

ACC

Vision. Mission. Community.



 **AUSTIN
COMMUNITY
COLLEGE**
DISTRICT

Start Here. Get There.

Implications of 82nd Legislative Session: ACC

The 82nd Legislative Proposal: HB1/SB1

- Community Colleges already cut 5%, then 2.5%, this year
- HB 1 cuts 21%, over \$498 million, of state funds
- SB1 cuts 17.1%, over \$405 million, of state funds

	2010-11		HB1 2012-13		Difference from 2010-11		SB1 2012-13		Difference from 2010-11	
			\$	%	\$	%			\$	%
Instructional Funds	1,844,345,259	1,702,224,054	(142,121,205)	-7.7%	1,650,984,094	(193,361,165)	-10.5%			
<i>Instructional Funds</i>	<i>1,823,083,918</i>	<i>1,697,7244,054</i>	<i>(125,359,864)</i>	<i>-6.9%</i>	<i>1,645,569,098</i>	<i>(177,514,820)</i>	<i>-9.7%</i>			
<i>Small Institution Suppl</i>	<i>6,000,000</i>	<i>4,500,000</i>	<i>(1,500,000)</i>	<i>-25.0%</i>	<i>5,414,996</i>	<i>(585,004)</i>	<i>-9.8%</i>			
<i>Hold Harmless Funds</i>	<i>15,261,341</i>	<i>0</i>	<i>(15,261,341)</i>	<i>-100.0%</i>	<i>0</i>	<i>(15,261,341)</i>	<i>-100.0%</i>			
BAT Formula Funds	978,902	0	(978,902)	-100.0%	883,458	(95,444)	-9.8%			
Group Health Insurance	323,209,055	57,130,200	(266,078,855)	-82.3%	198,398,280	(124,810,775)	-38.6%			
Retirement (estimated)	202,515,672	113,052,580	(89,463,092)	-44.2%	115,464,924	(87,050,,748)	-43.0%			
TOTAL	2,371,048,888	1,872,406,837	(498,642,054)	-21.0%	1,965,730,756	(405,318,132)	-17.1%			

*No Enrollment Growth Funding in either bill (Statewide community growth of 18.2%).

TACC estimates \$2.2 billion (an additional \$342 million) is needed to keep all 50 community college districts at the 2010-11 level of the formula.

Other Appropriations Cuts: HB1/SB1

Other Appropriations Cuts:

	2010-11	HB 2012-13	Difference from 2010-11		SB1 2012-13	Difference from 2010-11	
			\$	%		\$	%
Texas Educational Opportunity Grant	24,000,000	6,861,601	(17,138,399)	-71%	6,861,601	(17,138,399)	-71%
Texas Grant	615,000,000	365,708,693	(249,291,307)	-41%	365,708,693	(249,291,307)	-41%
Skills Development Fund	80,986,276	48,541,943	(32,444,333)	-40%	48,541,943	(32,444,333)	-40%
Self-Sufficiency Fund	6,548,059	5,235,817	(1,312,242)	-20%	5,235,817	(1,312,242)	-20%
Inmate Education	4,665,429	0	(4,665,429)	-100%	2,727,766	(1,937,663)	-42%
JET Grant Program	15,000,000	0	(15,000,000)	-100%	0	(15,000,000)	-100%
Alt Teacher Cert	2,250,000	0	(2,250,000)	-100%	1,603,125	(646,875)	-29%
Enrollment Growth	3,518,786	0	(3,518,786)	-100%	0	(3,518,786)	-100%
New Campuses	3,500,000	0	(3,500,000)	-100%	0	(3,500,000)	-100%
Dev Education	5,000,000	0	(5,000,000)	-100%	3,562,500	(1,437,500)	-29%
Adult Basic Education					7,125,000	(2,875,000)	-29%
Nursing Grad (All Higher Education)	49,700,000	0	(49,700,000)	-100%	31,757,609	(17,942,391)	-36%

HB1/SB1: Impact on ACC

	HB1		SB1	
Formula Appropriation (instruction)	-4.6%	(\$2,130,284)	-9.1%	(\$4,230,741)
VCT Appropriation	-28.8%	(\$143,750)	-28.8%	(\$143,750)
Group Insurance Appropriation	-73.6%	(\$6,025,423)	-35.9%	(\$2,939,571)
Retirement Appropriation	-57.3%	<u>(\$3,849,680)</u>	-59.3%	<u>(\$3,984,109)</u>
	-19.6%	(\$12,149,137)	-18.2%	(\$11,298,171)

