



Texas Association of Community Colleges

June 16, 2026

Dr. Wynn Rosser, Commissioner of Higher Education
Texas Higher Education Coordinating Board
1801 N. Congress Ave., Suite 12.200
Austin, TX 78701

Re: FY 2027 Community College Funding Runs and the Path Forward

Dear Commissioner Rosser:

The Texas Association of Community Colleges (TACC), on behalf of the chief executive officers of the 49-member community college districts in Texas, submits this letter regarding fiscal year 2027 funding runs and the administration of the community college finance system. TACC writes, first and foremost, as a partner. The passage of House Bill 8 in 2023 was a landmark achievement for this state, made possible by close, sustained coordination between the Coordinating Board and our colleges. That partnership produced a transformative funding formula that has garnered national attention and remains the model for consequential public policy in Texas. Nothing in this letter should be read as a departure from that commitment.

It is precisely because our member institutions value that partnership — and consider it essential to everything that follows — that this letter must speak plainly about how last week's events have affected it. Over the past several months, the Coordinating Board engaged our colleges extensively and in good faith on the design of the proposed FY 2027 rules, including the demographic weight adjustments and the five-year award limitation. Our institutions participated fully in that dialogue, and we are grateful for it. However, the methodology the agency would use to bring the formula's results within the FY 2027 appropriation was not part of that conversation. For many of our chief executives, the funding runs released on June 10 were the first time the proration methodology became visible: outcomes earned through student performance, scaled down proportionally to fill a predetermined statewide sum. Our colleges recognized that structure, and it has raised understandable questions about the direction of the model — questions that, we believe, a more transparent process would have surfaced and addressed earlier.

That strain was compounded by the sequence of events that followed. The runs released on the afternoon of June 10 contained material errors that affected several key outcome categories, including associate degrees, advanced technical certificates, bachelor's degrees, and the credential-of-value premium outcomes across all three award types. TACC does not suggest that errors of this nature are made in bad faith, as the complexity of the funding model is not lost on us. The disruption that rippled across fifty institutions in fewer than twenty-four hours — layered on top of the questions already raised by the unannounced proration methodology — has had a real and measurable effect on our member executives' confidence in the reliability of the data administration process. We share this observation not as a criticism, but in the spirit of the honest dialogue that a partnership of this importance requires and deserves.



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The root cause of this year's difficulty is well documented. The FY 2027 appropriation was based on agency projections that materially underestimated what Texas community colleges would achieve. What this moment requires is an honest acknowledgment that the projections were inadequate, that the inadequacy was consequential, and that the methodology used to develop them must change.

TACC recognizes that Texas law requires the Coordinating Board to consult with the Community College Standing Advisory Committee (CCSAC) on matters pertaining to the sector's formula funding. What recent events have made clear, however, is that consultation as currently practiced is insufficient to achieve the level of shared visibility this model requires. The funding projections developed through the Legislative Appropriations Request process are the single most consequential upstream variable in community college finance; a forecast that underestimates institutional performance by the margin reflected in this biennium's runs is not merely a technical miscalculation, it is a measurable consequences for fifty institutions and the students they serve.

TACC therefore respectfully asks Commissioner Rosser to exercise his existing authority under Texas Administrative Code Rule 1.161(4), which expressly authorizes the Board or Commissioner to issue additional charges to the CCSAC, by directing a working group of several CCSAC members to participate in the agency's development of the biennial appropriations request for Fiscal Years 2028 and 2029. This request requires no new statute, no new committee, and no new authority. It asks the Commissioner to use the tools already at his disposal — tools designed precisely for moments such as this — to ensure that the institutions contribute meaningfully to the biennial appropriations process.

This moment should also be understood in terms of what it means for Texas. When the Legislature passed House Bill 8, it asked the community colleges to become the primary engine of the state's workforce development. The outcomes driving this funding model show that the sector has answered that call. Students are earning valuable credentials in high-demand fields at levels that exceeded every projection; that overperformance is the very reason the forecast fell short. With more than 742,000 students enrolled in fall 2025, Texas community colleges are now the largest sector of higher education in this state, educating the welders, nurses, technicians, and skilled professionals on whom the Texas economy depends — faster and in greater numbers than anyone predicted. Our colleges did not merely accept the role the state asked them to play. They invested in it, delivered on it, and are now absorbing the fiscal consequences of their own success.

To that end, TACC respectfully requests that the Coordinating Board continue to recognize and communicate the structural gap between outcomes produced and funds appropriated for the current biennium. Such recognition would provide valuable context as policymakers consider a supplemental appropriation and would demonstrate the partnership this letter has sought to describe.

TACC and its member chief executives write in the same spirit as they did when they came to the Capitol in 2023: as partners, united and committed to the work. The concerns expressed



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here are offered not as a grievance but as honest counsel from institutions that have staked their planning, programs, and students' expectations on the integrity of this model. We ask, as genuine partners in this process, to be heard.

Respectfully submitted,

A handwritten signature in black ink that reads "Ray Martinez III".

RAY MARTINEZ III, J.D.
President & CEO
Texas Association of Community Colleges

CC:

Dr. Brent Wallace, Board Chair, Chancellor of North Central Texas
Dr. Jennifer Kent, Vice Chair, President of Victoria College
Dr. Jeremy McMillen, Secretary/Treasurer, President of Grayson College
Dr. William Serrata, Immediate Past Chair, President of El Paso Community College
TACC Membership – Chief Executive Officers