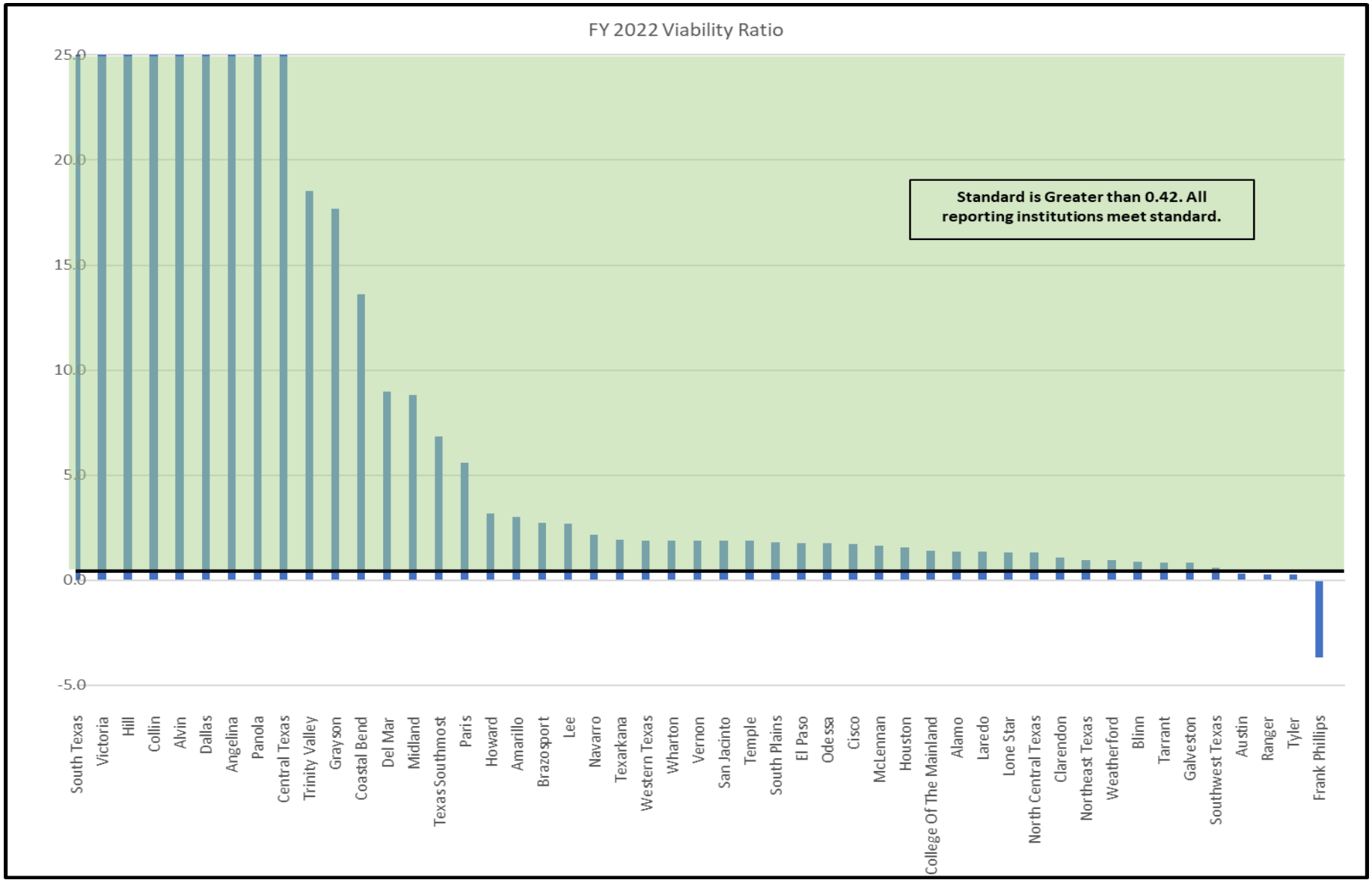
Zero to one financial stress indicators, which indicates no financial stress.

Two to three financial stress indicators, which indicates little to moderate financial stress.

Four to seven financial stress indicators, which indicates financial stress.