State Unfunded Mandates Don't Help

- Current State unfunded mandates/ACC cost

– Hazelwood Act-Veteran's Program	\$ 762,589
– Visually/Hearing Impaired Students	\$ 345,156
– Foster Care Students	\$ 133,819
– Adopted Students	\$ 51,360
– Fire Fighter Exemption	\$ 50,776
– Dependents of Deceased Public Servants	\$ 7,959
– Children of Disabled/Deceased Police/Fire Officers	\$ 3,384
– TX Tomorrow Fund Contracts	\$ 2,636
– Children of Professional Nursing Program Fac/Staff	\$ 1,009
– Preceptors for Professional Nursing Education Programs	\$ 780
– Children of Prisoners of War or Person MIA	<u>\$ 0</u>
	\$1,259,467
– TPEG (Texas Public Education Grant)	<u>\$2,837,884</u>

(FY 10) \$4,097,351

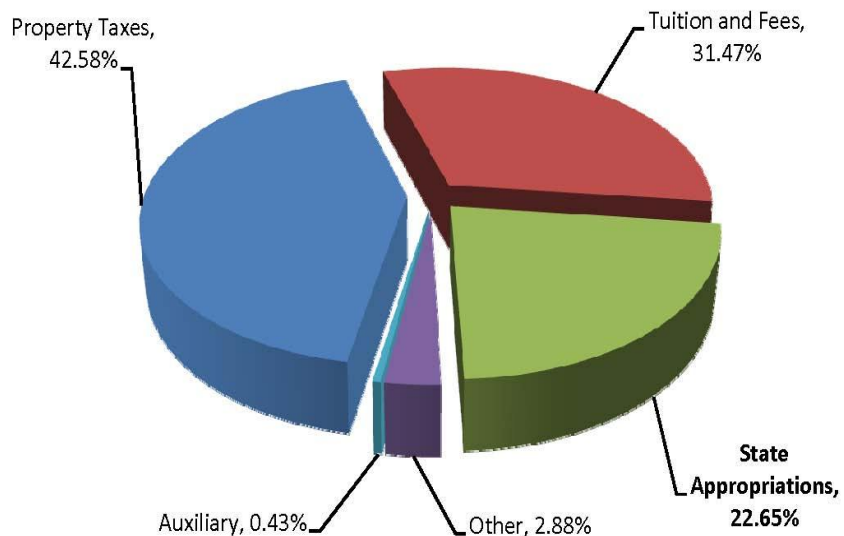
- Community colleges support H.J.R. No. 56 (Solomons)

- Would not allow any unfunded mandates

A Pattern of State Funding Decline

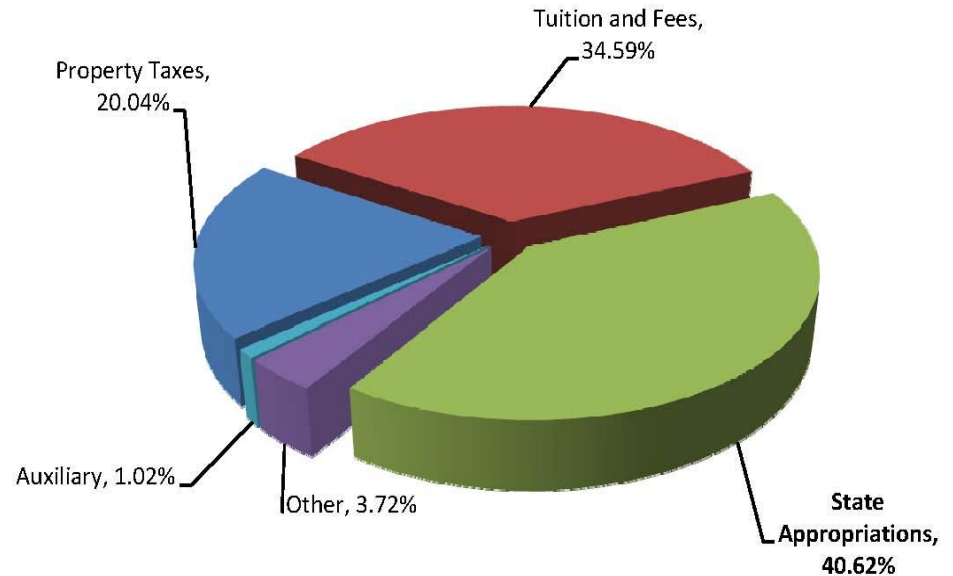
Operating Budget Projected Revenues Fiscal Year 2011

