

Section 1

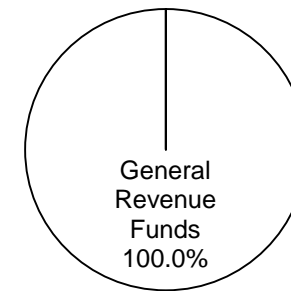
Public Community/Junior Colleges
Summary of Recommendations - House

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Daniel Estrada, LBB Analyst

Method of Financing	2012-13 Base	2014-15 Recommended	Biennial Change	% Change
General Revenue Funds	\$1,749,380,723	\$1,645,081,171	(\$104,299,552)	(6.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,749,380,723</i>	<i>\$1,645,081,171</i>	<i>(\$104,299,552)</i>	<i>(6.0%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$1,749,380,723	\$1,645,081,171	(\$104,299,552)	(6.0%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



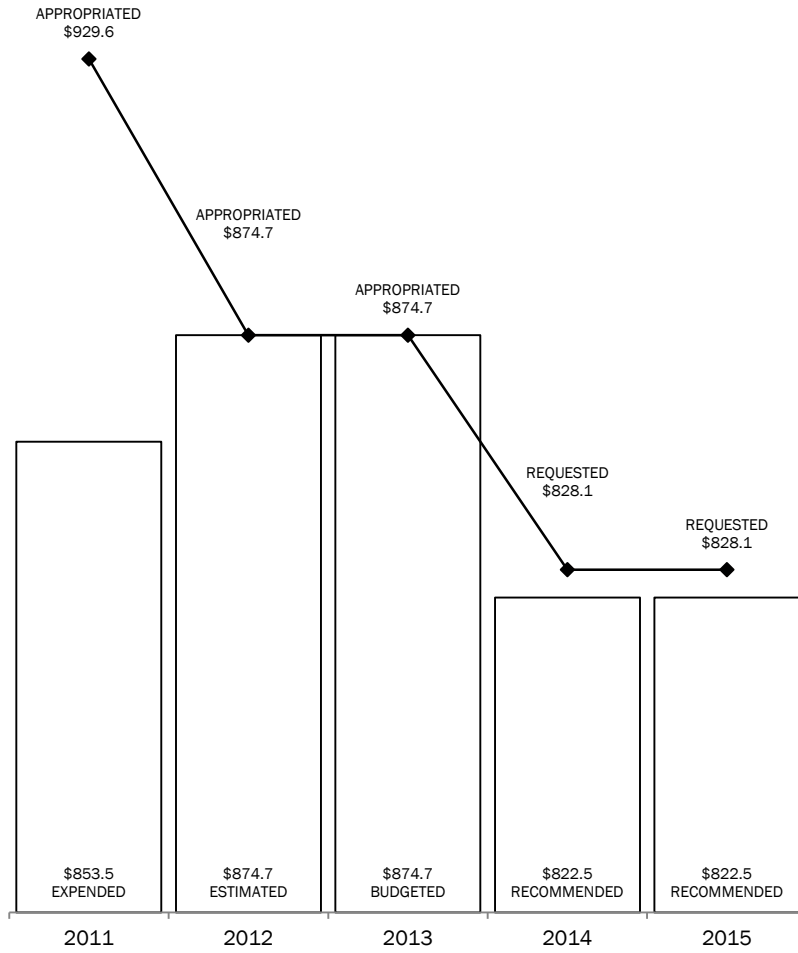
The bill pattern for the Public Community/Junior Colleges (2014-15 Recommended) represents an estimated 21% of the community college's estimated total available funds for the 2014-15 biennium.

**Section 1
Public Community/Junior Colleges**

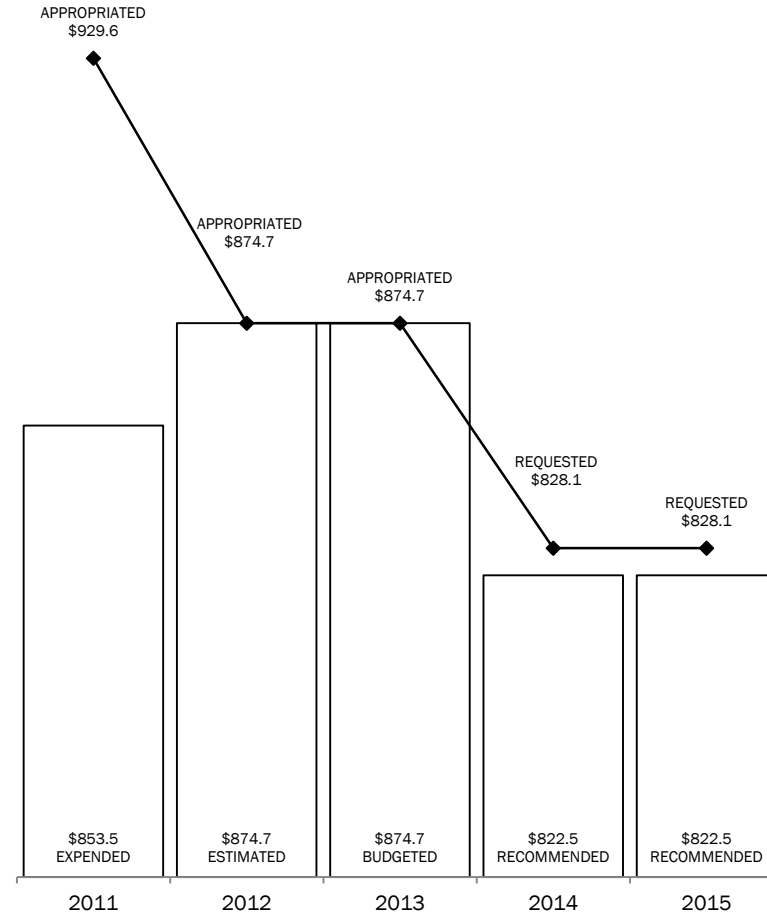
2014-2015 BIENNIUM
IN MILLIONS

TOTAL= \$1,645.1 MILLION

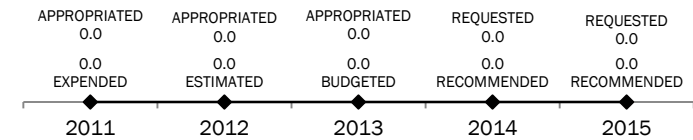
ALL FUNDS



**GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Section 2

**Public Community/Junior Colleges
Summary of Recommendations - House, By Method of Finance -- General Revenue Fund 01**

	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	Comments
Formula Recommendations	\$ 1,709,700,034	\$ 1,627,264,509	\$ (82,435,525)	(4.8%)	Recommendations include maintaining the 2012-13 average formula rate per contact hour. See Selected Fiscal and Policy Issues.
Texas Southmost College	\$22,477,955	\$ 15,987,530	(6,490,425)	(28.9%)	Recommendations include establishing a Trusteed Account at the Higher Education Coordinating Board for Texas Southmost College formula. See Selected Fiscal and Policy Issues.
Small Institution Supplement Recommendations	4,500,000	\$ 4,500,000	-	0.0%	Recommendations include maintaining the Small Institution Supplement methodology. Nine Public Community/Junior Colleges meet the criteria to receive an additional \$500,000 each for the biennium.
Bachelor of Applied Technology Recommendations	929,958	\$ 1,382,406	452,448	48.7%	Recommendations include funding the Bachelor of Applied Technology programs at three Public Community/Junior Colleges at the same Instruction & Operations Support General Revenue Rate as General Academic Institutions.
Special Item Recommendations	11,772,776	\$ 11,934,256	161,480	1.4%	See below for detail on Special Items.

