



Wharton County Junior College

Communications from the President BETTY MCCROHAN

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DID YOU KNOW?

Primary Sources of Community College Funding

Texas Community Colleges

Primary Sources of Revenue

Tuition & Fees

- No limits on increases; requires local board approval.
- Many community college students qualify for Pell funds and other financial assistance, but some sources are becoming tougher to get. Loan default rates are jeopardizing some colleges ability to offer loans.

Local Taxes

- Maintenance and operation for general operations. Increases are subject to roll back vote, if over 8%.
- Interest and sinking (debt) approved by tax payers for capital projects.
- Most community colleges have tax rates under the cap.

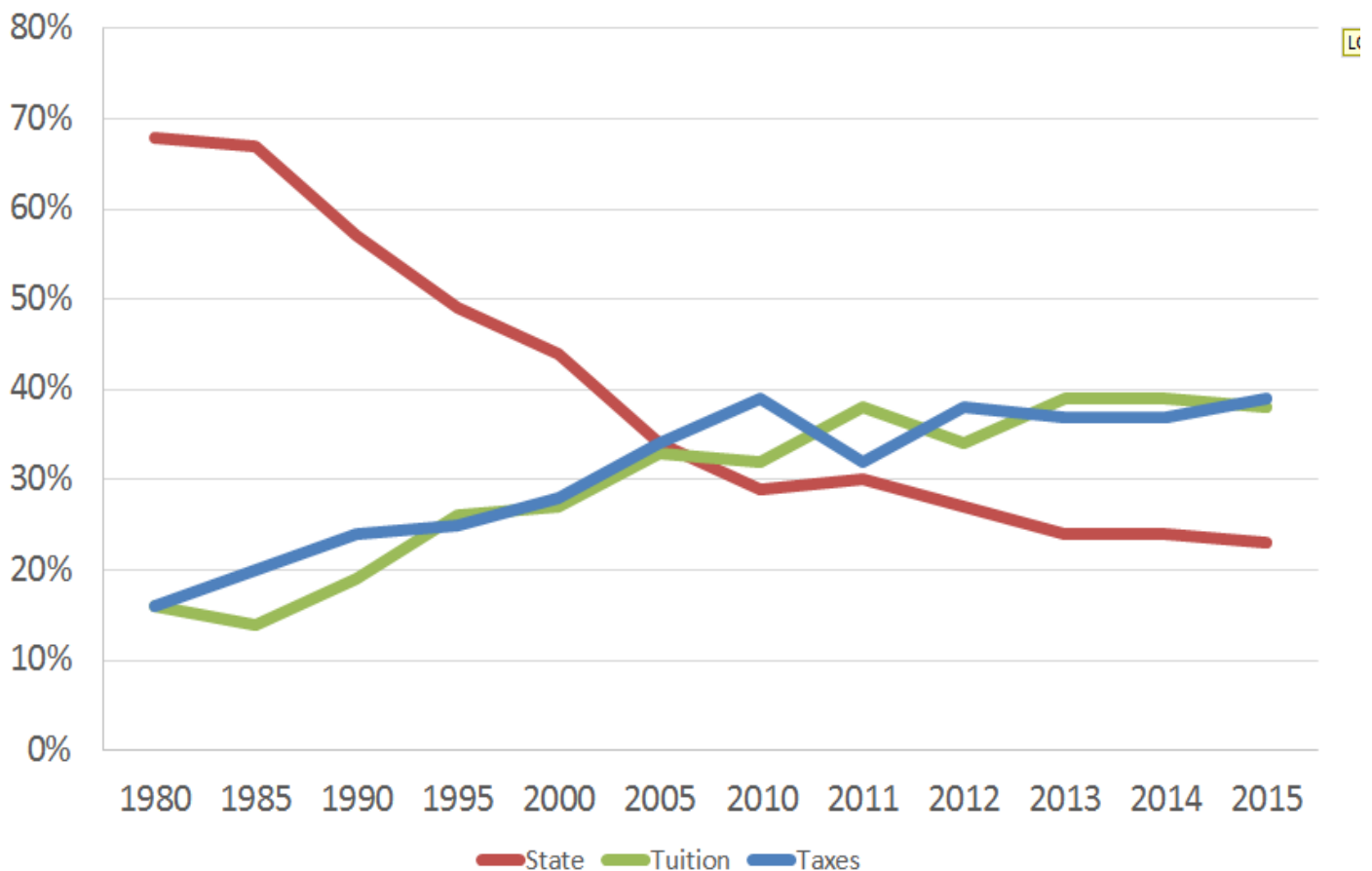
State Appropriations

- Actual amount of appropriations have been flat. Percent of revenue from State has dropped sharply.
- New model was implemented in 2013 by 83rd Legislature: \$1 million per district in core operations, 90% in contact hour funding, and 10% in success point funding.