(September 1, 2010 - August 31, 2011)



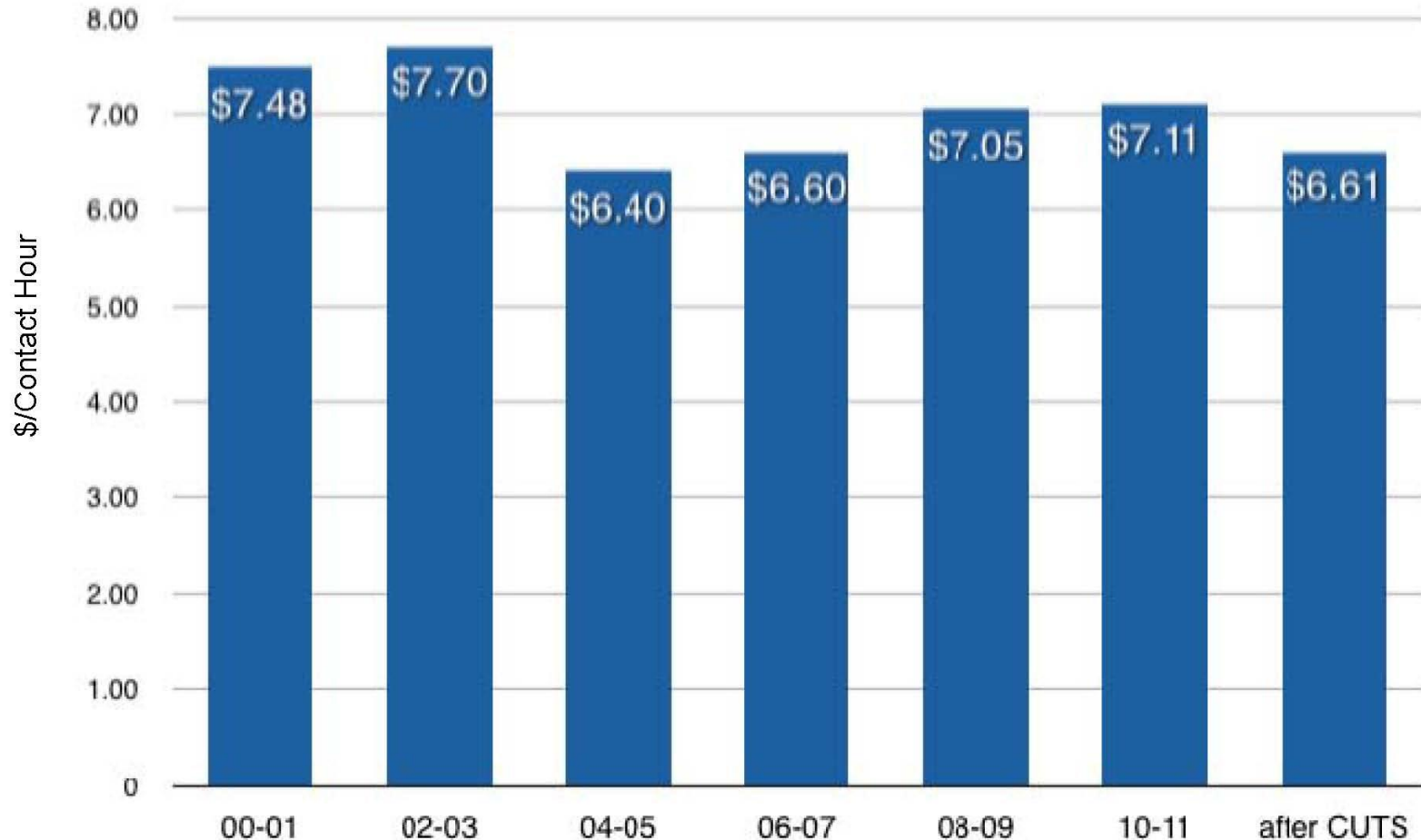
Operating Budget Projected Revenues Fiscal Year 2001

