



During the 88th Texas Legislature, policymakers enacted House Bill 8, redefining the way Texas community colleges are funded through state allocations. This one-pager provides a quick synopsis of the major components of this transformative piece of legislation.



PERFORMANCE TIER

The Performance Tier is the funding level that now constitutes the largest tranche of state funding and is comprised of measurable outcomes. Colleges will receive funding for completion of any of the following outcomes: **1) credentials of value, with an additional weight for those in a high demand field, 2) transfer to a public general academic institution, and 3) dual credit/dual enrollment on a pathway.** Additional funds will be allocated as applicable for students who either transfer or complete a credential of value and are academically disadvantaged, economically disadvantaged, and/or adult learners (25 years or older). Both the outcome amounts and the weights will be set by Texas Higher Education Coordinating Board during the rulemaking process.



BASE TIER

The Base Tier ensures each community college has access to a defined level of funding for instruction and operation costs. Base tier funding will be allocated if the estimated costs of instruction and operations outweigh the estimated local share of tuition/fee and property tax revenues. There is a basic allotment based on weighted Full-Time Student Equivalent (FTSE). An equitable adjustment is applied for colleges with < 5,000 FTSE. Your local share is determined by estimating a \$0.05 maintenance and operations (M&O) tax based on your most recent tax collections and an estimated tuition and fee revenue based on the state average.



FINANCIAL AID FOR SWIFT TRANSFER (FAST)

The FAST program, administered by the Texas Higher Education Coordinating Board, allows a participating public institution of higher education to receive an allocation of funding based on the number of eligible students who enroll in dual credit courses. Eligible students are those enrolled in high school in a school district or charter school, who qualify for free and reduced lunch, and who enroll in dual credit courses that lead to a credential or degree. **Participating institutions must allow eligible students to enroll in dual credit courses at no cost to the student and for other students, may only charge a tuition rate that is at, or below, the maximum rate established by the Texas Higher Education Coordinating Board.**



TEXAS EDUCATIONAL OPPORTUNITY GRANTS (TEOG)

Funding under HB 8 for **TEOG is increased by \$133.5 million** above the current level, reflecting the recommendation from the Texas Commission on Community College Finance to meet the needs of at least 70 percent of students who qualify for TEOG. Further, **HB 8 removes the existing prohibition against using Pell Grants for the institutional match** under TEOG requirements. This will allow institutions to streamline their administrative processes for awarding these grants and allow colleges more flexibility with their other funding sources.



SHARED SERVICES

Colleges with less than 5,000 FTSE receiving an equitable adjustment from the Texas Higher Education Coordinating Board are required to participate in **shared services and institutional partnerships to reduce costs and improve operational efficiency.** The Coordinating Board will establish an Institutional Collaboration Center with allocated funding from the state to help facilitate share services and institutional partnerships.



COMMUNITY COLLEGE STANDING ADVISORY COMMITTEE (SAC)

The Texas Higher Education Coordinating Board is required to consult with the SAC for the funding of community colleges, as well as for the development of agency rules and policies related to the implementation of HB 8. The **SAC is a permanent standing advisory committee comprised of community college leaders** who represent a diverse mix of colleges based upon enrollment size and geography.