

# **Texas Community and Technical Colleges Funding Formulas for the FY 2018-2019 Biennium**

**Recommendations of the Community and  
Technical Colleges Formula Advisory Committee  
(CTCFAC)**

**January 2016**

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## **Community and Technical Colleges Formula Advisory Committee (CTCFAC) Recommendation Report for the FY 2018-2019 Biennium**

In accordance with the biennial Formula Advisory Committee process, the Community and Technical Colleges (CTCs) submitted their report for consideration by the Commissioner of the Texas Higher Education Coordinating Board (THECB).

### **Committee Background**

The Commissioner of the THECB delivered his charge to the CTCFAC at its first meeting on August 12, 2015. The committee elected Dr. Dusty Johnston, President, Vernon College, as the chair and Ms. Kelli D. Shomaker, Vice President for Finance and Administrative Services, Blinn College, as vice chair.

The CTCFAC held three additional meetings between October 2015 and December 2015. A list of CTCFAC members is provided in Attachment A. The minutes of the meetings are provided in Attachment B.

### **Commissioner Charges and Committee Recommendations**

The Community and Technical College Formula Advisory Committee (CTCFAC), conducted in an open and public forum, is charged with proposing a set of formulas that provide the appropriate funding levels and financial incentives necessary to best achieve the goals of *60x30TX*. A preliminary written report of its activities and recommendations is due to the Commissioner by December 3, 2015, and a final written report by February 3, 2016. The CTCFAC's specific charges are to:

#### **Charge 1**

Study and make recommendation for the appropriate funding levels for the contact hour, core, and the student success funding.

#### **Committee Recommendation for Community Colleges.**

<b>Sector</b>	<b>2016-17 Appropriations (millions)</b>	<b>2018-19 Appropriations (millions)</b>	<b>Change Amount (millions)</b>	<b>Percent Change</b>
Texas Public Community Colleges	1,741.6	1,941.8	200.2	11.5%

- We recommend increasing the funding for community colleges by \$200.2 million to \$1,941.8 million that will enable institutions to meet the goals of *60x30TX* (see matrix in charge 4 below). We recommend the following priorities in funding:
  - ❖ Fund the Core \$75 million for the 2018-2019 biennium, or \$1.5 million per

community college district.

- ❖ Fund Community College Success Points at stable or increased funding rate, with a minimum of \$185 per point (initial rate funded for the 2014-15 biennium) in order to incent improvements in student success.
  - ❖ To provide stable contact-hour funding necessary to keep student tuition low and support enrollment growth, distribute the balance based on the Community College Contact Hour Formula.
- Fund the Bachelor of Technology (BAT) at the same rate as the 2016-17 biennium.

**Committee Recommendation for State Colleges.**

<b>Sector</b>	<b>2016-17 Appropriations (millions)</b>	<b>2018-19 Appropriations (millions)</b>	<b>Change Amount (millions)</b>	<b>Percent Change</b>
Texas Public State Colleges	42.8	45.1	2.3	5.3%

- We recommend increasing the funding to the State College formulas for the 2018-2019 biennium to \$45.1 million, which is an increase of \$2.3 million, or 5.3%, to the previous 2016-2017 biennium.
- Fund \$36.8 million to the State College Instruction and Administration formula for the 2018-19 biennium, which would be an increase of \$2.6 million, or 7.5 percent, compared to the \$34.2 million appropriated for the 2016-17 biennium.
  - ❖ This funding level assumes a rate of \$7.51 per contact hour, which is an increase of \$0.46, or 6.5 percent, compared to the \$7.05 funded for the 2016-17 biennium.
  - ❖ This funding level assumes a contact hour growth rate of 3 percent due to:
    - Early High School Campus opening fall 2016 will generate 100 students in year one, and 400 students by year four.
    - Expanded prison credit offerings.
    - Expanded Co-Enrollment to local high schools.
    - Expanded Career and Technical Education offerings with Port Arthur ISD.
    - Partnered with Community in Schools of Southeast Texas (CISSET) for a Site Coordinator to provide college and career services to high school students on all CISSET contracted campuses.
    - Lamar Institute of Technology began offering Associates of Arts Degrees in fall 2015.
  - ❖ The increase will provide support for the *60x30TX* initiative by:
    - Allowing the continued collaborative efforts between the colleges and high school campuses for dual enrollment and promotion of college attainment.
    - Continue the efforts of developing and implementing programs based on the desirable skill needs of our local employers.
    - Continue the efforts to set an early path to a college education by reaching out to high school students and parents to provide financial aid information, advising and career path counseling.
  - ❖ The recommendation includes an estimated \$8.1 million in statutory tuition and \$28.6 million in general revenue.