(September 1, 2000 - August 31, 2001)

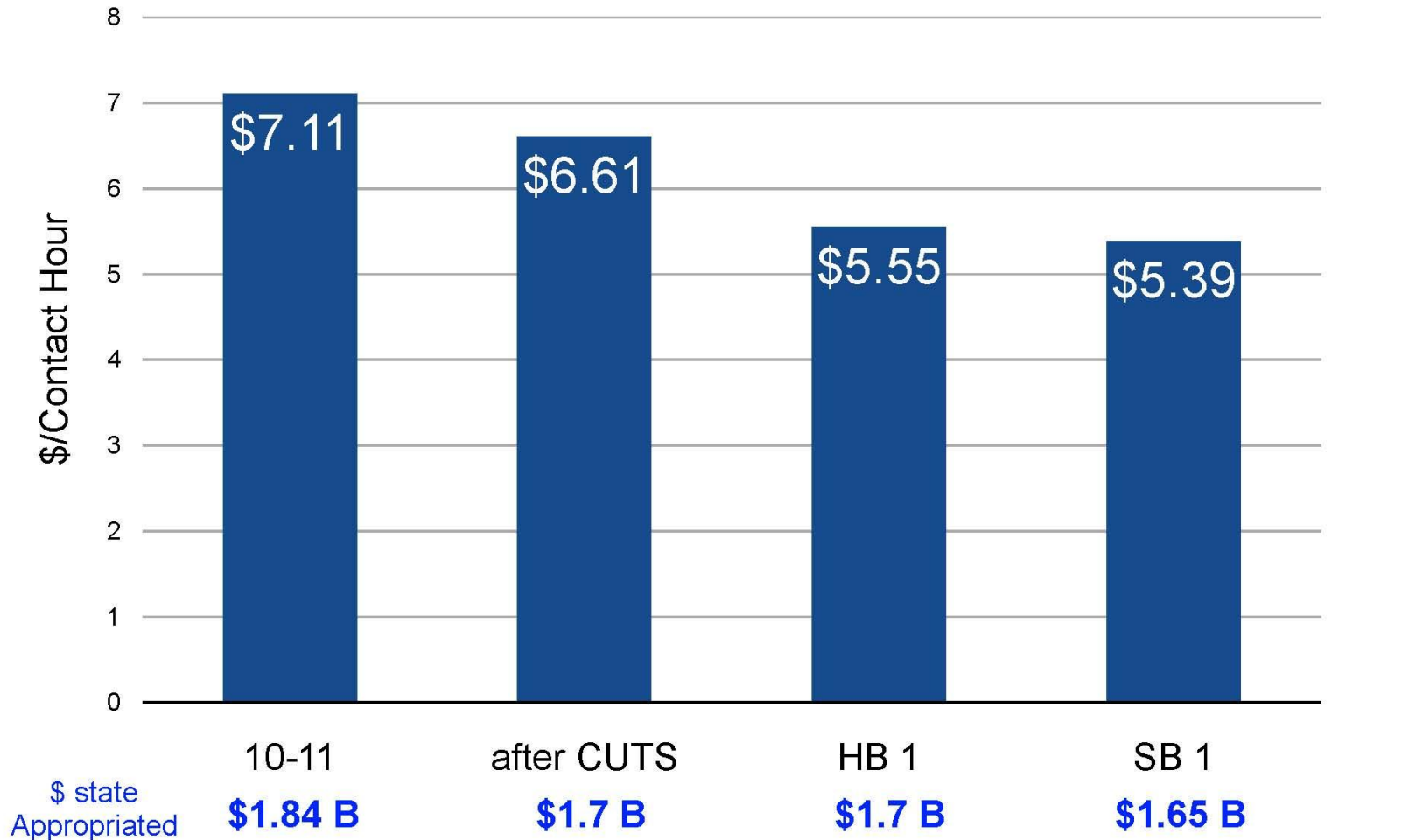


A Pattern of State Funding Decline

Instructional Formula Appropriation



A Pattern of State Funding Decline



Numbers Not Adjusted For Inflation

When The State Does Less, It's Not A Mystery What Happens Next

- Option 1: Local tax rates go up
- Option 2: Tuition goes up
- Option 3: Programs and services are cut
- Option 4: Combination of the above

