

Community College Funding: Overview of Outcomes-based Formula

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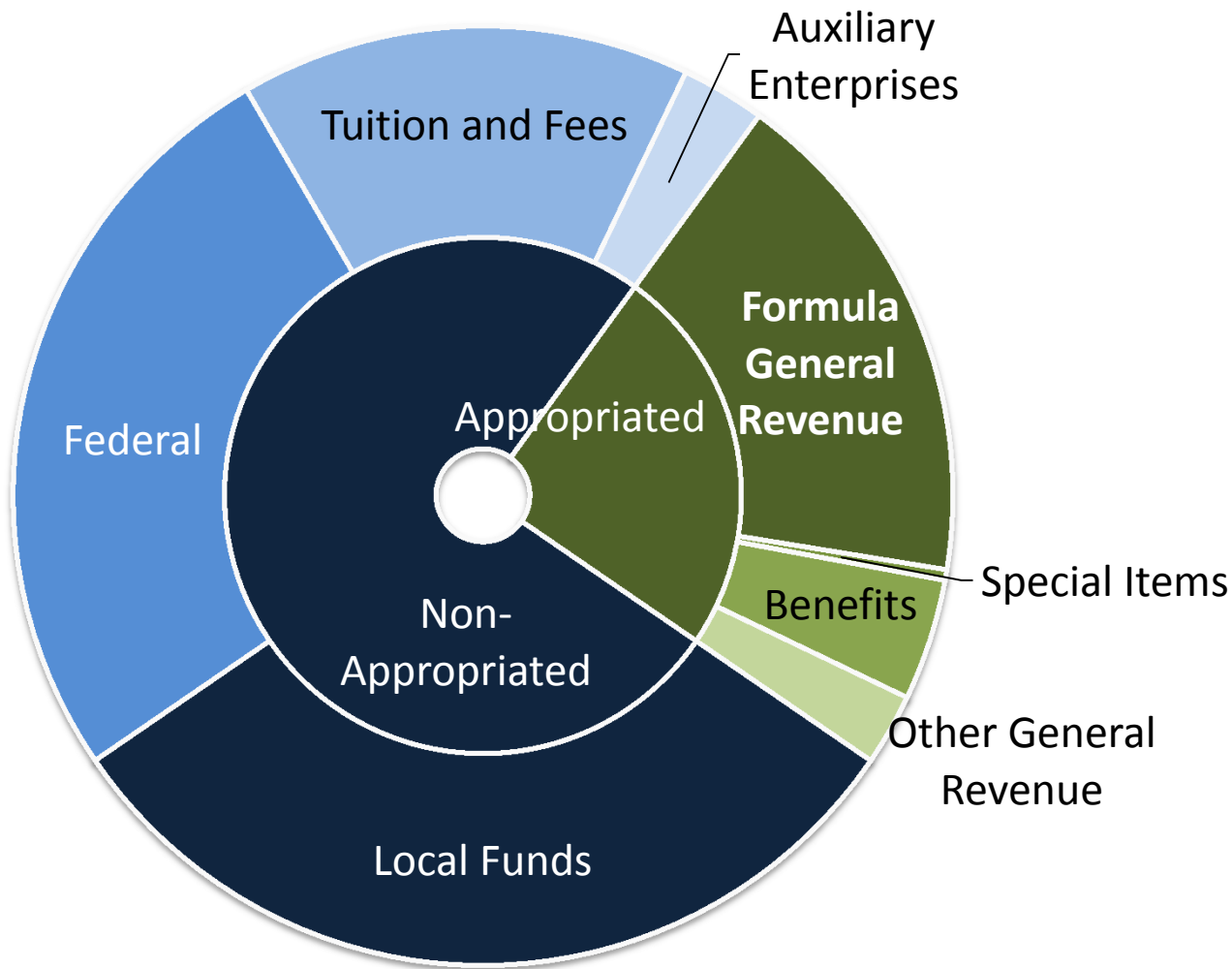
Assistant Commissioner for Planning and Accountability



**TEXAS HIGHER EDUCATION
COORDINATING BOARD**

Presentation to the
House Committee on
Appropriations
Subcommittee on
Article III
May 13, 2014

COMMUNITY COLLEGES ARE FUNDED FROM A VARIETY OF SOURCES



Formula Funding intended to cover:

Instruction

Department operating expenses

Academic support (including libraries)

Student services

Institutional support

FOR FY14/15, COMMUNITY COLLEGE FORMULA FUNDING STRUCTURE WAS MODIFIED

FY12/13 Structure

Small Institution Supplement
(\$4.5 million for biennium)

Available to certain low-revenue, low-enrollment institutions

Instruction and Administration
(\$1.732 billion for biennium)

Calculated on contact hours using a cost-based formula

FY14/15 Structure

Core Operations Funding
(\$50 million for biennium)

