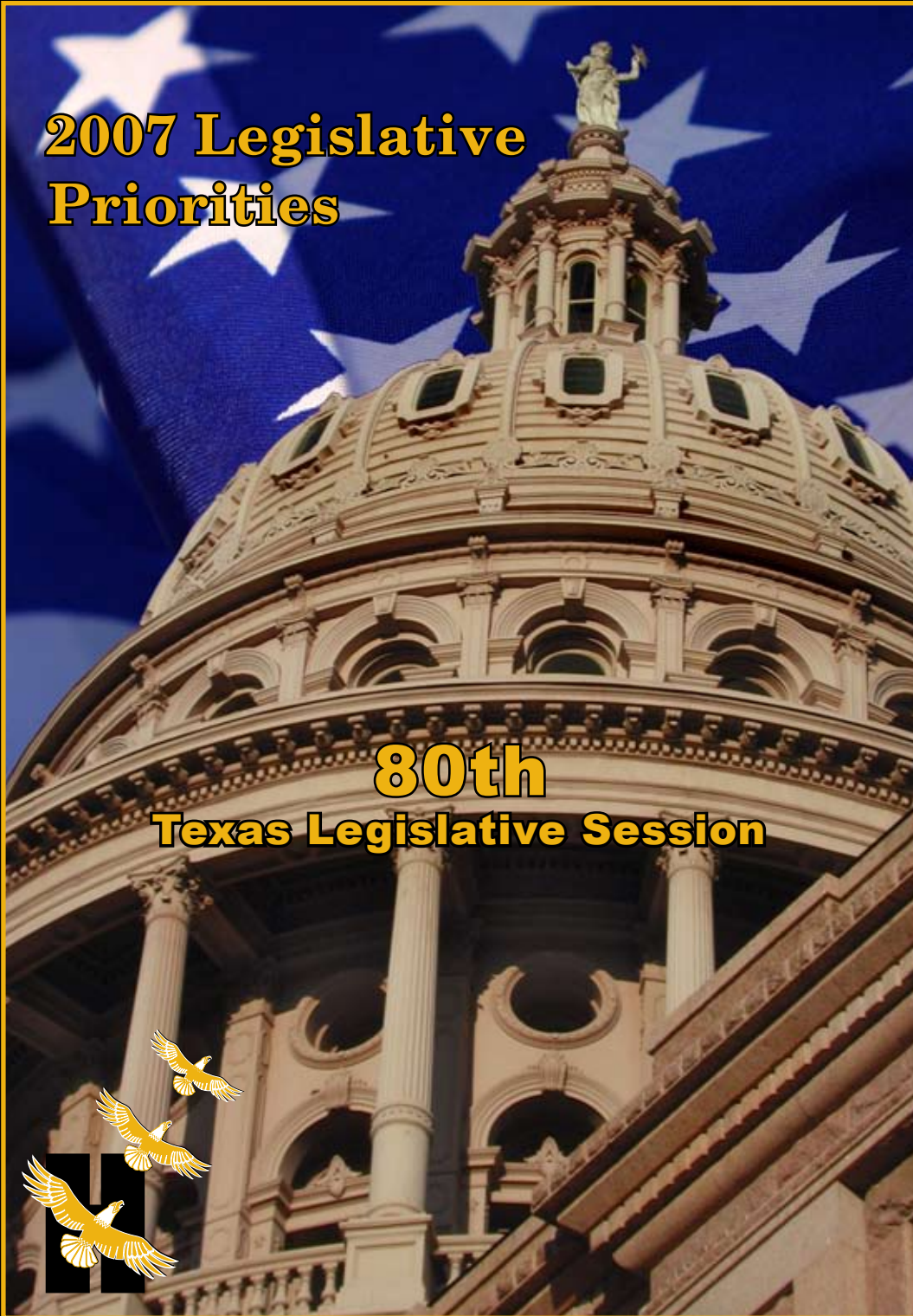


Houston Community College

**2007 Legislative
Priorities**

**80th
Texas Legislative Session**



80th Texas Legislative Session

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INTRODUCTION

Houston Community College (“HCC”), a state-funded provider of higher education, appreciates the support that the Texas Legislature provides to public community colleges. HCC looks forward to working with the Legislature and the governor during the 80th Legislative Session to enhance educational opportunities and to help advance our collective efforts toward *Closing the Gaps* – ensuring an educated population and workforce for the future.

