

February 27, 2025

To: House Appropriations Article III Subcommittee

Re: House Budget Recommendations for Junior Colleges and Community Colleges

Chairman Kitman and Members of the House Appropriations Article III Subcommittee,

The Commit Partnership and the 14 organizations undersigned thank you for the opportunity to submit public comment on the House budget recommendations for junior colleges and community colleges. We commend the Subcommittee for appropriating \$1.2B annually for community colleges under the outcomes-based formula established by House Bill 8 (88R) as well as increased funding for the Financial Aid for Swift Transfer (FAST) program. We strongly urge the Subcommittee to retain the funding level for community colleges ensuring state appropriations for community college outcomes are fully funded for FY25 and the FY26-27 biennium, including the FY25 supplemental funding request for community college finance.

I. TEXAS' WORKFORCE CHALLENGE

The Texas economy is the eighth-largest economy in the world and continues to outpace the nation in economic growth, adding more jobs than any other state in the nation. As state leadership continues to highlight, it is critical that Texas leads in training students for good paying jobs in high-demand industries. By 2030, **more than 60% of jobs** in Texas will require education or training beyond a high school diploma.¹ However, **less than a quarter of Texas students** are attaining a degree or credential within six years of graduating high school.² The success of our state is closely linked not only to the capacity of our education and workforce systems to meet the workforce needs of Texas businesses, but also to our ability to empower Texans to obtain the knowledge and skills they need to attain meaningful, gainful employment.

II. COMMUNITY COLLEGES ARE INNOVATING TO MEET STATE WORKFORCE DEMANDS

With the [Governor declaring career education as an emergency item this session](#), now is the time for Texas to critically invest in robust career and technical education to train Texans for good-paying jobs. Last session, the Texas Legislature passed House Bill 8 (HB 8) unanimously which transformed how the state funds community colleges to meet these workforce demands. The new outcomes-based formula prioritizes student success and aligns Texas community colleges with workforce needs by rewarding successful completion of dual credit, transfer to public 4-year institutions in the state, and credentials of value, with an additional premium when it is earned in a high-demand field. Texas community colleges are uniquely positioned to meet the demand for training Texans as they enroll over 43% of all higher education students in the state³ and award 96% of all career & technical education (CTE) credentials in the state.⁴

Additionally, HB 8 established the Financial Aid for Swift Transfer (FAST) program which offers free dual credit to economically disadvantaged high school students, creating better access to high-quality postsecondary experiences for high school students and strengthening the connection between PK-12 and higher education systems. During the first two years of FAST, dual credit enrollment has increased by 22 percent; 260,000 students have received financial assistance; and, 1.46M semester credit hours (SCH) of dual credit have been provided at no cost to students.⁵

Spurred by the outcomes-based funding approach, community colleges across the state continue to make strategic and innovative changes to better support their students for the Texas workforce. For example, North Texas institutions

¹ Georgetown University Center on Education and the Workforce, *After Everything: Projections of Jobs, Education, and Training Requirements through 2031*.

² THECB 2012 8th Grade Cohort data.

³ Preliminary Enrollment Report THECB - Available for October Board Meeting.

⁴ THECB Interactive System, Degrees and Certificates Awarded by Type Major (CTC Only), 2023.

⁵ Texas House Appropriations Committee Hearing, September 10, 2024.

formed the Dallas Transfer Collaborative, a partnership between Dallas College, Texas A&M University-Commerce, Texas Woman’s University, and University of North Texas at Dallas. The collaborative aims to improve transfer student outcomes by simplifying transfer pathways with associate degrees that connect to multiple bachelor’s degree programs. Additionally, community colleges play a key role in offering stackable credentials, enabling students to earn industry-recognized certifications that lead to higher-level degrees and career advancement. For example, Austin Community College’s advanced manufacturing program provides multiple pathways, from short-term occupational skills awards to an Associate of Applied Science and even a Bachelor of Applied Technology in Manufacturing Technology. As Texas continues investing in career education, community colleges remain at the forefront, driving workforce development and economic mobility across the state.

III. CONTINUING TO INVEST IN STRONG STUDENT OUTCOMES

Although the Legislature has created strong incentives for community colleges linked to student success, Texas has an opportunity to improve the funding formula this session by expanding the transfer outcome. Currently, community colleges are not awarded performance tier funding when students complete 15 SCH and successfully transfer to a private or independent college or university in Texas. Rather than disincentivizing transfer to private or independent colleges or universities in the state, the Texas Legislature should **enhance the transfer outcome to reward community colleges regardless of whether students transfer to a public or private Texas institution.**

Not only are these policy solutions backed by data, but they are clearly well-supported by Texans as indicated by recent poll results. **92% of Texas voters agree that we should continue investing in community colleges as student outcomes improve.**⁶ It is critical that Texas legislators continue community college funding as student outcomes increase at Texas’ community colleges. Additionally, expanding transfer outcomes to include not just public but also private and independent institutions of higher education in Texas will ensure community colleges are able to support their students in every pathway to postsecondary success. Though the current credential of value methodology ensures students recoup the cost of their education for the credentials earned and puts students on a trajectory for success in the workforce, we acknowledge that it can be further refined to maximize a student’s ability to earn a good paying job in a high demand industry.

We strongly urge the House Appropriations Article III Subcommittee to maintain state appropriations for community colleges as outcomes grow for FY25 and the FY26-27 biennium, including the FY25 supplemental funding request. These investments will help community colleges prepare students for the workforce and improve outcomes statewide.

Sincerely,
Katrina Fraser
Director of Postsecondary Education and Workforce Policy
The Commit Partnership

Supporting Organizations:



⁶ Ragnar Research Partners, Commit Partnership Statewide Education Poll, November 2024.