## Attachment A - Committee Membership

- Fund \$8.31 million to the Space Support formula and Small Institution supplement for the 2018-2019 biennium, which would be a decrease of \$0.32 million, or 4 percent, compared to the \$8.64 million appropriated for the 2016-17 biennium.
  - ❖ This funding level assumes a rate of \$5.86 per adjusted predicted square foot, which is an increase of \$0.31, or 5.6, percent compared to the \$5.55 funded for the 2016-17 biennium. The funding level assumes a 1.33 percent increase for growth in adjusted predicted square feet between fall 2014 and fall 2016 and a 2.3 percent increase for inflation.
- Split the recommended Space Support rate between “utilities” and “operations and maintenance” components using FY 2016 utility rates, update the utility rate adjustment factors using the FY 2016 utilities expenditures, and allocate the Space Support formula using the fall 2016 predicted square feet.

Fund the Small Institution Supplement using the same methodology and rate as the 2016-17 biennium.

**Charge 2****Committee Recommendation for Technical Colleges.**

<b>Sector</b>	<b>2016-17 Appropriations (millions)</b>	<b>2018-19 Appropriations (millions)</b>	<b>Change Amount (millions)</b>	<b>Percent Change</b>
Texas Public Technical Colleges	140.7	156.7	16.0	11.4%

<b>Administration and Instruction (A&amp;I) and Space Support</b>	<b>2016-2017 Appropriations (millions)</b>	<b>2018-2019 Appropriations (millions)</b>	<b>Change Amount (millions)</b>	<b>Percent Change</b>
General Revenue	103.5	118.0	14.5	14.0%
General Revenue-Dedicated	34.2	34.2	0	0%
All Funds	137.7	152.2	14.5	10.5%

<b>Small Institution Supplement</b>	<b>2016-2017 Appropriations (millions)</b>	<b>2018-2019 Appropriations (millions)</b>	<b>Change Amount (millions)</b>	<b>Percent Change</b>
General Revenue	3.0	4.5	1.5	66.6%

- Fund \$122.5 million in General Revenue and \$156.7 million in all funds for the 2018-2019 biennium, an increase of \$16 million, or 11.4 percent, which includes \$34.2 million of General Revenue-Dedicated.
- Fund 40 percent of the Texas State Technical College System (TSTCS) returned-value for the 2018-20 biennium.
  - ❖ The recommended funding rate is the same percentage of returned-value that would have been funded by the 2008-09 biennium general revenue appropriation.
  - ❖ This rate funds Instruction and Operations and Space Support using the Returned-Value funding model at a level of approximately \$118 million in General Revenue and \$152.2 million in All Funds, which is an increase of \$14.5 million, or 10.5 percent, compared to the All Funds appropriation for Instruction and Operations and Space Support of \$137.7 million for the 2016-17 biennium.
  - ❖ The \$152.2 million All Funds recommendation includes an estimated \$34.2 million in General Revenue-Dedicated (statutory tuition and fees) equal to the amount appropriated in the Administration and Instruction and Space Support formulas for the 2016-17 biennium.
  - ❖ The \$118 million General Revenue recommendation funds 40 percent of the \$295 million calculated Returned-Value of TSTCS students who last enrolled during fiscal years 2009 and 2010.

