



**MCLENNAN**  
COMMUNITY COLLEGE

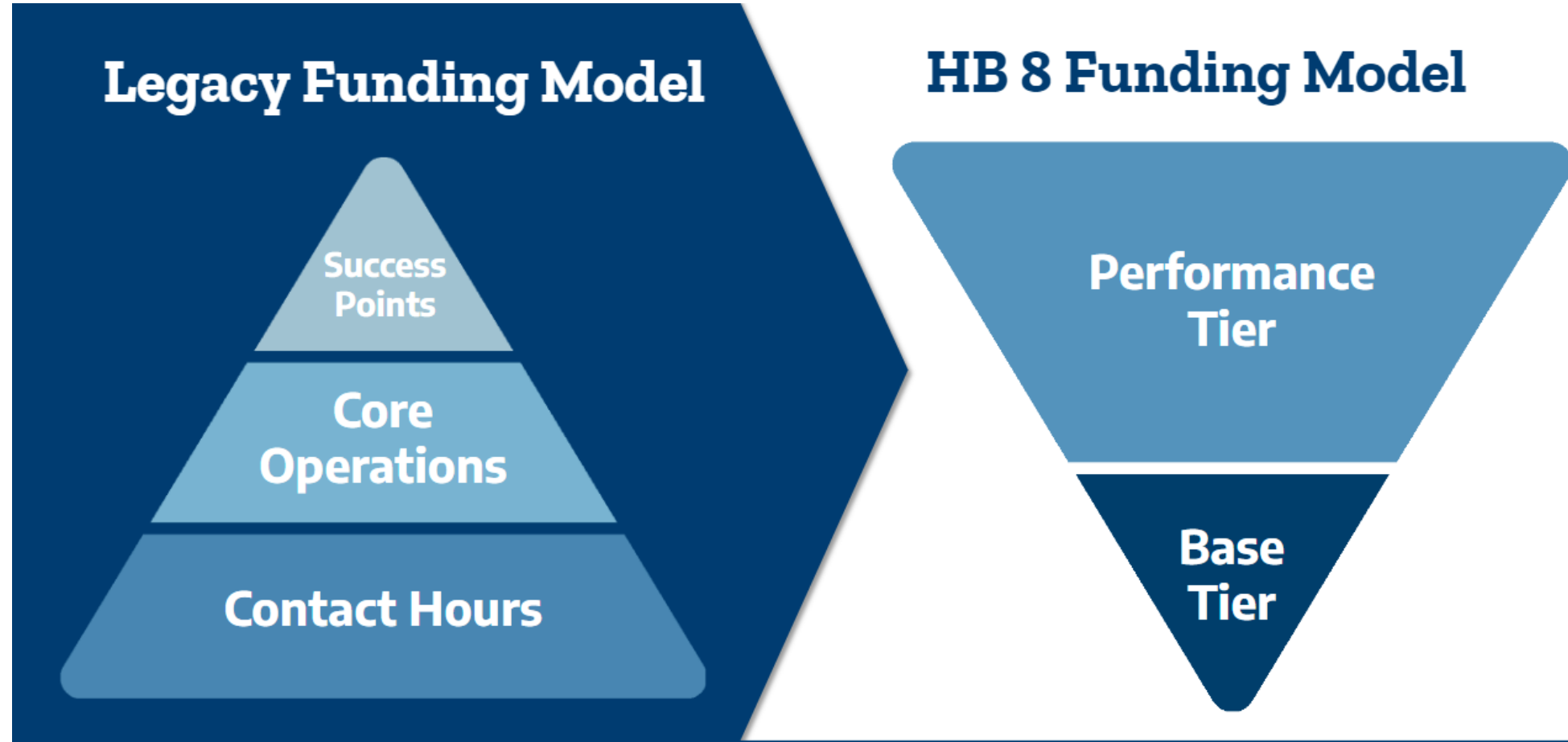
# Community College Funding Model

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McLennan  
COMMUNITY  
COLLEGE