Grand Total, All Contributions: \$ 1,749,380,723 \$ 1,661,068,701 \$ (88,312,022) -5.0%

Special Item Detail	2012-13 Base	2014-15 Recommended	Biennial Change	% Change	
Virtual College of Texas (Austin Community College)	\$ 712,500	\$ 712,500	\$ -	0.0%	Maintain at 2012-13 base level.
Star of the Republic Museum (Blinn College)	\$ 507,654	\$ 507,654	\$ -	0.0%	Maintain at 2012-13 base level.
Small Business Development Center (Dallas CCD)	\$ 3,303,808	\$ 3,303,808	\$ -	0.0%	Maintain at 2012-13 base level.
STARLINK (Dallas CCD)	\$ 400,188	\$ 561,668	\$ 161,480	40.4%	Increase funding over the 2012-13 base.
Heritage Museum (Hill College)	\$ 513,000	\$ 513,000	\$ -	0.0%	Maintain at 2012-13 base level.
Southwest Collegiate Institute for the Deaf (Howard College)	\$ 5,302,586	\$ 5,302,586	\$ -	0.0%	Maintain at 2012-13 base level.
Import/Export Training Center (Laredo College)	\$ 322,390	\$ 322,390	\$ -	0.0%	Maintain at 2012-13 base level.
American Airpower Heritage Museum (Midland College)	\$ 710,650	\$ 710,650	\$ -	0.0%	Maintain at 2012-13 base level.
Total, All Special Items:	\$ 11,772,776	\$ 11,934,256	\$ 161,480	1.4%	

Section 3

Public Community/Junior Colleges Selected Fiscal and Policy Issues

1. **Maintain 2012-13 Formula Methodology.** The recommendations include funding the Public Community/Junior Colleges (Community Colleges) under the same funding methodology the used for the 2012-13 biennium. The recommendations include funding 100 percent of the formula through the allocation of contact hours, excluding funding for the small institution supplement.
2. **Contact Hour Decrease and Rate.** The recommendations include funding the Community Colleges at the 2012-13 average base rate per contact hour of approximately \$5.54. The total number of contact hours decreased by 5.1 percent for the 2014-15 base period from 2012-13 for the Community College districts included in the formula funding recommendations, which results in an \$88,925,950 decrease in General Revenue.
3. **Texas Southmost College.** The recommendations include \$15,987,530 in General Revenue for Texas Southmost College based on the number of contact hours it generated in the base period. The recommendations also trustee its formula funding at the Higher Education Coordinating Board and then reallocate its funding based on updated contact hour data in the Fall of 2013. See Texas Southmost College Selected Fiscal and Policy Issue section.
4. **Bachelor of Applied Technology.** The recommendations include funding the Bachelor of Applied Technology (BAT) programs offered at Brazosport College, Midland College, and South Texas College at the same General Academic Institutions' Instruction & Operations Support General Revenue rate which is \$38 per fiscal year for the 2014-15 biennium. With a 19.4 percent increase in semester credits hours for the BAT program, the funding increased by \$452,448 in General Revenue to \$1,382,406 in 2014-15.
5. **Small Institution Supplement.** The recommendations include funding the Small Institution Supplement (SIS) using the same methodology used for 2012-13. Recommendations include \$500,000 per eligible district for the 2014-15 biennium. There are a total of nine districts that meet the criteria to receive the SIS. Wharton County Junior College is no longer eligible and Alvin Community College is now eligible to receive the supplement for the 2014-15 biennium.
6. **Report on System Administration.** Information purposes only and not included in the recommendations. Rider 53, System Administration for Community Colleges, in the Higher Education Coordinating Board's (Board) bill pattern directed the Board to work with a consultant to develop a blueprint that establishes a state system administration for public community colleges. The National Center for Higher Education Management Systems (NCHEMS) was selected to assist the Board with this review. NCHEMS completed the report in June 2012 with the following recommendations:
 1. Organize the functions of a "state system of administration for community colleges" within the framework of the Board; and,
 2. Establish an interim independent Texas Community College and Workforce Policy Center ("Center"). The Center would be an interim independent agency with a defined lifespan until the functions of the Board are aligned in a manner that demonstrates a clear, consistent and deliberate understanding and commitment to the community college mission.
7. **Outcomes Based Formula.** Funding for the Higher Educating Coordinating Board's Outcomes based formula is not incorporated.

Section 3

8. **Formula Funding for University of Texas at Brownsville (UTB) and Texas Southmost College (TSC).**

The base period used for the Instruction and Operations (I&O) Formula for UTB and for the Instruction and Administration (I&A) Formula for TSC consists of semester credit hours (SCHs) and contact hours (CHs), respectively, for Summer 2012, Fall 2012, and Spring 2013. During the base period, the allocation for lower level undergraduate courses between the two institutions will be distributed based on a virtual enrollment. Both UTB and TSC agree that this allocation of SCHs and CHs might not accurately reflect what the actual enrollment of students will be when institutions are separate. To ensure an accurate allocation of funding for lower level undergraduate hours in fiscal years 2014-15, the LBB proposes to trustee funding for the lower level undergraduate hours at the Higher Education Coordinating Board (THECB) to then be reallocated to the two institutions after data is updated in fall of 2013 via the following mechanisms:

1. Funding amounts for lower level undergraduate SCHs and CHs will be calculated using final I&O and I&A rates. Recommendations provide \$16 million in General Revenue for TSC's contact hours within Strategy F.1.5 at THECB. Within each institution's bill patterns:
 - a. UTB will continue to receive funding for SCHs relating to upper level undergraduate, master's, doctoral, and special programs, as well as funding provided by the Legislature for Infrastructure, Special Items, and Research.
2. The rider in THECB's bill pattern makes the trustee funding for the lower level undergraduate SCHs and CHs contingent in 2014-15 upon the following factors:
 - a. UTB and TSC providing information in Fall 2013 on actual student distribution between the separate institutions and the LBB re-calculating the distribution of funding between the two institutions with updated base period data.
 - b. LBB staff requesting approval regarding the new distribution of these funds. The request is considered approved if not disapproved within fifteen days after the date that staff provides the recommendation.
 - c. After approval, the LBB directing THECB to release the funding to the institutions according to the new allocation.
3. The rider also maintains that if the new funding allocation is less than amounts appropriated in this strategy, the remainder will lapse to the credit of the General Revenue Fund. If the new funding allocation is more than funds appropriated in this strategy, both institutions' amounts will be prorated so that it may not exceed available funding.