## Attachment A - Committee Membership

- Discontinue setting funding levels using contact hours to allow the TSTCS to better fulfill its mission of providing students with the best possible technical education through the optimal deployment of resources.
- Incorporate the TSTCS Space Support funding into the Returned-Value formula to, as directed by the Legislature, further the goal of rewarding job placement and graduate earnings, not time in training or contact hours.
- Continue to include the returned-value of former TSTCS students except dual credit and continuing education.
  - ❖ The Returned-Value formula is producing predictable, consistent results for credit programs; however, early results for dual credit and continuing education programs are significantly less predictable and consistent, and their inclusion in the Returned-Value formula requires further development.
  - ❖ Future committees should study the appropriate inclusion of the outcomes of dual credit and continuing education students in the model.
- Fund the Small Institution Supplement for the 2018-19 biennium at a rate of \$375,000 annually for institutions with fewer than 5,000 headcount and incrementally reduce this supplement as institutions' headcount approaches 10,000.
  - ❖ This rate funds the supplement at a level of approximately \$4.5 million, which would be an increase of \$1.5 million, or 50.6 percent, compared to the \$2.97 million appropriated for the 2016-17 biennium.

Funding includes the existing four campuses and the two new TSTCS campuses in Ellis and Fort Bend Counties as authorized by the 84th Texas Legislature in Texas Education Code (TEC), section 135.02(a).

### **Charge 3**

Study and make recommendations on the treatment of competency-based courses in formula allocations.

#### **Draft Recommendation for Consideration**

- Fund competency-based education courses (not modules) using the existing formula calculation and updated expenditure-based weights for the 2018-19 biennium.
  - ❖ Institutions offering competency-based programs should report hours to the Coordinating Board upon census date for that term of all students enrolled in modules associated with the course.
  - ❖ The expenditure study should include the courses' expense and hours reported for the respective fiscal years.
  - ❖ Fund hours through the formula for courses where the student attained mastery of the subject at the institution through instruction or independent study. Exclude hours where the student obtained mastery of the entire course prior to enrolling in the program. This includes not funding credit obtained through CLEP tests or similar evaluation practices through the formula.
- Expenditure data from a CBE program was evaluated by the GAI formula advisory committee and found insufficient for determining the appropriate funding formula for competency-based education for the sector.
  - ❖ The program, as well as an affiliated community college program, had only been in operation a single semester during Fiscal Year (FY) 2014. The CTC committee requests that additional semesters of competency-based course expenditure data be gathered in the future for use in helping to determine how CBE programs are funded at CTCs.
  - ❖ The commissioner should charge the 2020-21 biennium CTCFAC with reviewing any affiliated information to determine if the expense per hour for these courses varies enough from the statewide ratios to warrant an additional formula to fund competency-based education courses.

### **Charge 4**

Study and make recommendations on changes to the funding model that will enable institutions to meet the goals of *60x30TX*.

#### **Draft Recommendation for Consideration**

- We recommend the funding for community colleges be allocated with the following priorities:

Attachment A - Committee Membership

- ❖ Fund the Core \$75 million for the 2018-2019 biennium, or \$1.5 million per community college district.
  - ❖ Fund Community College Success Points at \$185 per point.
  - ❖ Distribute the balance based on the Community College Contact Hour Formula.
- We also recommend maintaining the current critical needs fields for this biennium and request the THECB review statewide critical needs and make recommendations to be considered in 2017.
  - The needs are great in our communities and receiving an additional \$200.2 million in the next biennium will allow community colleges to do more to increase student success and completion in order to meet the goals of *60x30TX*.