HCC has six regional college campuses and serves approximately 50,000 students – preparing individuals, our region and the state of Texas for long-term economic growth and opportunity. HCC offers two-year academic and workforce training programs, continuing education and adult basic courses.

During the 2005 period, HCC had 26 exemplary workforce programs identified and recognized by the Texas Higher Education Coordinating Board (“THECB”) – more than any community or technical college in Texas. These top rated programs are a positive testament to the quality of educational services and commitment made by HCC to its students and the business community.

As HCC continues advancing its mission – *preparing individuals in our diverse communities for life and work in a global and technological society* – in this document it identifies its 2007 legislative priorities for and seeks the assistance of the 80th Legislature and the governor in accomplishing its objective. In sum, the subsequent identified legislative priorities are critical to the general advancement of education in the state of Texas and specifically to public community colleges.

80th Texas Legislative Session

Summary of Legislative Priorities

Appropriations – To fulfill the mission of community and technical colleges (*i.e.*, providing quality higher education and workforce preparation for all Texans), HCC and the Texas Association of Community Colleges asks the 80th Legislature to adopt the *New Community College Compact with Texas* – consisting of three components: base funding, incentive funding and financial aid.

Employee Benefits – To provide an excellent educational experience for all students, community colleges must hire and retain talented and dedicated faculty and staff. Preservation of quality employee benefits is critically important to accomplishing this goal. Accordingly, the 80th Legislature should maintain its historical commitment to Texas community colleges by fully funding employee benefits and should not adopt the Legislative Budget Board’s (“LBB”) expanded definition of proportionality.

New Campus Funding – To meet the increasing demand for higher education and to enhance the economic vitality of our region and state, HCC will open five new facilities during 2008 and 2009. With the opening of these facilities, there is an anticipated increase in our student enrollment and correspondingly the need for contact hour reimbursement. Accordingly, HCC asks the 80th Legislature to increase its funding to **\$24.7 million** to support the anticipated additional student contact hours.

Professional Nursing Shortage Reduction – To increase the number of graduates by 50 percent by 2010 to meet expected demand for nurses in 2020, HCC urges the 80th Texas Legislature to address adequately the nursing shortage by renewing Rider 47 in a manner that does not omit certain students from the funding equation. In addition, HCC supports the appropriation of **\$52 million**ⁱ for the 2008-2009 biennium, an amount estimated by THECB and recommended by the *Texas Center for Nursing Workforce Studies* to help increase capacity of the state’s nursing programs that prepare students for initial RN licensure.

ⁱ See *Supply of and Demand for RN’s and Nurse Graduates in Texas, Report to the Texas Legislature 2006* at pp 1, 21 and 26.

Appropriations – New Compact

Issue

Community colleges recognize the urgency in acting to achieve the goals of *Closing the Gaps*, and the state's interest in seeing results from its investment in community colleges. The THECB indicates that only by sharply reversing Texas' *declining enrollment and graduation rates ... can the state compete with other states and the nation*. Accordingly, it is imperative that the state and community colleges establish a new relationship – *The New Community College Compact with Texas*. *The New Compact* would establish a new approach to funding community colleges that will help ensure meeting the goals set forth in *Closing the Gaps*, a state-supported objective.

Background

The THECB adopted *Closing the Gaps by 2015* in October 2000 with strong support from the state's educational, business, and political communities. The plan's four goals seek to close the gaps in student participation, student success, excellence, and research. Community colleges are essential to the state's efforts in meeting these goals. The THECB recognized this fact and subsequently the Commissioner of Higher Education recommended to the Legislature that community colleges receive full formula funding (*i.e.*, \$2.219 billion), less tuition and fees, to help accomplish the goals set forth in *Closing the Gaps by 2015*.

Recently, Texas community colleges proposed *The New Community College Compact with Texas* that establishes a new approach to funding community colleges. Under *The New Compact*, community colleges would still receive the above-recommended full formula funding, less tuition and fees. However, *The New Compact* identifies three components (*i.e.*, **base funding**, **incentive funding**, and **financial aid**) that recognize the urgency in acting to achieve the goals of *Closing the Gaps* and the state's interest in seeing results from the state's investment in community colleges.ⁱⁱ In November 2006, the Texas Senate Finance Committee received a briefing about *The New Compact* that now comes to the 80th Legislature for its consideration.