Section 3

The University of Texas at Brownsville (UTB) and Texas Southmost College (TSC) Selected Policy Overview

Background: Since June 1991, Texas Southmost College (TSC) and The University of Texas at Brownsville (UTB) have partnered as one institution known as UTB-TSC. The partnership dedicated most of TSC's tax revenues and facilities to UTB-TSC and required UTB to provide academic and support services, including management of most faculty and staff. During 2010-2011, the two institutions agreed to end the partnership and the 82nd Legislature passed SB 1909, which directed both TSC and UTB to separate the partnership by August 31, 2015 unless required for accreditation. The current status of the separation is:

- The institutions have established a virtual enrollment beginning in summer of 2012. Virtual enrollment means that students self identify which institution they would like to attend.
- The institutions are targeting complete operational separation by fall of fiscal year 2014. Students will be enrolled at a specific institution based on the two separate schools offering different degree programs, enrollment standards and tuition rates, and having separate enrollment processes.
- Each institution must achieve separate accreditation by fall of 2015.

Issue #1: Formula Funding. The base period used for the Instruction and Operations (I&O) Formula for UTB and for the Instruction and Administration (I&A) Formula for TSC consists of semester credit hours (SCHs) and contact hours (CHs), respectively, for Summer 2012, Fall 2012, and Spring 2013. During the base period, the allocation for lower level undergraduate courses between the two institutions will be distributed based on the virtual enrollment. Both UTB and TSC agree that this allocation of SCHs and CHs might not accurately reflect what the actual enrollment of these students will be when institutions are separate.

- LBB Proposal: To ensure an accurate allocation of funding for lower level undergraduate hours in fiscal years 2014-15, the LBB proposes to trustee funding for the lower level undergraduate hours at the Coordinating Board to then be re-allocated to the two institutions after data is updated in fall of 2013.

Issue #2. Higher Education Group Insurance (HEGI) Funding. HEGI funding is allocated to institutions based on enrollment in the group insurance plan as of December 1, 2012. Currently, almost all of the employees at UTB-TSC work for UTB and are contracted to TSC as needed. UTB is implementing a reduction in force for fiscal year 2013 and it is possible that TSC will increase their workforce. In the past, HEGI has funded these contract employees at the JUCO rates, but provided the contributions to the University of Texas (UT) System on these employees' behalf for their enrollment in UT System's group insurance plan. TSC belongs to the Employees Retirement System (ERS) Group Benefits Program (GBP) and any new employees will be enrolled at ERS.

- LBB Proposal: To provide HEGI appropriations based on actual workforce levels in fiscal years 2014-15, LBB proposes to withhold HEGI contributions for the two institutions to UT System and ERS until institutions submit new enrollment levels as of December 1, 2013, when a re-allocation between the two will be calculated.

Informational: Benefits Issues for Employees Subject to a Reduction in Force. Employees that are part of UTB's reduction in force that are then rehired by TSC may face the below issues with their benefits. These issues can be remedied in statute for the affected employees.

- Retirement: Individuals enrolled in the Teachers Retirement System or Optional Retirement Program that remove their retirement contributions will be subject to a ninety-day delay if they are rehired by TSC.
- Insurance: Individuals who do not utilize COBRA or are not within the UT system group insurance plan at the time of rehire by TSC will be subject to a ninety-day delay in insurance coverage at ERS.
- Retiree Health Insurance: Employees are normally required to be enrolled in the same insurance plan for ten years to be eligible for employer contributions towards insurance premiums upon retirement. Some employees may be affected if they meet requirements for retirement, but do not have the full ten years of service at either UT System or under an ERS institution. However, affected employees with a combined ten years of service would be eligible for TRS-Care.

Section 3

Community College District Financial Condition Selected Policy Overview

Financial Condition. Rider 14 in the Public Community/Junior Colleges bill pattern in the 2012-13 General Appropriations Act, Eighty-second Legislature, directs the Higher Education Coordinating Board (Board) to submit an annual report about the financial condition of the state's community colleges. This rider implements a recommendation in the 2011 Government Effectiveness and Efficiency Report, *Strengthen Financial Oversight of Community Colleges*.

The analysis provided by the Board in May 2012 is a broad financial evaluation of the state's public community college districts based on one year of financial data. Other key performance indicators such as enrollment, audit findings, and accreditation status were taken into account to gain a more robust and complete understanding of institutional strength.

Ratios referenced in the Board's report are commonly used by external entities to measure the health of higher education institutions. A composite financial index (CFI) was calculated by the Board to provide one metric to more efficiently analyze the financial health of all the districts. Other ratios used in the Board analysis include an equity ratio, debt burden ratio, leverage ratio, as well as enrollment figures and other non-quantitative factors. Based on the data analyzed, institutions were designated as satisfactory, in need of monitoring, or unsatisfactory. Using industry practice and historical data, benchmarks for financial health were established.

Based on fiscal year 2011 Annual Financial Report data, the Board's analysis found that twelve of the 50 districts did not meet thresholds for three or more of the Board's 12 financial indicators. Those districts had questionable fluctuations in their long-term liabilities, debt burden, enrollment, audit findings, and accreditation status. Fifteen districts did not meet the threshold for two or fewer indicators. The remaining twenty-three districts met the threshold for all indicators. Those districts were considered robustly capitalized with positive net asset balances and strong internal controls.