	<b>60X30</b>	<b>COMPLETION</b>	<b>MARKETABLE SKILLS</b>	<b>STUDENT DEBT</b>
<b>Core Operations</b>	Sustainability, viability, low tuition, technology for distance learning	Establish pathways, student progress/milestone tracking software, software to help identify individual student intervention needs	Acquire software to track accumulation of marketable skills through completion of degree	Keep tuition low to minimize debt need, acquire student financial literacy program tools
<b>Success Points</b>	Establish pathways, student tracking software	Establish pathways, student tracking software, student success interventions, employment of success coaches or additional advisors	Acquire web tools that provide job market data aligned to workforce and academic programs	
<b>Instructional Formula Distribution</b>	More academic and CTE dual credit courses offered, increased workforce training opportunities	Assure hours taken apply towards degree, block scheduling	Acquire and articulate marketable skills	Maintain/stabilize tuition rates, increase academic dual credit courses, increase CTE dual credit , no wasted courses

## Committee Membership

**Mr. Dusty Johnston, Chair**

Name/Title	Institution/Address	Email/Phone/Fax
<b><u>Institution Representatives:</u></b>		
<b>Ms. Angela Robinson</b> Acting Chancellor	Tarrant County College District 1500 Houston Street Fort Worth, Texas 76102	<a href="mailto:angela.robinson@tccd.edu">angela.robinson@tccd.edu</a> (817) 515-5201 FAX (817) 515-5450
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<b>Dr. Bradley W. Johnson</b> President	Northeast Texas Community College PO Box 1307 Mount Pleasant, TX 75456	<a href="mailto:bjohnson@ntcc.edu">bjohnson@ntcc.edu</a> (903) 434-8101 FAX (903) 572-6712
<b>Dr. Jeremy McMillen</b> President	Grayson College 6101 Grayson Drive Denison, TX 75020	<a href="mailto:mcmilleni@grayson.edu">mcmilleni@grayson.edu</a> (903) 463-8600 FAX (254) 299-8654
<b>Dr. Phil Rhodes</b> Vice President - Research, Effectiveness, and Information Technology	McLennan Community College 1400 College Drive, Admin. 410 Waco, TX 76708	<a href="mailto:prhodes@mcclennan.edu">prhodes@mcclennan.edu</a> (254) 299-8642 FAX (254) 299-8654
<b>Mr. Dusty Johnston (Chair)</b> President	Vernon College 4400 College Drive Vernon, Texas 76384	<a href="mailto:drj@vernoncollege.edu">drj@vernoncollege.edu</a> (940) 552-6291 EXT 2200 FAX (940) 553-3902

Attachment A - Committee Membership

## Committee Meeting Minutes

**Meeting of the Community and Technical Colleges Formula Advisory Committee  
Texas Higher Education Coordinating Board  
Lone Star Room, Second Floor  
1200 East Anderson Lane, Austin  
Wednesday, August 12, 2015  
1:45 p.m.**

### Minutes

Attendees: Ms. Erma Johnson Hadley, Ms. Diane Snyder, Ms. Kelli Shomaker, Ms. Mary Wickland, Mr. Michael Reeser, Mr. Cesar Vela, Dr. Pamela Anglin, Dr. Bradley W. Johnson, Dr. Jeremy McMillen, Dr. Phil Rhodes and Dr. Dusty Johnston

Absent: Mr. David Lydic and Dr. Mark Escamilla

THECB Staff: Mr. David Young and Mr Roland Gilmore

1. The meeting was called to order at 1:45 p.m.
2. Ms. Erma Johnson-Hadley, convening chair, nominated Dr. Dusty Johnston for chair and Ms. Kelli Shomaker for Vice Chair; Dr. Bradley Johnson motioned approval by acclamation, and there were no member objections to Dr. Dusty Johnston as committee chair and Ms. Kelli Shomaker for Vice Chair.
3. Mr. Gilmore provided a brief overview of the funding formulas.
4. The chair reviewed the Commissioner's 2018-2019 biennium charges and asked committee members to indicate their preference for working on the charges.
  - a. Charge 1 – Study and make recommendation for the appropriate funding levels for the contact hour, core, and the student success funding.
  - b. Charge 2 – Study and make recommendations for the appropriate funding level for, and the refinement of, Texas State Technical College System's returned value funding formula.
  - c. Charge 3 – Study and make recommendations on the treatment of competency-based courses in formula allocations.
  - d. Charge 4 – Study and make recommendations on changes to the funding model that will enable institutions to meet the goals of *60x30TX*.