Community College Funding comes from three primary sources:

- ***State Appropriations***
- ***Tuition and Fee Revenue***
- ***Local Property Tax Revenue***

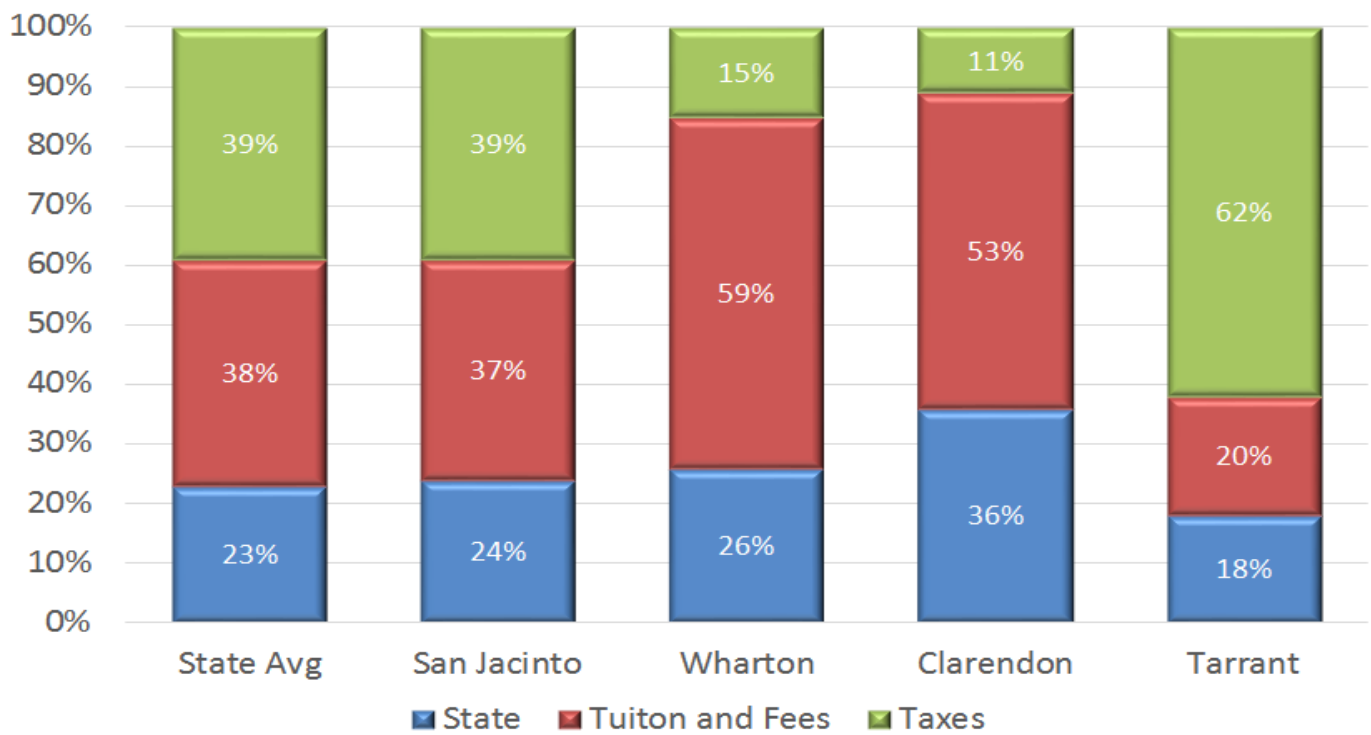
Percent of Revenue by Source



On average, community college state appropriations account for 31% of revenue, tuition and fees 38%, and taxes 39%. The percent of revenue from these sources varies across institutions.

Property rich colleges receive a higher percentage of their income from local taxes while colleges with small local tax resources are reliant on student tuition and fees and/or state appropriations.

Revenue Source Comparison 2015



State appropriations are a product of student enrollments and the legislative funding allocation for each enrollment. As noted in the following chart, community colleges have experienced declines in state instructional formula funds per full-time student equivalent (FTSE).

Instructional Formula Funds per FTSE