2012-13 Base Summary

		2012-13 General Revenue Base					Total
	Public Community/Junior College	Formula	Small Inst. Supp.	Special Items	B.A.T.		
1	Alamo Community College	\$ 129,240,643	\$ -	\$ -	\$ -	\$ 129,240,643	
2	Alvin Community College	\$ 14,318,460	\$ -	\$ -	\$ -	\$ 14,318,460	
3	Amarillo College	\$ 30,418,247	\$ -	\$ -	\$ -	\$ 30,418,247	
4	Angelina College	\$ 15,048,551	\$ -	\$ -	\$ -	\$ 15,048,551	
5	Austin Community College	\$ 90,715,064	\$ -	\$ 712,500	\$ -	\$ 91,427,564	
6	Blinn College	\$ 42,028,063	\$ -	\$ 507,654	\$ -	\$ 42,535,717	
7	Brazosport College	\$ 9,631,108	\$ -	\$ -	\$ 125,083	\$ 9,756,191	
8	Central Texas College	\$ 39,342,630	\$ -	\$ -	\$ -	\$ 39,342,630	
9	Cisco Junior College	\$ 10,757,962	\$ -	\$ -	\$ -	\$ 10,757,962	
10	Clarendon College	\$ 4,399,324	\$ 500,000	\$ -	\$ -	\$ 4,899,324	
11	Coastal Bend College	\$ 12,332,959	\$ 500,000	\$ -	\$ -	\$ 12,832,959	
12	College of the Mainland	\$ 11,852,634	\$ -	\$ -	\$ -	\$ 11,852,634	
13	Collin County Community College	\$ 61,297,934	\$ -	\$ -	\$ -	\$ 61,297,934	
14	Dallas County College	\$ 178,760,764	\$ -	\$ 3,703,996	\$ -	\$ 182,464,760	
15	Del Mar College	\$ 32,642,135	\$ -	\$ -	\$ -	\$ 32,642,135	
16	El Paso Community College	\$ 63,617,200	\$ -	\$ -	\$ -	\$ 63,617,200	
17	Frank Phillips College	\$ 3,578,024	\$ 500,000	\$ -	\$ -	\$ 4,078,024	
18	Galveston College	\$ 6,507,766	\$ -	\$ -	\$ -	\$ 6,507,766	
19	Grayson County College	\$ 15,074,682	\$ -	\$ -	\$ -	\$ 15,074,682	
20	Hill College	\$ 13,213,076	\$ -	\$ 513,000	\$ -	\$ 13,726,076	
21	Houston College	\$ 140,246,045	\$ -	\$ -	\$ -	\$ 140,246,045	
22	Howard College	\$ 14,720,356	\$ 500,000	\$ 5,302,586	\$ -	\$ 20,522,942	
23	Kilgore College	\$ 21,955,033	\$ -	\$ -	\$ -	\$ 21,955,033	
24	Laredo Community College	\$ 21,585,868	\$ -	\$ 322,390	\$ -	\$ 21,908,258	
25	Lee College	\$ 18,018,480	\$ -	\$ -	\$ -	\$ 18,018,480	
26	Lone Star College	\$ 129,758,007	\$ -	\$ -	\$ -	\$ 129,758,007	
27	McLennan College	\$ 27,566,939	\$ -	\$ -	\$ -	\$ 27,566,939	
28	Midland College	\$ 16,638,077	\$ -	\$ 710,650	\$ 94,344	\$ 17,443,071	
29	Navarro College	\$ 31,501,650	\$ -	\$ -	\$ -	\$ 31,501,650	
30	North Central Texas College	\$ 19,671,661	\$ -	\$ -	\$ -	\$ 19,671,661	
31	Northeast Texas Community College	\$ 8,772,097	\$ -	\$ -	\$ -	\$ 8,772,097	
32	Odessa College	\$ 13,751,587	\$ -	\$ -	\$ -	\$ 13,751,587	
33	Panola College	\$ 7,104,375	\$ -	\$ -	\$ -	\$ 7,104,375	
34	Paris Junior College	\$ 17,818,694	\$ -	\$ -	\$ -	\$ 17,818,694	
35	Ranger Junior College	\$ 4,456,975	\$ 500,000	\$ -	\$ -	\$ 4,956,975	
36	San Jacinto College	\$ 73,037,114	\$ -	\$ -	\$ -	\$ 73,037,114	
37	South Plains College	\$ 27,026,596	\$ -	\$ -	\$ -	\$ 27,026,596	
38	South Texas Community College	\$ 65,337,620	\$ -	\$ -	\$ 710,531	\$ 66,048,151	
39	Southwest Texas College	\$ 13,727,030	\$ -	\$ -	\$ -	\$ 13,727,030	
40	Tarrant County	\$ 104,951,385	\$ -	\$ -	\$ -	\$ 104,951,385	
41	Temple Junior College	\$ 15,125,329	\$ 500,000	\$ -	\$ -	\$ 15,625,329	
42	Texarkana College	\$ 14,926,197	\$ -	\$ -	\$ -	\$ 14,926,197	
43	Texas Southmost College	\$ 22,477,955	\$ -	\$ -	\$ -	\$ 22,477,955	
44	Trinity Valley College	\$ 21,972,396	\$ -	\$ -	\$ -	\$ 21,972,396	
45	Tyler Junior College	\$ 33,953,034	\$ -	\$ -	\$ -	\$ 33,953,034	
46	Vernon College	\$ 10,877,375	\$ 500,000	\$ -	\$ -	\$ 11,377,375	
47	Victoria College	\$ 11,848,156	\$ -	\$ -	\$ -	\$ 11,848,156	
48	Weatherford College	\$ 15,330,190	\$ -	\$ -	\$ -	\$ 15,330,190	
49	Western Texas College	\$ 6,645,083	\$ 500,000	\$ -	\$ -	\$ 7,145,083	
50	Wharton College	\$ 16,599,458	\$ 500,000	\$ -	\$ -	\$ 17,099,458	
Total		\$ 1,732,177,989	\$ 4,500,000	\$ 11,772,776	\$ 929,958	\$ 1,749,380,723	

Section 3b

2014-15 Recommendations Summary Compared to 2012-13

		2012-13 Base	2014-15 General Revenue Recommendations				Biennial Change		
		Total 2012-13	Formula	Small Inst. Supp.	Special Items	B.A.T.	Total 2014-15	Difference	Percent
Public Community/Junior College									
1	Alamo Community College	\$ 129,240,643	\$ 118,227,417	\$ -	\$ -	\$ -	\$ 118,227,417	\$ (11,013,226)	-8.52%
2	Alvin Community College	\$ 14,318,460	\$ 13,345,083	\$ 500,000	\$ -	\$ -	\$ 13,845,083	\$ (473,377)	-3.31%
3	Amarillo College	\$ 30,418,247	\$ 28,590,962	\$ -	\$ -	\$ -	\$ 28,590,962	\$ (1,827,285)	-6.01%
4	Angelina College	\$ 15,048,551	\$ 13,662,467	\$ -	\$ -	\$ -	\$ 13,662,467	\$ (1,386,084)	-9.21%
5	Austin Community College	\$ 91,427,564	\$ 85,974,404	\$ -	\$ 712,500	\$ -	\$ 86,686,904	\$ (4,740,660)	-5.19%
6	Blinn College	\$ 42,535,717	\$ 41,632,966	\$ -	\$ 507,654	\$ -	\$ 42,140,620	\$ (395,097)	-0.93%
7	Brazosport College	\$ 9,756,191	\$ 8,936,248	\$ -	\$ -	\$ 183,742	\$ 9,119,990	\$ (636,201)	-6.52%
8	Central Texas College	\$ 39,342,630	\$ 37,943,510	\$ -	\$ -	\$ -	\$ 37,943,510	\$ (1,399,120)	-3.56%
9	Cisco Junior College	\$ 10,757,962	\$ 9,380,304	\$ -	\$ -	\$ -	\$ 9,380,304	\$ (1,377,658)	-12.81%
10	Clarendon College	\$ 4,899,324	\$ 3,868,805	\$ 500,000	\$ -	\$ -	\$ 4,368,805	\$ (530,519)	-10.83%
11	Coastal Bend College	\$ 12,832,959	\$ 11,294,669	\$ 500,000	\$ -	\$ -	\$ 11,794,669	\$ (1,038,290)	-8.09%
12	College of the Mainland	\$ 11,852,634	\$ 10,703,303	\$ -	\$ -	\$ -	\$ 10,703,303	\$ (1,149,331)	-9.70%
13	Collin County Community College	\$ 61,297,934	\$ 61,158,598	\$ -	\$ -	\$ -	\$ 61,158,598	\$ (139,336)	-0.23%
14	Dallas County College	\$ 182,464,760	\$ 168,109,315	\$ -	\$ 3,865,476	\$ -	\$ 171,974,791	\$ (10,489,969)	-5.75%
15	Del Mar College	\$ 32,642,135	\$ 29,420,901	\$ -	\$ -	\$ -	\$ 29,420,901	\$ (3,221,234)	-9.87%
16	El Paso Community College	\$ 63,617,200	\$ 62,427,146	\$ -	\$ -	\$ -	\$ 62,427,146	\$ (1,190,054)	-1.87%
17	Frank Phillips College	\$ 4,078,024	\$ 3,295,382	\$ 500,000	\$ -	\$ -	\$ 3,795,382	\$ (282,642)	-6.93%
18	Galveston College	\$ 6,507,766	\$ 6,095,529	\$ -	\$ -	\$ -	\$ 6,095,529	\$ (412,237)	-6.33%
19	Grayson County College	\$ 15,074,682	\$ 13,647,144	\$ -	\$ -	\$ -	\$ 13,647,144	\$ (1,427,538)	-9.47%
20	Hill College	\$ 13,726,076	\$ 12,509,470	\$ -	\$ 513,000	\$ -	\$ 13,022,470	\$ (703,606)	-5.13%
21	Houston College	\$ 140,246,045	\$ 132,964,259	\$ -	\$ -	\$ -	\$ 132,964,259	\$ (7,281,786)	-5.19%
22	Howard College	\$ 20,522,942	\$ 12,627,283	\$ 500,000	\$ 5,302,586	\$ -	\$ 18,429,869	\$ (2,093,073)	-10.20%
23	Kilgore College	\$ 21,955,033	\$ 19,635,840	\$ -	\$ -	\$ -	\$ 19,635,840	\$ (2,319,193)	-10.56%
24	Laredo Community College	\$ 21,908,258	\$ 19,934,068	\$ -	\$ 322,390	\$ -	\$ 20,256,458	\$ (1,651,800)	-7.54%
25	Lee College	\$ 18,018,480	\$ 15,940,572	\$ -	\$ -	\$ -	\$ 15,940,572	\$ (2,077,908)	-11.53%