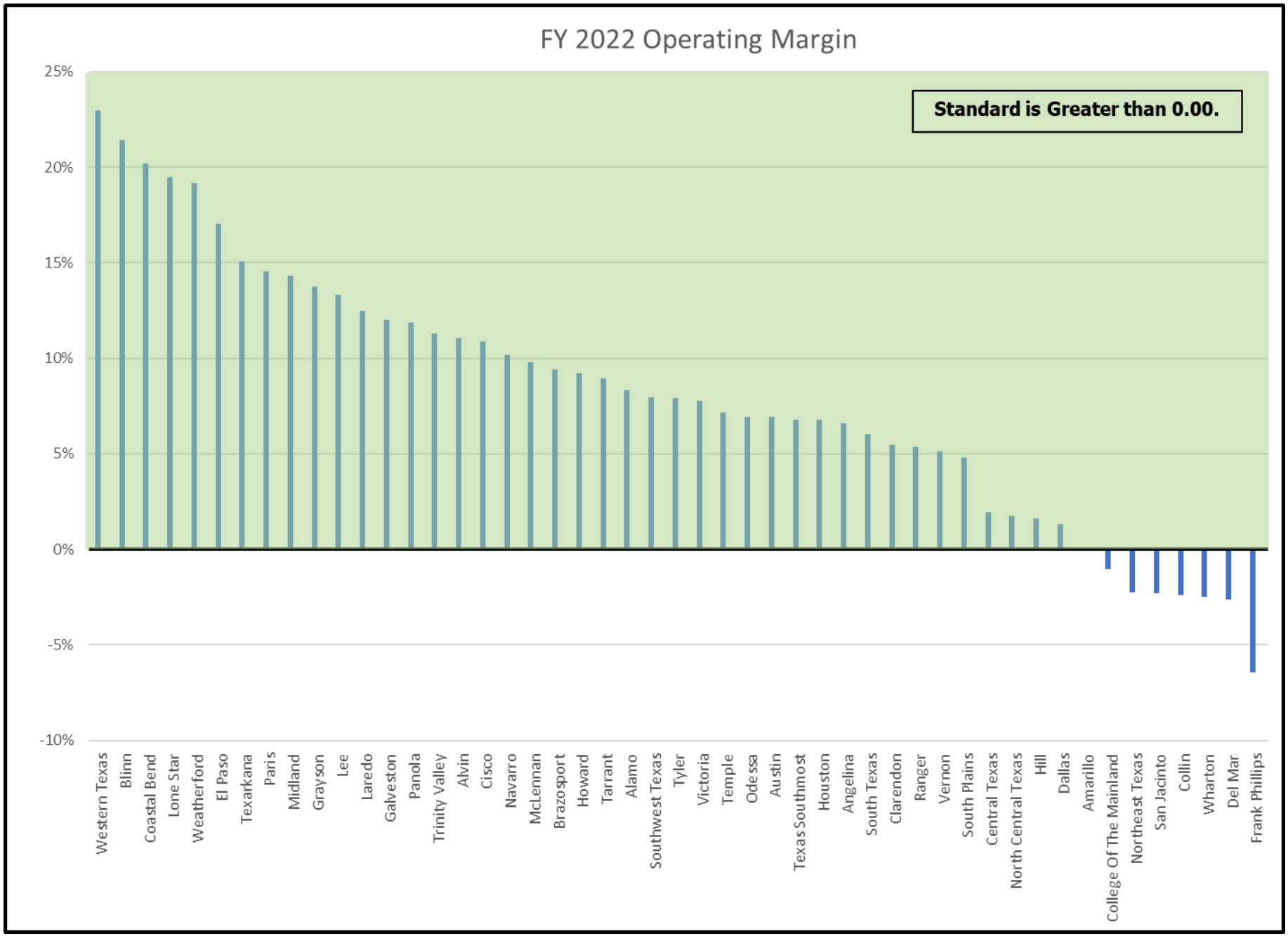

FY 2022 Composite Financial Index
Standard is Greater than 2.0.
10.0
8.0
6.0
4.0
2.0
0.0
-2.0
Panola
South Texas
Paris
Grayson
Midland
Texas Southmost
Coastal Bend
Alvin
Victoria
Western Texas
Central Texas
El Paso
Angelina
Trinity Valley
Laredo
Howard
Weatherford
Lee
Collin
Dallas
Odessa
Hill
Texarkana
Brazosport
Navarro
Houston
Tarrant
Temple
McLennan
Alamo
Galveston
Lone Star
Del Mar
Blinn
Vernon
Cisco
South Plains
Austin
Amarillo
College Of The Mainland
Southwest Texas
Clarendon
North Central Texas
Ranger
Tyler
San Jacinto
Wharton
Northeast Texas
Frank Phillips