Flat \$1 million per community college district

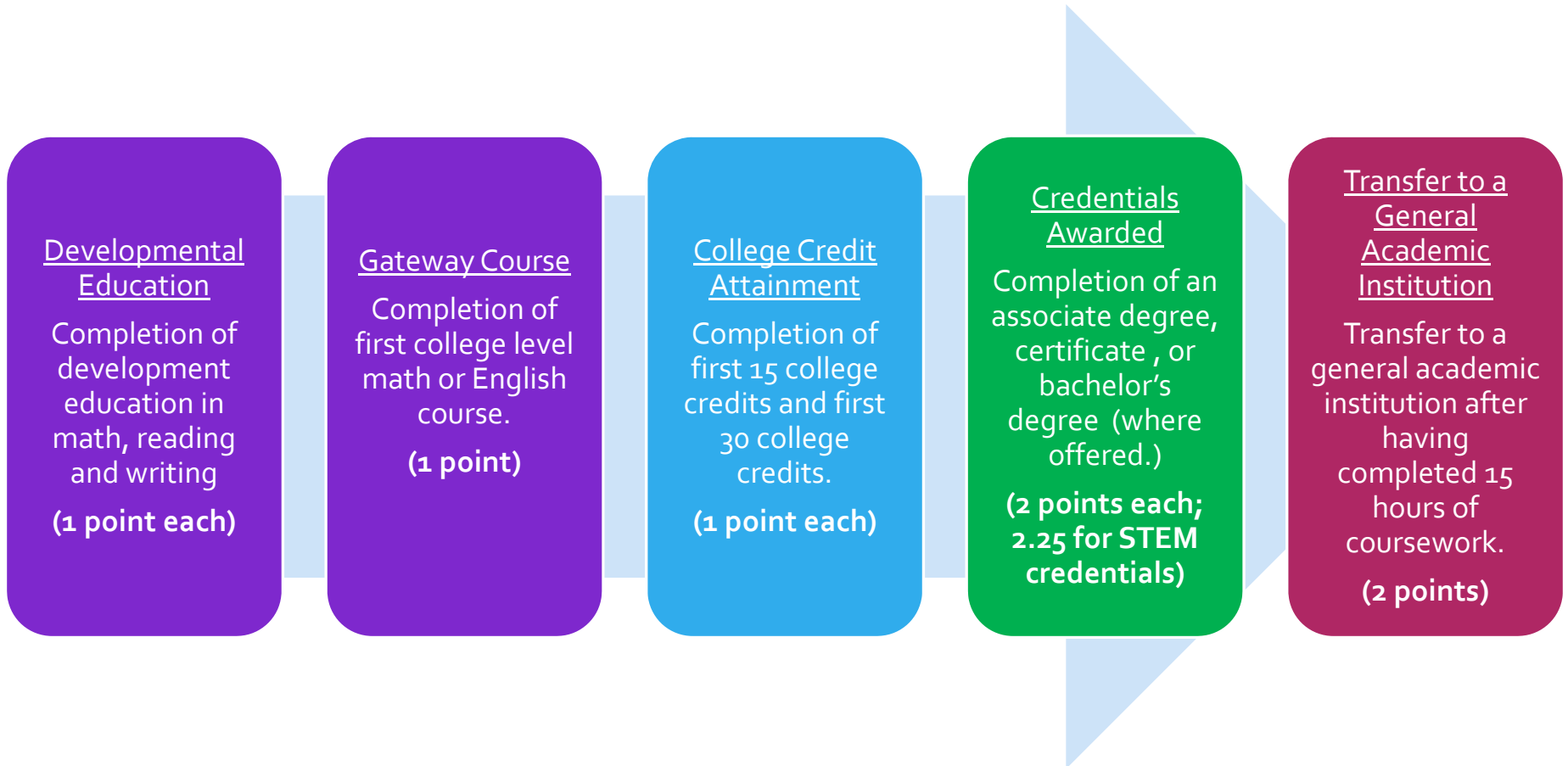
Instruction and Administration
90% of non-Core Formula
(\$1.546 billion for biennium)

Calculated on contact hours using the cost based formula as in prior biennia

Student Success
10% of non-Core Formula
(\$172 million for biennium)

Calculated using institutions' student success points

SUCCESS POINTS MEASURE STUDENT ATTAINMENT ON MULTIPLE INDICATORS



FY16/17 STUDENT SUCCESS ALLOCATION TO BE BASED ON INSTITUTIONAL INCREASES

- FY14/15 Student Success funding was allocated among institutions based on a three-year average of institutional performance on the defined metrics.
- Rider instructed Coordinating Board to work with community colleges to develop an FY16/17 recommendation that, “compares the performance of a district to itself using the allocation of student success points in the 2014-15 biennium as a baseline.”

FY16/17 STUDENT SUCCESS FUNDING RECOMMENDATION

- For FY16/17, fund Student Success points at the FY14/15 amount of \$185 per point
- Compare institutions' points earned during current three-year average baseline (FY 12, 13, 14) against the previous baseline (FY 10, 11, 12)
- Any increase in points will result in an increase in success funding; a decrease in points will result in a decrease in success funding