Charge 1 and Charge 4 – Anglin (lead), Snyder, Shomaker, Wickland, Vela, McMillen, Rhodes

Charge 2 – Reeser (lead), Wickland, Johnson, Johnston

Charge 3 – Johnson-Hadley (lead), Lydic, Escamilla

5. The chair asked the committee if the future meeting dates and times distributed with the agenda were okay with the committee. A suggestion was made to cancel the September 10<sup>th</sup> meeting date to allow time for the work groups to work on their assigned charges. A vote was taken and the meeting date was unanimously canceled. A suggestion was made to move the meeting time for both the October 8<sup>th</sup> and November 5<sup>th</sup> dates to 11 a.m. A vote was taken and the meeting time was unanimously agreed to be moved to 11 a.m.
6. The meeting was adjourned at 3:15 p.m. The committee will next convene on until October 8, 2015, at 11:00 a.m.

Prepared by Roland Gilmore

**Meeting of the Community and Technical Colleges Formula Advisory Committee  
Texas Higher Education Coordinating Board  
Board Room, First Floor, 1.170  
1200 East Anderson Lane, Austin  
Thursday, October 8, 2015  
11:00 a.m.**

Minutes

Attendees: Ms. Diane Snyder, Ms. Kelli Shomaker, Ms. Mary Wickland, Mr. Michael Reeser, Mr. Cesar Vela, Dr. Pamela Anglin, Dr. Bradley W. Johnson, Dr. David Lydic, Dr. Phil Rhodes and Dr. Dusty Johnston

Joined by conference: Dr. Jeremy McMillen

Absent: Dr. Mark Escamilla

Moment of silence observed for Ms. Erma Johnson Hadley.

THECB Staff: Mr. David Young, Dr. Julie Eklund, Mr. Thomas Keaton, Dr. Judith Sebesta and Mr. Roland Gilmore

Legislative Budget Board: Ms. Emily Deardorff

Office of the Governor: Mr. Bobby Wilkinson

1. The meeting was called to order at 11:00 a.m.
2. The chair asked if there were any corrections to the minutes of the August 12, 2015, meeting. No corrections were noted. Ms. Kelli D. Shomaker moved that the minutes be approved. The motion was seconded by Dr. Pamela Anglin and unanimously approved.
3. Dr. Julie Eklund presented the *60x30TX* Plan.

4. Discussion of Charge 4 – Study and make recommendations on changes to the funding model that will enable institutions to meet the goals of *60x30TX*.
  - a. Ms. Snyder recommended the committee look at current alignment and discuss the issue at the next meeting. Dr. Johnston suggested that any recommendations from the committee should be mapped to *60x30TX* goals.
  - b. Dr. Anglin stated that more dual credit courses, including courses in workforce certificate programs, will be key.
  - c. Dr. Johnston pointed out that there will be a cost incurred to reach the goals and this must be recognized in the funding levels.
  - d. Dr. McMillan asked if there were alternate models of higher education finance. Dr. Eklund stated the committee that developed the plan discussed the need for looking at different approaches to financing higher education and the overriding theme of those discussions was the need to explore new approaches to finance, and financing in a manner that provides the most effective balance among appropriations, tuition and fees, and financial aid.
  - e. Dr. Johnston cautioned that the formulas allocate funding, but do not set the funding level. He pointed out that we need to intensify efforts in both appropriation and allocation; a multi-year plan needs a multi-year approach.
  - f. Ms. Shomaker stated the committee should consider a collaborative effort with the General Academic Institutions (GAI) committee as both are affected by the current appropriation and allocation model.
  - g. Dr. Johnson pointed out the fact that Success Point funding is 10% of total appropriation and perhaps success points should be split out and funded as a separate item. Dr. Johnston stated the 90/10 split and \$185 per success point are counter to each other and that perhaps we should base off a rate and consider inflation.
5. Dr Judith Sebesta presented on Competency-Based Education (CBE).
6. Discussion of Charge 3 – Study and make recommendations on the treatment of competency-based courses in formula allocations.
  - a. Dr. Johnston expressed concern with creating a method to use in formula funding. Dr. Lydic stated there was no update from the workgroup to date and Dr. Johnston asked for discussion on the topic.
  - b. Dr. Johnson stated that students that drag out their education can run out of time for financial aid. There is a value to the deadline and removing it has impacts. Dr. Johnson offered the question for future discussion – does CBE need to be treated like other formula items or the same?
7. Discussion of Charge 1 – Study and make recommendation for the appropriate funding levels for the contact hour, core, and the student success funding.