State Legislative Action Sought

HCC urges the 80th Legislature to adopt the THECB Commissioner's recommendation of full formula funding and incorporate *The New Community College Compact with Texas* that recognizes the urgency in acting to achieve the goals of *Closing the Gaps* and the state's interest in seeing results from the state's investment in community colleges. The total full formula recommendation is **\$2.219 billion**. Specifically, for HCC, the requested *base funding*, *innovation* and *outcome* amounts are **\$147,882,566**, **\$6,864,954**, and **\$8,215,698**, respectively. Assuming HCC receives base funding and achieves innovation and outcomes funding incentives, the total state appropriation for HCC would be **\$162,963,218**.ⁱⁱⁱ

Impact

The requested state appropriations are necessary for community colleges to meet the state's policy goals identified in *Closing the Gaps by 2015* and further recognize the state's interest in seeing results from its investment in community colleges.

ⁱⁱ See *The New Community College Compact with Texas*, November 2006, TACC, at page ii and in its entirety.

ⁱⁱⁱ *Id.* at page 12.

Employee Benefits

Issue

The LBB's proposed expanded definition of proportionality (*i.e., the relative share of each revenue source applied to the total benefits costs*) restricts the ability of community colleges to attract and retain quality teachers. Adoption of this proposed definition by the Legislature would likewise negatively impact community colleges' ability to provide an excellent educational experience for all students.

Background

Historically, there has been a shared costs arrangement between the state of Texas and local communities regarding the financing of local community colleges. Under law, the state funded the salaries of the educational and administrative employees, while local community colleges would assess and collect property taxes to fund physical facilities.^{iv}

In 1985, the General Appropriations Act included a rider instructing institutions to *apply for and use federal funds for group insurance premiums for salaries paid from federal funds.*^v Community colleges presently comply with this provision. The 1991 Texas Performance Report, *Breaking the Mold*, recommended that community colleges pay all *physical plant employee* benefits from local funds. Consistent with this 1991 recommendation, and via legislation enacted during the 78th Legislative session, all *physical plant employee* benefits now come from local funds.

The LBB now seeks to apply an expanded definition of *proportionality* that includes the *relative share of each revenue source (i.e., local taxes, tuition and fees and state appropriations) applied to the total benefits costs*. Community colleges believe the adoption of this definition abandons the historical arrangement between the state and local community colleges. Community colleges also contend that the LBB's proposal imposes a greater burden on them and forces these educational institutions to pay a disproportionate share of employee benefits. Moreover, community colleges contend that adoption of this proposed definition would adversely impact their ability to serve students effectively, and would further restrict their ability to attract and retain quality faculty.

State Legislative Action Sought

HCC urges the Texas Legislature not to adopt the LBB's proposed expanded definition of proportionality. Rather, it should maintain the state's historical commitment to Texas community colleges when funding employee benefits, including adjustments for inflation and rising costs.

Impact

Adopting the LBB's proposed expanded definition of proportionality restricts the ability of community colleges to attract and retain quality personnel. It also lessens the opportunity to provide an excellent educational experience for all students, and inherently provides disincentive for future Legislatures to fund fully the formula.^{vi}

^{iv} See Chapter 130 of the Texas Education Code.

^v Citing *Position on Proportionality, Texas Association of Community Colleges*, August 2006 at page 2.

^{vi} See *Position on Proportionality, Texas Association of Community Colleges*, August 2006.

New Campus Funding

Issue

Explosive population growth in identified areas, inadequate and limited space and facilities in other locations, and the recognized need to update and expand HCC's presence in our service area are critical factors necessary to meet the educational needs of the community and to further the goals of *Closing the Gap by 2015*.

Background

HCC is embarking upon an aggressive new campus building campaign to meet the educational needs of the community. The new campus construction effort includes the following five new facilities: *New Alief Center, Drennan Center, Southeast Workforce Center, Northline Center and the Public Safety Institute*.

HCC anticipates purchasing and renovating an existing facility (*New Alief Center*) in the fast-growing Alief area. The expected operational date is fall 2007. Near its Southeast College campus, HCC plans to open the *Drennan Center* in fall 2008. The facility will house many academic and workforce programs. Also, near the Southeast College campus, HCC will construct a new workforce facility (*Southeast Workforce Center*) scheduled to open fall 2008. Likewise, scheduled to open fall 2008, the *Northline Center* will attract a historically underserved population, seeking to close the gaps by offering greater access to higher education. Under construction on the Northeast College campus, the *Public Safety Institute* ("PSI") will offer state of the art training to EMS, fire, and police personnel at the entry and in-service levels within the Houston region. The expected operational date for the PSI is spring 2007.