		2012-13 Base	2014-15 General Revenue Recommendations				Biennial Change		
Public Community/Junior College		Total 2012-13	Formula	Small Inst. Supp.	Special Items	B.A.T.	Total 2014-15	Difference	Percent
26	Lone Star College	\$ 129,758,007	\$ 134,971,688	\$ -	\$ -	\$ -	\$ 134,971,688	\$ 5,213,681	4.02%
27	McLennan College	\$ 27,566,939	\$ 25,308,405	\$ -	\$ -	\$ -	\$ 25,308,405	\$ (2,258,534)	-8.19%
28	Midland College	\$ 17,443,071	\$ 15,195,061	\$ -	\$ 710,650	\$ 173,062	\$ 16,078,773	\$ (1,364,298)	-7.82%
29	Navarro College	\$ 31,501,650	\$ 29,950,877	\$ -	\$ -	\$ -	\$ 29,950,877	\$ (1,550,773)	-4.92%
30	North Central Texas College	\$ 19,671,661	\$ 20,013,283	\$ -	\$ -	\$ -	\$ 20,013,283	\$ 341,622	1.74%
31	Northeast Texas Community College	\$ 8,772,097	\$ 8,453,101	\$ -	\$ -	\$ -	\$ 8,453,101	\$ (318,996)	-3.64%
32	Odessa College	\$ 13,751,587	\$ 13,173,423	\$ -	\$ -	\$ -	\$ 13,173,423	\$ (578,164)	-4.20%
33	Panola College	\$ 7,104,375	\$ 7,184,150	\$ -	\$ -	\$ -	\$ 7,184,150	\$ 79,775	1.12%
34	Paris Junior College	\$ 17,818,694	\$ 16,060,997	\$ -	\$ -	\$ -	\$ 16,060,997	\$ (1,757,697)	-9.86%
35	Ranger Junior College	\$ 4,956,975	\$ 5,229,496	\$ 500,000	\$ -	\$ -	\$ 5,729,496	\$ 772,521	15.58%
36	San Jacinto College	\$ 73,037,114	\$ 70,241,835	\$ -	\$ -	\$ -	\$ 70,241,835	\$ (2,795,279)	-3.83%
37	South Plains College	\$ 27,026,596	\$ 24,764,988	\$ -	\$ -	\$ -	\$ 24,764,988	\$ (2,261,608)	-8.37%
38	South Texas Community College	\$ 66,048,151	\$ 63,669,968	\$ -	\$ -	\$ 1,025,602	\$ 64,695,570	\$ (1,352,581)	-2.05%
39	Southwest Texas College	\$ 13,727,030	\$ 12,538,273	\$ -	\$ -	\$ -	\$ 12,538,273	\$ (1,188,757)	-8.66%
40	Tarrant County	\$ 104,951,385	\$ 103,151,745	\$ -	\$ -	\$ -	\$ 103,151,745	\$ (1,799,640)	-1.71%
41	Temple Junior College	\$ 15,625,329	\$ 14,030,682	\$ 500,000	\$ -	\$ -	\$ 14,530,682	\$ (1,094,647)	-7.01%
42	Texarkana College	\$ 14,926,197	\$ 12,595,818	\$ -	\$ -	\$ -	\$ 12,595,818	\$ (2,330,379)	-15.61%
44	Trinity Valley College	\$ 21,972,396	\$ 20,666,013	\$ -	\$ -	\$ -	\$ 20,666,013	\$ (1,306,383)	-5.95%
45	Tyler Junior College	\$ 33,953,034	\$ 31,016,824	\$ -	\$ -	\$ -	\$ 31,016,824	\$ (2,936,210)	-8.65%
46	Vernon College	\$ 11,377,375	\$ 9,544,900	\$ 500,000	\$ -	\$ -	\$ 10,044,900	\$ (1,332,475)	-11.71%
47	Victoria College	\$ 11,848,156	\$ 10,839,394	\$ -	\$ -	\$ -	\$ 10,839,394	\$ (1,008,762)	-8.51%
48	Weatherford College	\$ 15,330,190	\$ 14,639,167	\$ -	\$ -	\$ -	\$ 14,639,167	\$ (691,023)	-4.51%
49	Western Texas College	\$ 7,145,083	\$ 6,464,848	\$ 500,000	\$ -	\$ -	\$ 6,964,848	\$ (180,235)	-2.52%
50	Wharton College	\$ 17,099,458	\$ 16,233,928	\$ -	\$ -	\$ -	\$ 16,233,928	\$ (865,530)	-5.06%
Total		\$ 1,726,902,768	\$ 1,627,264,509	\$ 4,500,000	\$ 11,934,256	\$ 1,382,406	\$ 1,645,081,171	\$ (81,821,597)	-4.74%
43	Texas Southmost College	\$ 22,477,955	\$ 15,987,530	\$ -	\$ -	\$ -	\$ 15,987,530	(6,490,425)	-28.87%
Grand Total		\$ 1,749,380,723	\$ 1,643,252,039	\$ 4,500,000	\$ 11,934,256	\$ 1,382,406	\$ 1,661,068,701	\$ (88,312,022)	-5.05%