August 8, 2023

# Structure of the Funding Model



# Three Major Themes from the Commission Recommendations



**State Funding for  
Outcomes**

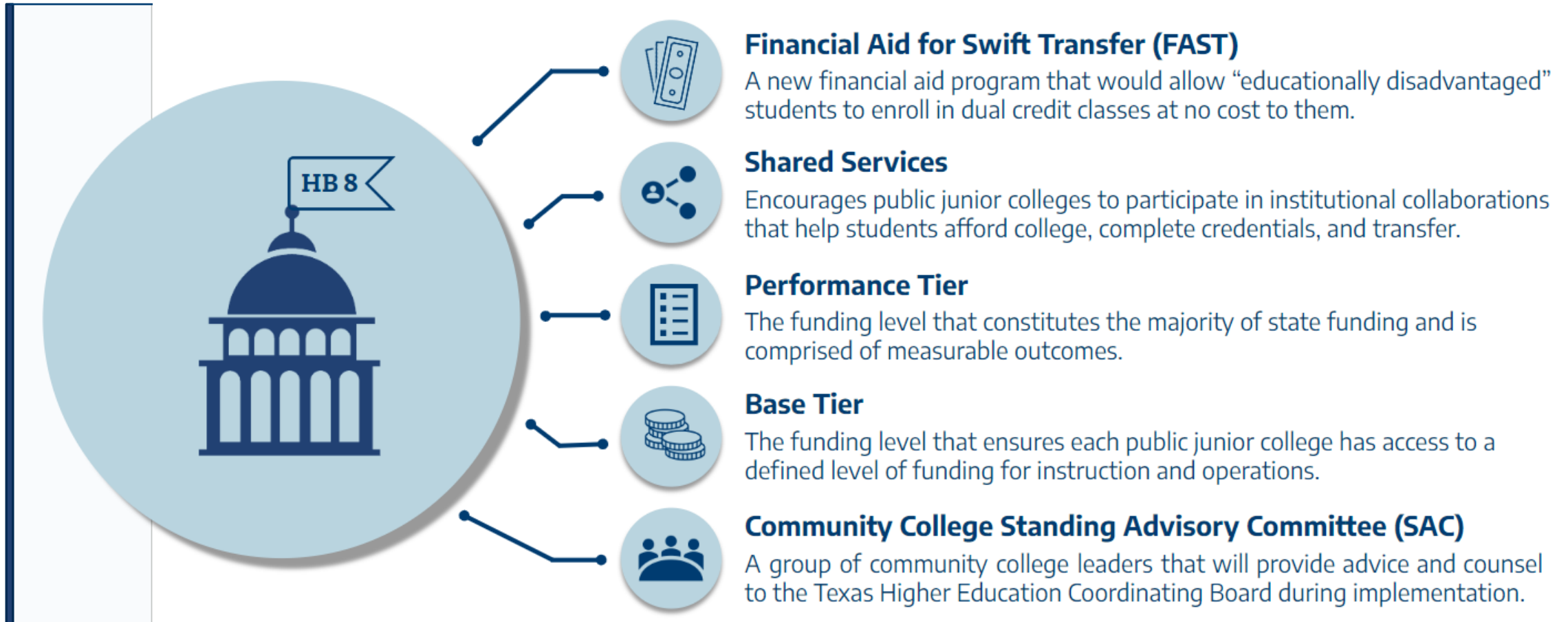


**Affordability for  
Students**



**Investments in  
College Capacity**

# Key Components of House Bill 8



# Rulemaking Timeline for House Bill 8



# Basics

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- House Bill 8 in the 2023 Texas Legislative Session transforms the funding for community colleges.
  - Moves to a dynamic outcomes-based formula model.
  - Model is aligned with the state's higher education strategic plan.
  - Supports regional and state workforce need.
  - Funding will be recalculated each fiscal year.
- Funds will now be provided 3 times per year, instead of 10 times per year.
  - October 15<sup>th</sup>
  - February 15<sup>th</sup>
  - June 15<sup>th</sup>

# Basics

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- High-demand fields are funded at a higher level in the model.
  - 25 occupations that provide:
    - At least a median wage.
    - Require education or training beyond high school but below a bachelor's degree.
    - Fields projected to experience the most growth.
      - Growth in each of the 10 high education regions.
      - Growth in at least 7 of the 10 education regions.
      - In any region's top 5.
  - Based on data from the Texas Workforce Commission.

# High Demand Fields




Computer and Information Sciences and Support Services
Engineering
Engineering/Engineering-Related Technologies/Technicians
Mathematics and Statistics
Physical Sciences
Agricultural Business Management
Agricultural Mechanization
Environmental/Natural Resources Management and Policy
Bilingual, Multilingual, and Multicultural Education
Teacher Education and Professional Development, Specific Levels and Methods
Teaching English or French as a Second or Foreign Language
Human Development, Family Studies, and Related Services
Non-Professional Legal Studies
Legal Support Services
Biological and Physical Sciences
Nuclear and Industrial Radiologic Technologies/Technicians
Physical Science Technologies/Technicians2
Fire Protection
Building/Construction Finishing, Management, and Inspection
Electrical/Electronics Maintenance and Repair Technologies/Technicians

# High Demand Fields



- Heating, Air Conditioning, Ventilation and Refrigeration Maintenance Technology/Technician
- Heavy/Industrial Equipment Maintenance Technologies/Technicians2
- Vehicle Maintenance and Repair Technologies
- Energy Systems Maintenance and Repair Technologies/Technicians
- Ground Transportation
- Communication Disorders Sciences and Services
- Dental Support Services and Allied Professions
- Health and Medical Administrative Services
- Allied Health and Medical Assisting Services
- Allied Health Diagnostic, Intervention, and Treatment Professions
- Clinical/Medical Laboratory Science/Research and Allied Professions
- Ophthalmic and Optometric Support Services and Allied Professions
- Rehabilitation and Therapeutic Professions
- Health Aides/Attendants/Orderlies
- Medical Illustration and Informatics
- Dietetics and Clinical Nutrition Services
- Health Professions Education, Ethics, and Humanities
- Alternative and Complementary Medicine and Medical Systems
- Alternative and Complementary Medical Support Services
- Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing
- Practical Nursing, Vocational Nursing and Nursing Assistants
- Accounting and Related Services