Attachment B - Committee Meeting Minutes

- a. Dr. Anglin referred to page 6 of the handout. Recommendations reflect an increase of approximately 11.5%; \$185/SP with an inflation adjustment. She noted that critical fields require consideration.
  - b. Dr. Johnson asked if there have been discussions regarding base funding, and if it is to recognize fixed costs, is there a mechanism to adjust the base funding over time. Dr. Johnston pointed out that this idea leads us back to the appropriation vs. allocation discussion.
  - c. Ms. Snyder stated the workgroup has collected variables for discussion and is still working on the topic. Dr. Johnston pointed out that the workgroup should focus on distribution variables and consider analyzing the output in terms of Full Time Student Equivalents (FTSE) for comparative purposes with other sectors.
  - d. Ms. Snyder requested the committee materials be modified to clearly show the recommendation is still in the works and the materials contained indicate it is the THECB staff straw man for discussion and not the work of the committee. Dr. Eklund said staff would modify materials to meet these conditions.
8. Discussed the need to review and make recommendations regarding critical need fields (Science, Technology, Engineering, Mathematics and Allied Health).
- a. Dr Eklund let the committee know the THECB is looking into the critical field topic and asked for input and recommendations from the group.
  - b. Dr. Eklund discussed the 8-week reporting pilot with Odessa College; the committee did not see any implications for formula funding.
9. The chair recommended the work groups continue their work preparing recommendations to the committee for the four charges.
10. Mr. Reeser gave a quick overview of the Returned Value model for the TSTC system.
- a. Key points:
  - b. Reject activity-based funding and replace with results-based funding
  - c. Include consideration of dual credit and continuing education
  - d. The Returned Value model changes the game (football analogy)
  - e. Infrastructure formula – consider rolling this amount into the return value formula
  - f. Dr. Johnston identified similarities with CBE and the TSTC approach, and Mr. Reeser pointed out the idea that funding on results can create a cheaper and faster path.
11. The chair asked for a motion to adjourn. Dr. David Lydic made the motion. The chair adjourned at 12:23 p.m. The committee will next convene November 5<sup>th</sup>, 2015, at 11:00 a. m.

Prepared by Roland Gilmore

**Meeting of the Community and Technical Colleges Formula Advisory Committee  
Texas Higher Education Coordinating Board  
Board Room, First Floor, 1.170  
1200 East Anderson Lane, Austin  
Thursday, November 5, 2015  
11:00 a.m.**

Minutes

Attendees: Dr. Jeremy McMillen, Ms. Diane Snyder, Ms. Kelli Shomaker, Ms. Mary Wickland, Mr. Cesar Vela, Dr. Pamela Anglin, Dr. David Lydic and Dr. Dusty Johnston

Joined by conference: Mr. Michael Reeser, Dr. Bradley W. Johnson, Dr. Phil Rhodes and Ms. Angela Robinson

Absent: Dr. Mark Escamilla

THECB Staff: Mr. David Young, Dr. Julie Eklund, Mr. Thomas Keaton and Mr. Roland Gilmore

