



Legislative Study Group

Texas House of Representatives

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LSG Continuing Analysis and Recommendations on State of Higher Education in Texas

Community Colleges

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In the LSG's 2008 report on higher education in Texas, a call was put forth to expand slots of excellence in Texas colleges and universities to help the state remain competitive in the growing, global marketplace. The first step in that direction was passed by the 81st Legislature, and will be decided by Texas voters in the November 2009 Constitutional Amendments election. Proposition 4 will set forth a path through which seven colleges and universities in Texas can attain tier one status.

To reiterate the original report's findings, by investing seed money in higher education, lowering and freezing tuition, and increasing state funding for scholarships, students are able to graduate college without mountains of debt. A college education gives students the ability to grow and adapt with the evolving economy. Investing in Texas would prevent a brain drain as students leave for more competitive schools in other states and would draw businesses to Texas in search of our talented, educated workforce.

Further, it is imperative that the state recognize and support what is oftentimes the bridge to four year colleges and universities: community colleges. As the state and the country continue to evolve and populations increase, community colleges' outreach to high schools, colleges and businesses serve an increasingly important role.

Value of Community Colleges

With the current job market, a high school diploma does not carry as much weight as it once did. Most jobs now require some college or technical training, and many require a four-year degree. This trend will continue in the future.

Community colleges play an increasingly important role in expanding the pool of bachelor's degree earners as the costs of traditional 4 year institutions increases. Students reluctant to be saddled with mountains of debt are more likely to choose a less expensive community college to gain their first 2 years of higher education.

In addition, first generation and lower income students can benefit substantially from smaller class sizes and personal attention as well as counseling and assistance programs which help keep them in school and potentially transition into a 4 year university.

The economic impact of Community Colleges is indeed too great to be ignored. The Comptroller's office estimates that Texas community and technical colleges generate \$2.1 billion in economic impacts annually. A Texan with an associate's degree can earn up to 4.9 times as much income over five years or 32% more than a high school graduate which adds an additional \$10.1 billion dollars annually to the Texas economy.

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An excellent example of an innovative program used to help Texas students achieve an education and a career can be found in the Houston Community College system. The HCC Health Care Career Academy teaches students basic knowledge and job skills for entry-level positions in health care. Students are eligible to submit a resume and related materials to an opportunity bank for consideration by participating health care institutions for entry-level employment, allowing them to continue their education at HCC Coleman College for Health Sciences while being employed in a health care environment.

Barriers to future excellence: State Inaction

Access to a four-year degree is not always accessible to all students who are capable of achieving it. Tuition hikes set in place since university regents were given tuition-setting powers in 2003 have raised the financial bar needed to attend a four-year university in Texas. With the state neglecting to prioritize higher education and properly invest in it, colleges and universities are forced to impose hikes in tuition and fees on students and their parents. Lack of scholarship money, recent pushes to dilute the effectiveness of the TEXAS Grant program and the insolvency of the Texas Tomorrow Fund threaten to further increase the disparity between those able to afford a four-year college education and those unable to meet the growing cost.

As the population of Texas continues to grow, enrollment at colleges and universities continues to increase as well. Enrollment in two-year community colleges has also seen a spike in recent years. Between 2000 and 2008, enrollment increased at public universities by 94,500 students (22.8 percent). At public community and technical colleges, enrollment increases totaled 169,600 students, or 37.9 percent. As the market continues to evolve, young adults entering the workforce require more training, education and skills than ever before.

The state has failed to properly address the needs of community colleges. At the start of 2009, "per contact hour" funding was 8.5% less than it was in 2002-2003. In 2002-2003, the per contact hour rate was \$7.71, in the 2008-2009 biennium it was \$7.05. The state dealt a huge blow to community colleges in 2003 - the budget produced that year yielded a rate of \$6.43, or a 16.6% dip in one cycle. The state has yet to dig community colleges out of that hole. The net result is that colleges have to raise tuition on students and their families and local taxpayers fill in what the state failed to fund. This pass-the-buck mentality results in Texas community colleges looking back to fill in 2003 holes instead of looking to the future to properly plan an infrastructure that can educate future students.

Need for seamless transition

A four-year degree is in increased demand to find certain jobs and remain employed over the course of one's life. Fostering a student's ability to seamlessly transition from community colleges to four-year institutions is a necessity the state can't ignore.

A side effect of the spike in tuition costs at four-year universities is that some students choose to spend their first two years at community colleges to save on living expenses and tuition. Most students don't shop for a community college, they simply attend the one closest to home. For that reason, it is imperative that every institution across the state have the resources needed to succeed. There are 50 districts and 69 separately reported campuses in Texas.

Data shows that students who transfer to four-year institutions from community colleges graduate at higher rates than their peers who started their education at four-year institutions. This data is often cited as positive proof that all is well with the way higher education has trended recently. However, it

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simply reflects that the most disciplined students intent on graduating will do so, while many others unable to afford a four-year university education may be left behind. It fails to address the rising problem of students being priced out of a four year degree.

Since the Legislature deregulated tuition in 2003, tuition has skyrocketed, making a college education increasingly difficult for students and their families to afford. Tuition and fees at universities located in large Texas cities are often double or more than those at local community colleges.

Three times the number of students from families earning over \$60,000 a year attend the University of Texas at Austin than Austin Community College. The same is true for students attending the University of Texas at El Paso versus those attending El Paso Community College. And the percentage of students with a family income of over \$60,000 a year at the University of Houston and the University of Texas at Dallas are double those attending Houston Community College and Tarrant County College.

From fiscal years 1999 to 2006, average tuition and fees at public universities have increased 95.5%. Average tuition and fees at community colleges have increased 71.5%.

Workforce Needs and innovation for a more competitive Texas

The path to a more prosperous Texas requires a highly educated workforce. The previously mentioned HCC Health Care Career Academy is a good example of an innovative approach. Additionally, the burgeoning Early College High School program is another promising innovation. This program targets students and helps them in their transition to a post-secondary education. These students undertake an academic load that enables them to take both high school and college classes. Just by finishing the program at an ECHS, a student finishes high school with a high school diploma and an associate degree. These 60 credit hours can be used to apply towards a baccalaureate degree. The Texas Education Agency recently expanded the number of ECHS's, so that there are now 41 new campuses, up from 29. This program, pioneered by the Bill and Melinda Gates Foundation, has proven successful in Texas and should continue. Its benefit particularly aids first-in-their-family college students, low-income and minority students.

The fastest-growing occupations will require at least a two-year education, and many high-paying, cutting-edge job opportunities will require a four-year degree. Thus, it is imperative that Texas provide students with affordable higher-education opportunities. Otherwise, our students -- and our state -- will be left behind.