State Budget: Impact on ACC

- We do long-term budget planning
 - Aligned with ACC Master Plan
- FY12 Budget planning also well underway
- Tuition will definitely increase
 - Possible differential tuition for some programs
- Budget Assumptions/Planning Directives

<http://www.austincc.edu/pres/communications/FY12BudgetPlanningAssumptionsDirectives1-31-11.pdf>

State Budget: Impact on ACC

- Other potential efficiencies under study:
 - Hiring freeze
 - Increased class limits
 - Elimination of low enrollment courses/programs
 - Other enrollment management practices
(i.e., fewer sections)
 - Review of ACC waivers
 - Decreased technology and facilities funding
 - Implementation of ACC Innovations Program

ACC Responses

- ACC has planned well
 - no layoffs, furloughs, salary reductions
- ACC will maintain its commitment to service students:
 - current level of instructional programs & support services
 - Student Success Initiative funding
- Annexations remain critical to future growth and to regional workforce interests

ACC Responses

- We expect further decline in State support
 - Less than 23% of our budget now
- We must eliminate the unreliability of State support
 - We have to create a stable funding model
 - The State needs to address its structural revenue deficit model
- We advocate for reduced State control
 - Less fiscal support should equal reduced State role in how local dollars are spent

Some Relevant Texas Rankings

Rankings from highest to lowest

• Drop out rate ¹	(4.0%)	27 th
• % of adults with high school diploma ²	(26.2%)	44 th
• % of adults: some college, but no degree ²	(21.5%)	21 st
• % of adults: Associate Degree ²	(6.2%)	45 th
• % of adults: Bachelors Degree ²	(17.0%)	28 th
• Median Income ²	(\$56,650)	38 th
• Uninsured Texans ²	(25.5%)	1 st
• Taxing ³	(8.4%)	43 rd

Sources:

1. U.S. Dept of Education, Institute of Education Sciences, "Trends in High School Dropout and Completion Rates in the United States: 1972-2008."
2. U.S. Census, American Community Survey, 2009.
3. Tax Foundation, 2008.

The Bottom Line

- The State has a structural revenue deficit, inadequate to address the growth of Texas.
- The State isn't making good long-term decisions regarding community colleges, despite all the external indicators that it should.
- Texas won't meet its Closing the Gaps goals, won't build a larger middle class, and won't create the future workforce needed to grow the Texas economy by shortchanging community colleges.

How Texas Community Colleges Are Funded Matters To You

- Largest higher education enrollments – over 50%
- Fastest growth
- Largest enrollment of minorities – fastest growing populations
- Fastest response to labor market changes, needs of business & industry
- Primary trainer of the Texas workforce
- Fastest growing workplace credential: the Associate Degree
- Return on investment to Texas: \$1.6 billion of State's economy

Dallas Fed Chief Warnings

- *“Don’t lose track of this simple, unalterable, indisputable, critical fact: We have done well so far; our economy is mighty,” he said. “But to stay ahead of the curve and compete in tomorrow’s global marketplace, Texas must do better in educating its population.”*
- *“While educational quality is not determined solely by dollars, shortchanging education would amount to cutting off your noses to spite your face.”*

Federal Reserve Bank of Dallas
President Richard Fisher

What Can You Do?

- Demand honest dialog about Texas funding and Texas competitiveness
- Support the Legislative Agendas of:
 - the Texas Association of Community Colleges (TACC)
 - Community College Association of Texas Trustees (CCATT)
- Advocate for “less politics”
- Remind people that good education policy is not conservative or liberal, Democratic or Republican – it is just good common sense for building a larger, more competitive workforce

For More Information:

- ACC website <http://www.austincc.edu/>
- ACC Master Plan <http://irt.austincc.edu/masterplan/>
- Texas Association of Community Colleges
<http://www.tacc.org/index.php>
- Texas Works
<http://www.window.state.tx.us/specialrpt/workforce/>



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