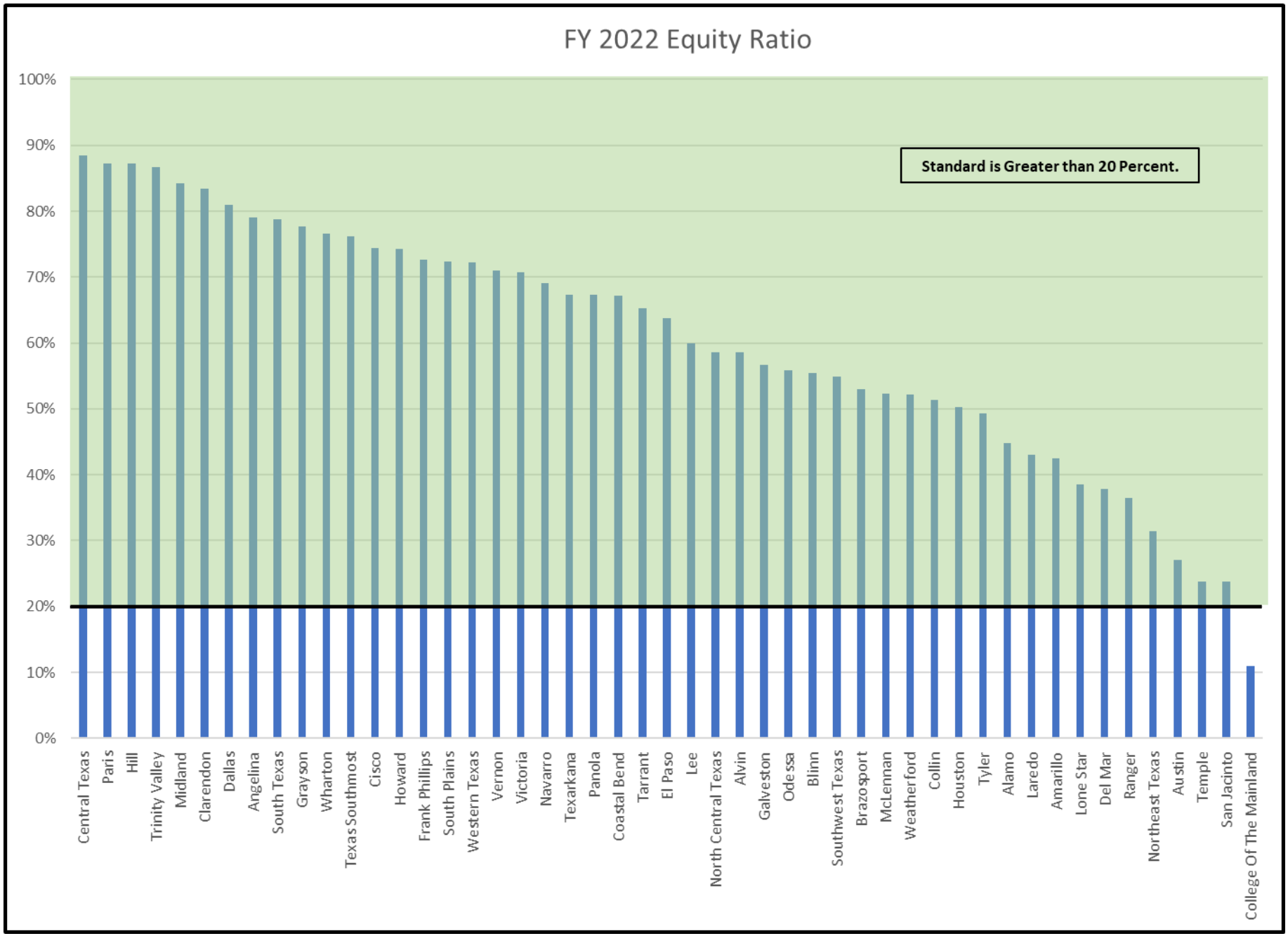

FY 2022 Primary Reserve
Standard is Greater than 0.14.
1.9
1.4
0.9
0.4
-0.2
South Texas
Panola
Western Texas
Central Texas
Texas Southmost
Weatherford
El Paso
Paris
Tarrant
Collin
Laredo
Grayson
Odessa
Midland
Galveston
Texarkana
Blinn
Howard
Houston
Lee
Angelina
Hill
Dallas
Trinity Valley
Victoria
Lone Star
Brazosport
Amarillo
South Plains
Navarro
Alvin
Coastal Bend
Del Mar
Temple
North Central Texas
Vernon
Alamo
Wharton
San Jacinto
Southwest Texas
McLennan
Austin
Ranger
Northeast Texas
Cisco
Clarendon
College Of The Mainland
Tyler
Frank Phillips

