

March 3, 2009

TEXAS ASSOCIATION OF
COMMUNITY COLLEGES

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The Honorable Jim Dunnam, Chair
House Select Committee on Federal
Economic Stabilization Funding
P.O. Box 2910
Austin, Texas 78768-2910

Dear Chairman Dunnam:

On March 2, 2009, your committee heard testimony from the Commissioner of Higher Education, Raymund Paredes, regarding his recommendations for the allocation of federal economic stabilization funds for higher education. On behalf of all 50 public community college districts that are members of the Texas Association of Community Colleges (TACC), we would like to comment on the recommendations by Commissioner Paredes. While we agree with the initial recommendation that \$1.325 billion, or one-third, of the funds be allocated for higher education, we have some concerns about the specific recommendations for distribution of those funds. The Commissioner recommends that \$711.5 million be distributed for campus building modernization, repair, and renovation, and the Commissioner recommends that \$613.5 million be distributed for tuition and fee mitigation.

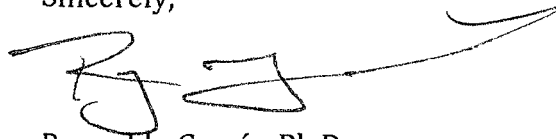
TACC is particularly disturbed by the Commissioner's proposal for distribution of the \$613.5 million for tuition mitigation. By the Commissioner's own admission, community colleges have been vigilant in keeping college tuition affordable. Yet, despite serving 52 percent of the students in public higher education, and absorbing 70 percent of the recent growth in enrollment, the Commissioner recommends a 22 percent share of these funds for community colleges. While we understand the concern over the rising cost of university tuition, we cannot understand why the sector of higher education that has worked most diligently to keep higher education affordable would be so disadvantaged by this recommendation. There is no reward for good stewardship in the Commissioner's recommendation. We ask that the committee carefully consider the increasingly significant role of community colleges in our higher education system and allocate these funds in a more equitable

manner. We would suggest using percentage of total enrollment as a guide.

With regard to the campus modernization and repair component, the Commissioner recommends using the agency's existing model for review of tuition revenue bonds. While that model may be a reasonable choice, TACC notes for the committee that this model has been used exclusively for public universities and health science centers. TACC would like to make sure that public community colleges are not disadvantaged by use of this model due to lack of familiarity with various weights and components of the model. Community colleges should have fair notice of the particulars of the model so that they can compete on a level playing field for these funds.

Thank you for the opportunity to comment on this issue, and thank you and your committee for the hard work you are doing to unravel a very complicated issue. My staff and I are available to you to provide any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Reynaldo García', with a long horizontal flourish extending to the right.

Reynaldo García, Ph.D.
President and CEO

C: Select Committee on Federal Economic Stabilization Funding
House Committee on Appropriations
Texas Higher Education Coordinating Board
Commissioner Paredes