



# A BOLD PLAN FOR FUNDING TEXAS' COMMUNITY COLLEGES

Texas Commission on Community College Finance

Texas has the ninth-largest economy in the world and is one of the nation's top job creators. But our workforce needs are changing — more jobs than ever require employees with certificates, degrees, and other credentials beyond high school diplomas.

Community colleges play a crucial role in helping Texans earn those credentials of value in every region of the state.

Texas has a historic opportunity to move beyond the decades-old community college funding model that was built around the needs of the 20th century. State leaders can develop a bold, new model that helps in *Building a Talent Strong Texas* and supports community colleges' vital role in our modern economy.

## The new funding model must:

- 1 Reward Colleges for Positive Outcomes**
- 2 Increase Affordability for Students**
- 3 Increase Capacity at Colleges to Meet Changing Workforce Needs**

# RECOMMENDATIONS

## 1. OUTCOMES

- 1.1 Distribute funding to community colleges based on **measurable outcomes** by rewarding colleges for:
  - a) **Credentials of value** awarded
  - b) Credentials of value awarded in **high-demand fields**
  - c) Successful **student transfers** to four-year universities
  - d) Completion of a sequence of **dual credit** courses that apply toward earning credentials
- 1.2 Provide a **guaranteed funding yield** for instruction and operations for colleges with low taxable valuations
- 1.3 Ensure the transition to the new model **does not negatively impact students or colleges**

## 2. AFFORDABILITY

- 2.1 Increase funding for **Texas Educational Opportunity Grants** (TEOG) so they support 70% of low-income community college students
- 2.2 Provide **financial aid for dual credit courses** for economically disadvantaged students
- 2.3 Support **work-based learning** opportunities such as apprenticeships, work-study, and internships through partnerships among colleges and employers

## 3. CAPACITY

- 3.1 Provide **seed grants for programs in high-demand fields** so community colleges can meet regional and state workforce needs
- 3.2 Support **shared services and partnerships among colleges** to improve operational efficiency and expand academic and workforce program offerings
- 3.3 Help colleges provide **high-quality non-credit credentials** that are convertible and stackable with credit-bearing programs

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These bold solutions will meet the needs of hundreds of thousands of Texas students and employers — while lifting the economy across a broad range of industries and communities.

**Every dollar Texas invests will create new opportunities across the state and nurture a higher-performing workforce that draws new investments and jobs.**