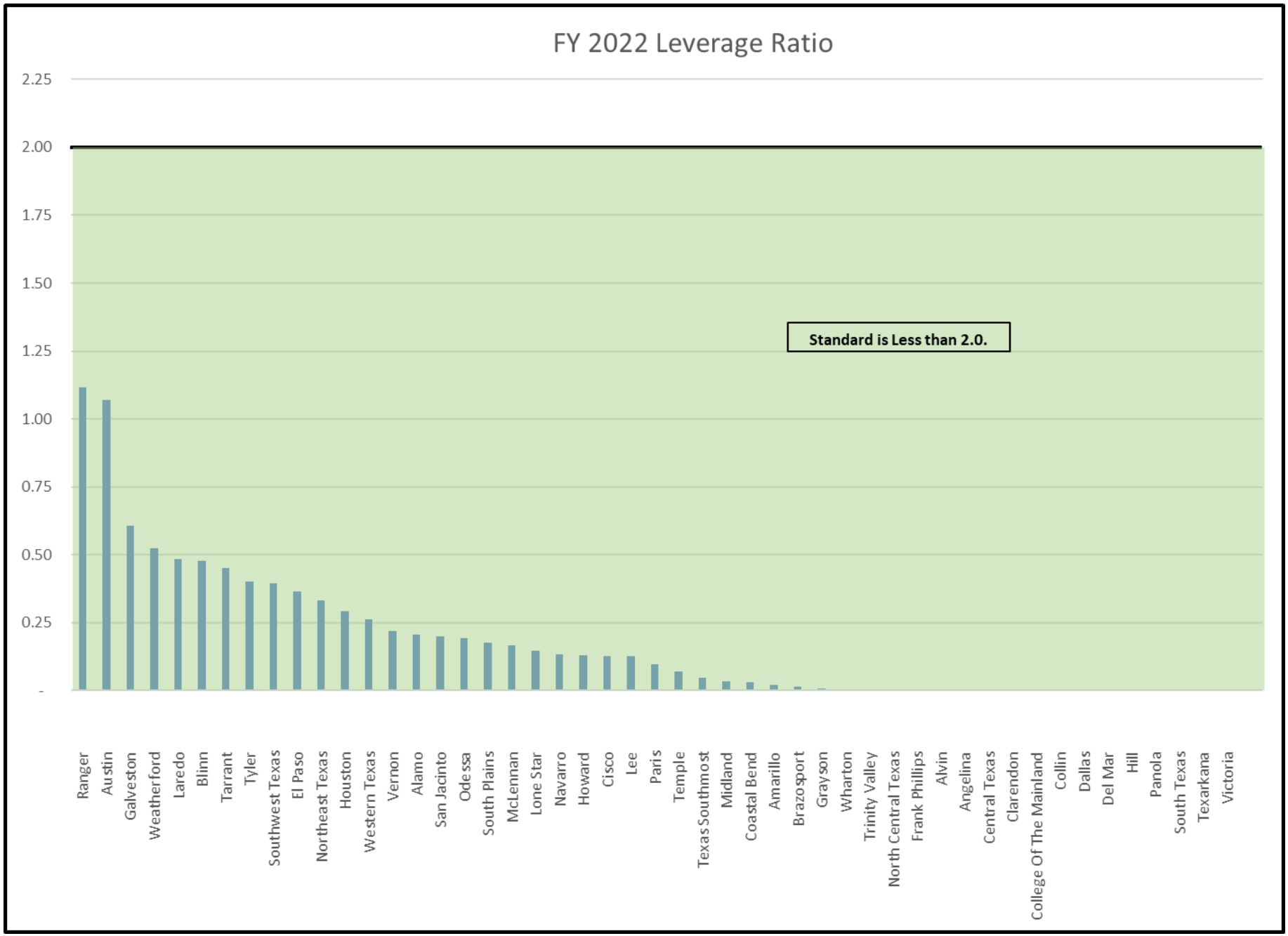


Note: Central Texas College and institutions to the left on the Viability ratio chart have ratios greater than 25. See pg. 13 or the excel companion file of this report for details.


FY 2022 Return on Net Position
Standard is Greater than 0.00.
30%
25%
20%
15%
10%
5%
0%
-5%
-10%
Coastal Bend
Austin
College Of The Mainland
McLennan
Alamo
Laredo
Cisco
Alvin
Weatherford
Lone Star
Temple
Lee
El Paso
Navarro
Midland
Grayson
Western Texas
Houston
Victoria
Odessa
Vernon
Ranger
Texarkana
South Texas
South Plains
Brazosport
Southwest Texas
Panola
Clarendon
Northeast Texas
Trinity Valley
Paris
Tyler
Dallas
Blinn
Howard
Galveston
Angelina
Tarrant
Hill
Del Mar
North Central Texas
Texas Southmost
San Jacinto
Collin
Wharton
Amarillo
Central Texas
Frank Phillips


FY 2022 Operating Margin
Standard is Greater than 0.00.
25%
20%
15%
10%
5%
0%
-5%
-10%
Western Texas
Blinn
Coastal Bend
Lone Star
Weatherford
El Paso
Texarkana
Paris
Midland
Grayson
Lee
Laredo
Galveston
Panola
Trinity Valley
Alvin
Cisco
Navarro
McLennan
Brazosport
Howard
Tarrant
Alamo
Southwest Texas
Tyler
Victoria
Temple
Odessa
Austin
Texas Southmost
Houston
Angelina
South Texas
Clarendon
Ranger
Vernon
South Plains
Central Texas
North Central Texas
Hill
Dallas
Amarillo
College Of The Mainland
Northeast Texas
San Jacinto
Collin
Wharton
Del Mar
Frank Phillips


FY 2022 Equity Ratio
Standard is Greater than 20 Percent.