2014-15 Formula General Revenue Summary Compared to 2012-13

	2012-13		2014-15 Formula		Difference		Percent Change	
	Formula							
Public Community/Junior College								
1	Alamo Community College	\$ 129,240,643	\$ 118,227,417	\$ (11,013,226)		-8.52%		
2	Alvin Community College	\$ 14,318,460	\$ 13,345,083	\$ (973,377)		-6.80%		
3	Amarillo College	\$ 30,418,247	\$ 28,590,962	\$ (1,827,285)		-6.01%		
4	Angelina College	\$ 15,048,551	\$ 13,662,467	\$ (1,386,084)		-9.21%		
5	Austin Community College	\$ 90,715,064	\$ 85,974,404	\$ (4,740,660)		-5.23%		
6	Blinn College	\$ 42,028,063	\$ 41,632,966	\$ (395,097)		-0.94%		
7	Brazosport College	\$ 9,631,108	\$ 8,936,248	\$ (694,860)		-7.21%		
8	Central Texas College	\$ 39,342,630	\$ 37,943,510	\$ (1,399,120)		-3.56%		
9	Cisco Junior College	\$ 10,757,962	\$ 9,380,304	\$ (1,377,658)		-12.81%		
10	Clarendon College	\$ 4,399,324	\$ 3,868,805	\$ (530,519)		-12.06%		
11	Coastal Bend College	\$ 12,332,959	\$ 11,294,669	\$ (1,038,290)		-8.42%		
12	College of the Mainland	\$ 11,852,634	\$ 10,703,303	\$ (1,149,331)		-9.70%		
13	Collin County Community College	\$ 61,297,934	\$ 61,158,598	\$ (139,336)		-0.23%		
14	Dallas County College	\$ 178,760,764	\$ 168,109,315	\$ (10,651,449)		-5.96%		
15	Del Mar College	\$ 32,642,135	\$ 29,420,901	\$ (3,221,234)		-9.87%		
16	El Paso Community College	\$ 63,617,200	\$ 62,427,146	\$ (1,190,054)		-1.87%		
17	Frank Phillips College	\$ 3,578,024	\$ 3,295,382	\$ (282,642)		-7.90%		
18	Galveston College	\$ 6,507,766	\$ 6,095,529	\$ (412,237)		-6.33%		
19	Grayson County College	\$ 15,074,682	\$ 13,647,144	\$ (1,427,538)		-9.47%		
20	Hill College	\$ 13,213,076	\$ 12,509,470	\$ (703,606)		-5.33%		
21	Houston College	\$ 140,246,045	\$ 132,964,259	\$ (7,281,786)		-5.19%		
22	Howard College	\$ 14,720,356	\$ 12,627,283	\$ (2,093,073)		-14.22%		
23	Kilgore College	\$ 21,955,033	\$ 19,635,840	\$ (2,319,193)		-10.56%		
24	Laredo Community College	\$ 21,585,868	\$ 19,924,068	\$ (1,661,800)		-7.65%		
25	Lee College	\$ 18,018,480	\$ 15,940,572	\$ (2,077,908)		-11.53%		
26	Lone Star College	\$ 129,758,007	\$ 134,971,688	\$ 5,213,681		4.02%		
27	McLennan College	\$ 27,566,939	\$ 25,308,405	\$ (2,258,534)		-8.19%		
28	Midland College	\$ 16,638,077	\$ 15,195,061	\$ (1,443,016)		-8.67%		
29	Navarro College	\$ 31,501,650	\$ 29,950,877	\$ (1,550,773)		-4.92%		
30	North Central Texas College	\$ 19,671,661	\$ 20,013,283	\$ 341,622		1.74%		
31	Northeast Texas Community College	\$ 8,772,097	\$ 8,453,101	\$ (318,996)		-3.64%		
32	Odessa College	\$ 13,751,587	\$ 13,173,423	\$ (578,164)		-4.20%		
33	Panola College	\$ 7,104,375	\$ 7,184,150	\$ 79,775		1.12%		
34	Paris Junior College	\$ 17,818,694	\$ 16,060,997	\$ (1,757,697)		-9.86%		
35	Ranger Junior College	\$ 4,456,975	\$ 5,229,496	\$ 772,521		17.33%		
36	San Jacinto College	\$ 73,037,114	\$ 70,241,835	\$ (2,795,279)		-3.83%		
37	South Plains College	\$ 27,026,596	\$ 24,764,988	\$ (2,261,608)		-8.37%		
38	South Texas Community College	\$ 65,337,620	\$ 63,669,968	\$ (1,667,652)		-2.55%		
39	Southwest Texas College	\$ 13,727,030	\$ 12,538,273	\$ (1,188,757)		-8.66%		
40	Tarrant County	\$ 104,951,385	\$ 103,151,745	\$ (1,799,640)		-1.71%		
41	Temple Junior College	\$ 15,125,329	\$ 14,030,682	\$ (1,094,647)		-7.24%		
42	Texarkana College	\$ 14,926,197	\$ 12,595,818	\$ (2,330,379)		-15.61%		
44	Trinity Valley College	\$ 21,972,396	\$ 20,666,013	\$ (1,306,383)		-5.95%		
45	Tyler Junior College	\$ 33,953,034	\$ 31,016,824	\$ (2,936,210)		-8.65%		
46	Vernon College	\$ 10,877,375	\$ 9,544,900	\$ (1,332,475)		-12.25%		
47	Victoria College	\$ 11,848,156	\$ 10,839,394	\$ (1,008,762)		-8.51%		
48	Weatherford College	\$ 15,330,190	\$ 14,639,167	\$ (691,023)		-4.51%		
49	Western Texas College	\$ 6,645,083	\$ 6,464,848	\$ (180,235)		-2.71%		
50	Wharton College	\$ 16,599,458	\$ 16,233,928	\$ (365,530)		-2.20%		
Total		\$ 1,709,700,034	\$ 1,627,264,509	\$ (82,435,525)		-4.82%		
43 Texas Southmost College		\$ 22,477,955	\$ 15,987,530	\$ (6,490,425)		-28.87%		
Grand Total		\$ 1,732,177,989	\$ 1,643,252,039	\$ (88,925,950)		-5.13%		

