



Texas Higher Education Coordinating Board

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Paredes: New funding plan must align with Texas needs

Higher education formula funding to focus on student success, shared responsibility

AUSTIN, Texas (April 30, 2010) -- Declaring that the current Texas funding model for public higher education is not aligned with state needs, Texas Commissioner of Higher Education Dr. Raymund Paredes presented recommendations for funding Texas public higher education during the 2012-13 biennium that emphasizes student success and a shared responsibility model at an April 29 meeting of the Texas Higher Education Coordinating Board.

"No longer can additional funding be requested for higher education without ensuring a better return on the investments made by students, their families, and Texas taxpayers," Paredes said of the plan that recommends Texas spend \$8.8 billion over two years on public colleges, universities, and health-related institutions.

Board Chairman A. W. "Whit" Riter acknowledged the enrollment growth that Texas higher education has experienced in the 10 years since the state adopted the comprehensive *Closing the Gaps by 2015* strategic higher education plan, but he said that more must be done to increase the number of students who graduate with certificates and degrees.

"If Texas is serious about sustaining and advancing the state as a viable place to live and work now and well into the 21st century, significant changes in formula funding for higher education must focus not only on student enrollments, but also on student success," Riter said.

Paredes said that the future success of Texas and its institutions of higher education depend on a comprehensive shared responsibility model comprised of the State, institutions of higher education, the K-12 education system, students and their families, and communities.

Formula funding recommendations presented by Paredes focused on the first two components of the model: the State and institutions of higher education.

The proposed formula funding recommendations will align state appropriations to the specific missions of the higher education sectors, which span community colleges, technical and state colleges, general academic institutions, and health-related institutions, each with distinct responsibilities to their student bodies.

Formula funding addresses how the Texas Legislature allocates limited taxpayer dollars to state public institutions of higher education for teaching, research, facilities, and student services.

One key Paredes recommendation focused on student success is to change what day during a semester students at public universities are counted for the purpose of state funding.

Currently the student count or "census date" occurs on the 12th class day of the semester. The plan proposes changing the census date to the last day of the semester to ensure that students complete courses, which is considered a fundamental step toward graduation and completion of certificates and degrees. The plan would also provide additional funding for universities that enroll "at-risk" students so that those institutions have the resources to ensure student success.

"This proposal focuses on students who complete courses being counted for state funding purposes and is independent of the grades the students may earn, so faculty will have no incentive for grade inflation," Paredes said.

Texas higher education experienced historic growth in fall 2009 when the student population rose to 1,401,208.

"The State, as part of its shared responsibility, must recognize higher education growth with 100 percent funding based on that growth," Paredes said.

The comprehensive recommendation for all state higher education funding for the 2012-13 biennium is \$8.850 billion, a \$729.8 million or 9.0 percent increase over the 2010-11 funding period.

The proposed 2012-13 funding for community colleges totals \$2.19 billion for a 19.2 percent increase valued at \$353.3 million. Technical and state colleges would receive \$184.7 million under the proposal, a \$28.3 million or 18.1 percent.

General academic institutions would receive \$4.55 billion, an increase of 4.5 percent or \$196.7 million from the 2010-11 biennium. Health-related institutions are budgeted for \$1.872 billion, an increase of \$151.5 million or 8.8 percent increase.

Comprehensive Shared Responsibility Model

Paredes outlined a shared responsibility model that he said should guide Texas higher education policy. The model is predicated on five stakeholders that are critical for ensuring the future educational and vibrancy of Texas. The stakeholders and their roles are:

- 1) The *State* must provide adequate levels of funding both to institutions of higher education and financial aid programs to ensure the financial support is available to help students succeed;
- 2) The *institutions of higher education* must provide students with an array of support services, such as academic and professional counseling, monitoring of student progress, and tutoring to increase program and degree completion;
- 3) The *K-12 system* must better prepare students academically so that students are college ready;
- 4) *Students* must work diligently in K-12 to enter college ready to succeed, and *their families* must be aware of the academic and financial aid opportunities available to their children to go to college; and
- 5) The community must help develop and foster a college-going culture in their communities.

In a unanimous vote the Board adopted Paredes' proposed formula funding budget amounts, which will be forwarded to the Governor, Legislature, and Legislative Budget Board in June. The Texas Legislature will be considered the recommendations when it convenes in January 2011.

In other action the Board adopted the *Accelerated Plan for Closing the Gaps by 2015* to boost higher education enrollment and graduation among key Texas populations and within the areas of science, technology, engineering, and mathematics, commonly referred to as "STEM fields."

Specific strategies and tactics focus on Hispanic and African American populations, especially Hispanic and African American males.

The supplement to *Closing the Gaps* also calls for a greater focus on community colleges, comprehensive transfer agreements between community colleges and four-year institutions, improvement in the effectiveness of developmental education, and accelerating the implementation of comprehensive student support systems in institutions with large Hispanic and African American enrollments.

About the Coordinating Board

The Texas Higher Education Coordinating Board works with the Legislature, Governor, governing boards, higher education institutions and other entities to help Texas meet the goals of the state's higher education plan, *Closing the Gaps by 2015*. The Coordinating Board providing Texans with broad access to higher education of the highest quality in the most efficient manner.

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To schedule an interview with Dr. Paredes about the proposed formula funding for Texas public higher education, contact Andy Kesling in External Relations, (512) 427-6119, andy.kesling@thehb.state.tx.us.

Related Information:

- Formula Funding Recommendations for the 2012-13 Biennium
<http://www.thehb.state.tx.us/index.cfm?objectid=4B1D62A2-0DCF-FF55-DD32D51B2BC829B2>
- Accelerated Plan for Closing the Gaps by 2015
<http://www.thehb.state.tx.us/index.cfm?objectid=51580FDE-C0B5-A8AC-52594BF0BCA8FDC3>