Anticipated enrollment resulting from building and/or expanding these facilities is approximately **9,100 new students**. The **aggregated square footage** of the five facilities is approximately **200,000 square feet**. Each of these facilities will help deliver educational services based on an identified need (e.g., remedy space problems, introducing dual credit opportunities, making higher education more accessible to underserved communities, etc.), and will assist in HCC's commitment to help achieve the state supported objective, *Closing the Gap by 2015*.

State Legislative Action Sought

HCC urges the 80th Legislature to provide **\$ 24.7 million** for new campus funding associated with five facilities and/or expansion projects that will help in the delivery of educational services based on identified need, and assist in HCC's commitment to help achieve the state supported objective, *Closing the Gap by 2015*.

Impact

Desired funding will address inadequate space to accommodate existing needs, make dual credit opportunities available, provide in-service training to those needing first-responder skills and/or make higher education more accessible to the community, particularly to persons from historically underserved communities, and further the state supported goal of *Closing the Gap by 2015*.

Professional Nursing Shortage Reduction

Issue

The THECB cites early projections from the *Texas Center for Nursing Workforce Studies* indicating the state's nursing programs will need to increase the number of its graduates by 50 percent by 2010 to meet expected demand for nurses in 2020. This is especially true in the Houston region, home to the largest medical complex in the country. HCC plays a key role in educating nurses and seeks to partner with others in reducing this shortage by identifying and training a highly skilled workforce of nurses through its professional nursing program.

Background

Recognizing the need to address the nursing shortage in Texas, the Texas Legislature appropriated money over the last several legislative sessions to expand the nursing programs offered in Texas and sought to increase the rate at which these programs graduate qualified nurses. In 2001, the Legislature began funding growth in nursing programs beyond a specified percentage through Appropriations Rider 21. In 2003, Rider 15 provided that a *RN professional nursing program is a separate institution for purposes of eligibility for rapid growth funding*. Last biennium, the Legislature, via Rider 47, significantly changed the basis from growth in contact hours to *increases in numbers of nursing students graduating* – increasing the amount appropriated and adding restrictions limiting the use of funds to (1) create additional nurse faculty positions, (2) provide temporary salary supplements for professional nursing faculty, and (3) engage qualified preceptors to expand faculty capacity.

Due to Rider 47, HCC significantly increased its nursing program graduation rate over the past several years from less than 60 percent to about 70 percent, and in Fiscal Year (“FY”) 2006 qualified for \$83,060.11 under the new formula. Notwithstanding the benefit to HCC, a change in graduation requirement moved 18 HCC nursing graduates from the FY 2007 count to the following year. Accordingly, HCC will not receive Rider funding in FY 2007, a negative consequence.

State Legislative Action Sought

HCC urges the 80th Texas Legislature to address adequately funding the nursing shortage by renewing Rider 47 in a manner that does not omit certain students from the funding equation, and appropriating **\$52 million**^{vii} for the 2008-2009 biennium, an amount estimated by THECB and recommended by the *Texas Center for Nursing Workforce Studies* to help increase capacity of the state's nursing programs that prepare students for initial RN licensure.

Impact

Desired funding will help increase the number and percentage of students graduating from the HCC professional nursing program. Moreover, the requested action will help reduce the nursing shortage and help increase nursing faculty positions that are critical to increasing the number of RN graduates in Texas.

^{vii} See *Supply of and Demand for RN's and Nurse Graduates in Texas, Report to the Texas Legislature 2006* at pp 1, 21 and 26.

Other Legislative Priorities

- Hold harmless, from the actual dollar loss in excess of five percent, any public community college that experiences a decrease of more than five percent in contact hours funding from one biennium to the next.
- Increase funding for the Texas Educational Opportunity Grant from less than \$10 million biennially to \$50 million, making it the cornerstone financial aid program for students at community colleges.
- Increase the Skill Development fund appropriation to \$50 million, an amount 50 percent greater than the appropriated amount for the fiscal year 2007.
- Provide funding for Alternative Teacher Certification programs at community colleges.
- Provide a small institution supplement for small rural colleges consistent with the funding eligibility for Texas State Technical College System and Lamar State Institutions.
- Increase funding for Texas Adult Education programs from \$6.8 million annually to \$13.6 million.
- Continue funding STARLINK at the levels requested by the THECB.

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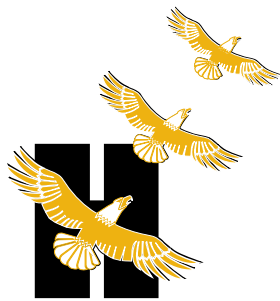
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