Legislative Budget Board: Ms. Emily Deardorff

1. The meeting was called to order at 11:01 a.m.
2. The chair asked if there were any corrections to the minutes of the October 8, 2015, meeting. No corrections were noted. Ms. Kelli Shomaker moved that the minutes be approved. The motion was seconded by Dr. Jeremy McMillen and unanimously approved.
3. Discussion of Charges 1 and 4 – Study and make recommendation for the appropriate funding levels for the contact hour, core, and the student success funding. Study and make recommendations on changes to the funding model that will enable institutions to meet the goals of *60x30TX*.
  - a. Dr. Johnston made the suggestion to combine Charges 1 and 4 to better align funding recommendations with the new 60x30TX plan, which met with no concerns from the Committee.
  - b. Dr. Johnston asked Dr. Anglin to brief the committee on their combined draft recommendation.
  - c. Dr. Anglin said the workgroup supports a \$200.2 million increase in CTC funding according to the following:
    1. Independently fund the four areas of the formula
    2. Fund the Bachelors of Applied Technology (BAT) at the current rate adopted by the GAIFAC
    3. Propose an increase of \$25 M to Core funding
    4. Fund Student Success at \$185 per point.
    5. Fund the remainder based on contact hours.

- d. Dr. Anglin stressed the importance of the increased funding in sustaining and expanding the following needs in support of the *60x307X* plan:
    1. Increased academic dual credit opportunities
    2. Increased CTE dual credit opportunities
    3. Increased Workforce training opportunities on college campuses
    4. Employment of additional student success coaches or advisors to improve student completion
    5. Software to better track student progress and to identify interventions needed.
    6. Block scheduling
  - e. Vote on approval was postponed until the December 1, 2015, meeting.
4. Discussion of Charge 2 – Study and make recommendations for the appropriate funding level for, and the refinement of, Texas State Technical College System’s returned value funding formula (General Appropriations Act, HB 1, 84th Texas Legislature, Rider 11 (page III-217)).
    - a. Dr. Johnston referred to the agenda for the returned value funding formula recommendation that was before the Committee for adoption.
    - b. Mr. Reeser motioned the recommendation be accepted, Dr. David Lydic seconded the motion.
    - c. Dr. Johnson opened the item for discussion and asked for a briefing to the Committee by Mr. Reeser.
    - d. Mr. Reeser highlighted the adjustments made to the returned value funding formula.
  5. Replace the space support formula with an increase to the returned value funding formula of 3 Percent.
  6. Increase to the small institution supplement for 2 additional campuses of \$1.5 million
  7. Overall increase of 11.4 percent, or \$16 million, to the Texas State Technical Colleges.
  8. Discussion of Charge 3 – Study and make recommendations on the treatment of competency-based courses in formula allocations.
    - a. Dr. Anglin stated that CBE outcomes should continue to be tied to courses and funded under the current attempted contact hour model.
    - b. Mr. Reeser noted that potential rule changes might be needed from an accreditation auditing perspective.

Attachment B - Committee Meeting Minutes

- c. Dr. Johnson noted concern in the potential of lower standards associated with attaining a degree through CBE.
  - d. Dr. Julie Eklund mentioned the current two models at Texas A&M Commerce and South Texas College. Specifically, South Texas College was funded at the end of the semester on completed contact hours
  - e. Others noted concerns of pressures being applied to faculty to lower the quality and rigors of the coursework surrounding CBE.
  - f. Dr. Anglin added concern over CBE being funding on completed contact hours vs. attempted hours, which would reduce funding for CBE instruction.
9. The chair asked for a motion to adjourn. Dr. McMillen made the motion. The motion was seconded by Dr. Anglin. The motion was passed, and the chair adjourned at 11:53 a.m. The committee will next convene December 1, 2016, at 1:00 p. m.

Prepared by Roland Gilmore

**Not approved!**

**Meeting of the Community and Technical Colleges Formula Advisory Committee  
Texas Higher Education Coordinating Board  
Board Room, First Floor, 1.170  
1200 East Anderson Lane, Austin  
Tuesday, December 1, 2015  
1:00 p.m.**

**Not approved!**