# Formula Funding

- Three tiers of funding: Base Tier, Performance Tier, and Transition Tier
  - Base Tier is a calculation to assist those schools that are located in areas with relatively low taxable values. The calculation includes the operating needs compared to the funds that can be expected from tax efforts and tuition/fees.
  -  Performance Tier is a calculation based on performance of a set of measurable, student-focused outcomes. The outcomes are also weighted by certain student characteristics.
  - Transition Tier is hold harmless funding to ensure a college receives that same funding next year as they received in the current year.

# Performance Tier Weights



- Economically Disadvantaged Students
  - Pell Grant Recipients.
  - Additional Weight of 25%
- Academically Disadvantaged Students
  - Students who are not Texas Success Initiative (TSI) ready.
  - Additional Weight of 25%
- Adult Learners
  - 25 years of age or older.
  - Additional Weight of 50%



<b>Performance Tier Funding Categories</b>	<b>Rate</b>	<b>McLennan</b>
15 SCH Dual Credit	\$1,700	\$772,367
Transfer to a Texas Public University after 15 SCH	\$3,500	\$3,928,167
Texas Public University Co-enrollment after 15 SCH	\$3,500	\$0
Standard Licensure/Certificate	\$1,000	\$0
High-Demand Licensure/Certificate	\$1,250	\$0
Institutional Credential leading to Licensure	\$1,000	\$0
Institutional Credential leading to Licensure: High-Demand Field	\$1,250	\$315,833
Standard Occupational Skills Award	\$750	\$17,250
High Demand Occupational Skills Award	\$1,000	\$295,000
Standard Certificate I & II	\$1,750	\$685,125
High-Demand Certificate I & II	\$3,500	\$790,708
Standard Advanced Tech Certificate	\$1,750	\$0
High-Demand Advanced Tech Certificate	\$3,500	\$108,500
Standard Associate	\$3,500	\$4,853,917
High-Demand Associate	\$4,500	\$1,759,500
Standard Bachelor's	\$3,500	\$0
High-Demand Bachelor's	\$4,500	\$0
<b>TOTAL</b>		<b>\$13,526,366</b>

Performance Tier funding is \$1,613,047 more than current State Appropriation.

# Financial Aid for Swift Transfer (FAST)

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- Additional funds to offer dual credit course to educationally disadvantaged students at no cost to the student.
  - Educationally disadvantaged is defined as those students who are eligible for the national free/reduced-price lunch program.
    - Home schooled students and students enrolled in private school do not qualify for educationally disadvantaged benefit of FAST.
  - Optional for schools to participate
  - The Texas Higher Education Coordinating Board will adopt a maximum tuition rate. (Anticipated amount is \$55 per credit hour)
    - The FAST maximum rate is the maximum rate that can be charged to all dual credit students.

# Financial Aid for Swift Transfer (FAST)

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- Schools will be funded at this maximum rate for all educationally disadvantaged students.
- Students who qualify as educationally disadvantaged may not be charged for fees or pay for books and supplies.
  - Schools may enter into contracts with ISD's to pay for these costs.
- Requires Board of Trustee approval.
- School must have an adopted dual credit tuition rate at or below the maximum rate established by the Coordinating Board.

# FAST – Financial Impact

<b>Opting In</b>	
Total Dual Credit Students	3,425
Educationally Disadvantages	950
Tuition and Fees Paid	\$856,928
Educationally Disadvantaged Funding	+\$378,290
Performance Funding	+\$772,367
Estimated Textbook Cost	-\$120,600
<b>Total Funding</b>	<b>\$1,886,985</b>

# FAST – Financial Impact

<b>Opting Out</b>	
Dual Credit Students	3,425
Educationally Disadvantages	950
Tuition (current reduced rate) and Fees Paid	\$1,680,814
Performance Funding	+\$772,367
Free/Reduced Lunch Waiver	-\$560,290
<b>Total Funding</b>	<b>\$1,892,891</b>

# Financial Aid for Swift Transfer (FAST)

- Opting In or Opting out:
  - Minimal financial difference - \$5,906.
  - ISD's will have other options to consider.
  - MCC's positive reputation with ISD's.
  - Logistical challenges to resolve.
- Potential Timeline if Opting In:
  - Implement in Spring 2024.



WELCOME  
*Memoriam!*



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# Questions & Discussion