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Central Texas
Paris
Hill
Trinity Valley
Midland
Clarendon
Dallas
Angelina
South Texas
Grayson
Wharton
Texas Southmost
Cisco
Howard
Frank Phillips
South Plains
Western Texas
Vernon
Victoria
Navarro
Texarkana
Panola
Coastal Bend
Tarrant
El Paso
Lee
North Central Texas
Alvin
Galveston
Odessa
Blinn
Southwest Texas
Brazosport
McLennan
Weatherford
Collin
Houston
Tyler
Alamo
Laredo
Amarillo
Lone Star
Del Mar
Ranger
Northeast Texas
Austin
Temple
San Jacinto
College Of The Mainland


FY 2022 Leverage Ratio
2.25
2.00
1.75
1.50
1.25
1.00
0.75
0.50
0.25
-
Standard is Less than 2.0.
Ranger
Austin
Galveston
Weatherford
Laredo
Blinn
Tarrant
Tyler
Southwest Texas
El Paso
Northeast Texas
Houston
Western Texas
Vernon
Alamo
San Jacinto
Odessa
South Plains
McLennan
Lone Star
Navarro
Howard
Cisco
Lee
Paris
Temple
Texas Southmost
Midland
Coastal Bend
Amarillo
Brazosport
Grayson
Wharton
Trinity Valley
North Central Texas
Frank Phillips
Alvin
Angelina
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Clarendon
College Of The Mainland
Collin
Dallas
Del Mar
Hill
Panola
South Texas
Texarkana
Victoria

Texas Higher Education
COORDINATING BOARD

This document is available on the Texas Higher Education Coordinating Board website: Community College Financial Condition Report - Texas Higher Education Coordinating Board.

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