2014-15 Contact Hours Compared to 2012-13

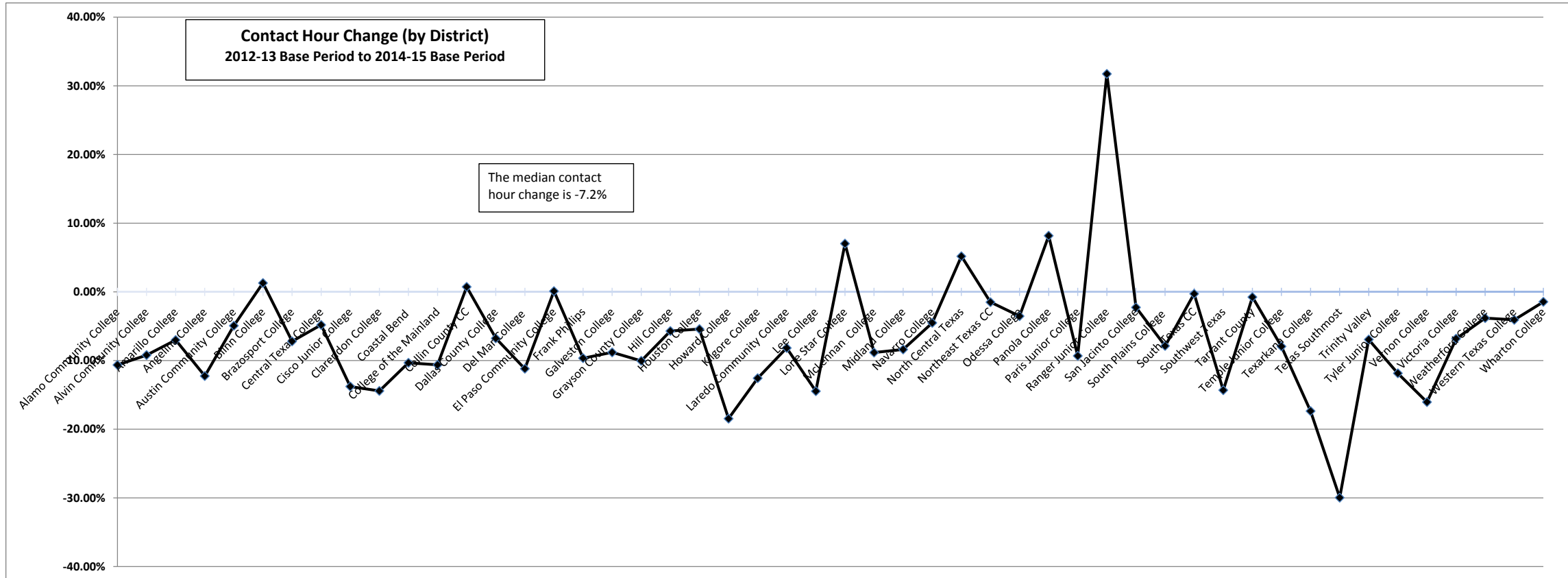
	2012-13	2014-15	Difference	Percent Change	
1	Alamo Community College	24,065,719	(2,561,052)	-10.64%	
2	Alvin Community College	2,577,914	(237,167)	-9.20%	
3	Amarillo College	5,254,013	(368,219)	-7.01%	
4	Angelina College	2,702,772	(331,158)	-12.25%	
5	Austin Community College	16,567,470	(816,522)	-4.93%	
6	Blinn College	7,630,973	7,729,236	1.29%	
7	Brazosport College	1,752,404	1,626,133	(126,271)	-7.21%
8	Central Texas College	7,189,287	6,843,154	(346,133)	-4.81%
9	Cisco Junior College	1,982,574	1,709,512	(273,062)	-13.77%
10	Clarendon College	824,312	705,461	(118,851)	-14.42%
11	Coastal Bend College	2,173,492	1,949,015	(224,477)	-10.33%
12	College of the Mainland	2,152,680	1,923,974	(228,706)	-10.62%
13	Collin County Community College	11,201,590	11,283,235	81,645	0.73%
14	Dallas County College	32,647,646	30,439,960	(2,207,686)	-6.76%
15	Del Mar College	5,721,907	5,081,841	(640,066)	-11.19%
16	El Paso Community College	11,408,846	11,420,746	11,900	0.10%
17	Frank Phillips College	659,650	595,998	(63,652)	-9.65%
18	Galveston College	1,144,434	1,043,600	(100,834)	-8.81%
19	Grayson County College	2,632,228	2,367,960	(264,268)	-10.04%
20	Hill College	2,411,011	2,273,547	(137,464)	-5.70%
21	Houston College	25,878,421	24,477,292	(1,401,129)	-5.41%
22	Howard College	2,830,734	2,308,226	(522,508)	-18.46%
23	Kilgore College	3,956,997	3,459,662	(497,335)	-12.57%
24	Laredo Community College	3,890,531	3,572,675	(317,856)	-8.17%
25	Lee College	3,260,749	2,789,227	(471,522)	-14.46%
26	Lone Star College	23,008,350	24,624,482	1,616,132	7.02%
27	McLennan College	4,897,235	4,464,623	(432,612)	-8.83%
28	Midland College	2,976,812	2,727,256	(249,556)	-8.38%
29	Navarro College	5,656,907	5,401,732	(255,175)	-4.51%
30	North Central Texas College	3,492,953	3,673,837	180,884	5.18%
31	Northeast Texas Community College	1,506,319	1,483,742	(22,577)	-1.50%
32	Odessa College	2,388,996	2,304,583	(84,413)	-3.53%
33	Panola College	1,148,661	1,242,568	93,907	8.18%
34	Paris Junior College	3,157,799	2,863,561	(294,238)	-9.32%
35	Ranger Junior College	709,269	934,361	225,092	31.74%
36	San Jacinto College	12,785,723	12,496,502	(289,221)	-2.26%
37	South Plains College	4,880,197	4,496,241	(383,956)	-7.87%
38	South Texas Community College	11,426,939	11,395,173	(31,766)	-0.28%
39	Southwest Texas College	2,681,899	2,297,994	(383,905)	-14.31%
40	Tarrant County	19,091,020	18,946,052	(144,968)	-0.76%
41	Temple Junior College	2,651,044	2,440,513	(210,531)	-7.94%
42	Texarkana College	2,673,676	2,209,692	(463,984)	-17.35%
44	Trinity Valley College	3,929,905	3,657,482	(272,423)	-6.93%
45	Tyler Junior College	6,075,602	5,355,523	(720,079)	-11.85%
46	Vernon College	1,941,584	1,630,121	(311,463)	-16.04%
47	Victoria College	2,005,198	1,868,579	(136,619)	-6.81%
48	Weatherford College	2,656,921	2,555,467	(101,454)	-3.82%
49	Western Texas College	1,247,297	1,196,536	(50,761)	-4.07%
50	Wharton College	2,968,349	2,925,435	(42,914)	-1.45%
	Subtotal	308,477,009	293,646,279	(14,830,730)	-4.81%
		4,051,450	2,837,703	(1,213,747)	-29.96%
	Grand Total	312,528,459	296,483,982	(16,044,477)	-5.13%

43 Texas Southmost College

Number of Districts Decreasing 42
 Number of Districts Growing: 7
 Number of Districts Decreasing > 3%: 37
 Number of Districts Decreasing > 5%: 31

Section 3e

Contact Hour Change from Previous Base Period



Section 3f

Bachelor of Applied Technology (B.A.T.) Program - Dollars Allocated by Weighted Semester Credit Hours

*RATE: \$ **38.00**

BRAZOSPORT COLLEGE	<u>2014-15 Semester Credit Hours Generated</u>		<u>Weights</u>	<u>B.A.T. Dollars</u>	
	Non-Tenure SCH	TOTAL SCH	2014-15 Weight	FY 2014	FY 2015
BAT LIBERAL ARTS	90	90	1.69	\$ 5,780	\$ 5,780
BAT SCIENCE	-	-	2.95	\$ -	\$ -
BAT BUSINESS ADMINISTRATION	1,165	1,165	1.75	\$ 77,473	\$ 77,473
BAT TECHNOLOGY	90	90	2.52	\$ 8,618	\$ 8,618
Total Semester Credit Hours	1,345	1,345		\$ 91,871	\$ 91,871

MIDLAND COLLEGE	<u>2014-15 Semester Credit Hours Generated</u>		<u>Weights</u>	<u>B.A.T. Dollars</u>	
	Non-Tenure SCH	TOTAL SCH	2014-15 Weight	FY 2014	FY 2015
BAT LIBERAL ARTS	198	198	1.69	\$ 12,716	\$ 12,716
BAT SCIENCE	-	-	2.95	\$ -	\$ -
BAT BUSINESS ADMINISTRATION	1,110	1,110	1.75	\$ 73,815	\$ 73,815
BAT TECHNOLOGY	-	-	2.52	\$ -	\$ -
Total Semester Credit Hours	1,308	1,308		\$ 86,531	\$ 86,531

SOUTH TEXAS COLLEGE	<u>2014-15 Semester Credit Hours Generated</u>		<u>Weights</u>	<u>B.A.T. Dollars</u>	
	Non-Tenure SCH	TOTAL SCH	2014-15 Weight	FY 2014	FY 2015
BAT LIBERAL ARTS	222	222	1.69	\$ 14,257	\$ 14,257
BAT SCIENCE	1,311	1,311	2.95	\$ 146,963	\$ 146,963
BAT BUSINESS ADMINISTRATION	4,829	4,829	1.75	\$ 321,129	\$ 321,129
BAT TECHNOLOGY	318	318	2.52	\$ 30,452	\$ 30,452
Total Semester Credit Hours	6,680	6,680		\$ 512,801	\$ 512,801

Total Per Fiscal Year B.A.T.: \$ 691,203 \$ 691,203

Total 2014-15 B.A.T.: \$ 1,382,406

* Rate is based on the General Academic Institutions' Instruction and Operations Support Formula General Revenue Rate.

Small Institution Supplement

Eligibility Criteria - meet all 3 criteria to be eligible:
 Above average tax effort (Maintenance and Operations tax rate in top half)
 Below average tax yield (tax revenue per contact hour in bottom half)
 Below average district size (annual contact hours below median)

Funding Criteria:
 Eligible Districts receive an additional \$250k per fiscal year.

Raw Data			Analysis of Tax Revenue				Determination of Qualification				Allocation
District	Contact Hours ¹	Local Tax Income ²	Tax Rate in Pennies per \$100 ³	Tax Dollars per CH	Tax Dollars per Penny	Revenue per Penny/CH	Effort: Tax Rate at/over	Result: RPP/CH at/under	Size: CHs in Bottom Half	Qualify for Supplement?	GR for SIS \$4,500,000
1 Alvin Community College	2,340,747	10,131,238	17.48670	4.33	579,368	0.2475	YES	YES	YES	YES	500,000
2 Clarendon College	705,461	442,331	22.19290	0.63	19,931	0.0283	YES	YES	YES	YES	500,000
3 Coastal Bend College	1,949,015	1,812,993	16.80000	0.93	107,916	0.0554	YES	YES	YES	YES	500,000
4 Frank Phillips College	595,998	1,376,499	22.00000	2.31	62,568	0.1050	YES	YES	YES	YES	500,000
5 Howard College	2,308,226	4,388,681	20.49120	1.90	214,174	0.0928	YES	YES	YES	YES	500,000
6 Ranger Junior College	934,361	237,348	24.88000	0.25	9,540	0.0102	YES	YES	YES	YES	500,000
7 Temple Junior College	2,440,513	5,301,008	15.67000	2.17	338,290	0.1386	YES	YES	YES	YES	500,000
8 Vernon College	1,630,121	2,038,823	22.67200	1.25	89,927	0.0552	YES	YES	YES	YES	500,000
9 Western Texas College	1,196,536	4,066,974	15.23000	3.40	267,037	0.2232	YES	YES	YES	YES	500,000
10 Wharton County Junior College	2,925,435	5,171,594	14.44800	1.77	357,945	0.1224	YES	YES	NO	NO	-

2014-15 Total 4,500,000

Median CHs of All 50 Districts 2,813,465 **Median TRPP/CH: 0.2527**

- NOTES:**
- Contact hour data is from the Fall 2012, Summer 2012, and Spring 2012 semesters, as reported by THECB.
 - Tax income excludes taxes for General Obligation Bonds and other debt service. Source: FY 2011 AFRs, Exhibit 2
 - Includes only Maintenance and Operation tax rates. Rates taken from FY 2011 AFR Notes

Section 4

**Public Community/Junior Colleges
Performance Review and Policy Report Highlights**

Reports & Recommendations	Report Page	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

Public Community/Junior Colleges Rider Highlights

2. **Appropriation Eligibility.** Amend the rider to no longer require the Community Colleges to report their salaries and emoluments for faculty and staff listed by position to the Higher Education Coordinating Board (Board). The information is not used by the Board and the Community Colleges report their faculty salaries in another report to the Board.
3. **Approved Special Item Expenditures.** Delete the rider since language is included in Approved Elements of Expenditure, Rider 14.
14. **Approved Elements of Expenditures and Special Item Expenditures.** Amend to include language clarifying the use of funds related to Special Items. Same language was previously included in Approved Elements of Expenditures, Rider 3.
- New 20. **Higher Education Coordinating Board Contingent Appropriations, Formula Funding for Texas Southmost College.** New rider referencing a Higher Education Coordinating Board rider making a portion of formula funding for the University of Texas at Brownsville and Texas Southmost College contingent on the institutions providing the LBB with updated semester credit and contact hour data (see Selected Fiscal and Policy Issues Item).
- New 21. **Contingent Appropriations for Public Community and Junior Colleges.** New rider making appropriations equal to benefits contributions due and payable for 2012-13 to the state contingent on the community colleges paying their 2012-13 Teacher Retirement System and Optional Retirement Program retirement contributions.

Section 6

**Public Community/Junior Colleges
Items not Included in the Recommendations**

	<u>2014-15 Biennial Total</u>	
	<u>GR & GR- Dedicated</u>	<u>All Funds</u>
1. 2012-13 formula funding not recommended in 2014-15 due to contact hour decrease.	\$ 88,925,950	\$ 88,925,950
2. Additional funding for the Community Colleges over the 2012-13 base with a new Student Success Funding Model recommended by the Higher Education Coordinating Board. Funding is included in three different components.	\$ 237,724,571	\$ 237,724,571
1. Core College Operations. \$1 million per district for basic operating costs.		
2. Ten percent of funding less core operations for Student Success Points. Funding is allocated based on student success points milestones.		
3. Ninety percent of funding less core operations based on the number of instructional contact hours each college generates.		
3. Alamo Community College - Expand Workforce Academies	\$ 1,000,000	\$ 1,000,000
4. Alamo Community College - Provide Live Fire Training Buildings	\$ 5,000,000	\$ 5,000,000
5. Austin Community College - Virtual College of Texas - Prior Reductions	\$ 287,500	\$ 287,500
6. Dallas County Community College - Small Business Development Center	\$ 330,380	\$ 330,380
7. El Paso County Community College - Texas Completes Initiative	\$ 439,485	\$ 439,485
8. Houston Community College - Southeast College Expansion	\$ 311,374	\$ 311,374
9. Houston Community College - Northwest UT-Tyler Engineering Program	\$ 3,362,463	\$ 3,362,463
10. Houston Community College - Northwest Film Making Program	\$ 412,236	\$ 412,236
11. Laredo Community College - Restore 10% if reduction is made	\$ 32,238	\$ 32,238
Total, Items Not Included in the Recommendations	<u>\$ 337,826,197</u>	<u>\$ 337,826,197</u>