AUSTIN COMMUNITY COLLEGE DISTRICT (ACC)
RESPONSE TO GOVERNOR’S BUDGET VETO

Governor Rick Perry’s veto of $154 million in community college funding for the 2008-09 biennium, earmarked for employee health insurance, is a misguided action and an example of misaligned public policy which undermines access to higher education and the success of Texas in achieving Closing the Gaps goals.

The governor’s statement about community colleges “falsifying their appropriations request” is flat wrong. Texas community colleges are in compliance with proportionality, a funding mechanism developed by the state that prohibits paying health insurance benefits to federal grant employees.

Prior to this legislative session, the Texas Higher Education Coordinating Board (THECB) recommended the state pay 100 percent in formula funding to community colleges. Based on that recommendation, community colleges appropriately requested full funding for health benefits for eligible employees (those responsible for instruction, academic support, student services, and college administration), excluding all other positions. The legislature discussed the request and voted not to implement proportionality as envisioned by the Governor.

We do agree with the governor on one point – the process of funding higher education is “seriously flawed.” Texas community colleges have a history of being grossly underfunded. While community colleges enroll over half of higher education students, they receive less than 15 percent of the higher education budget.

Despite the request from THECB, the governor’s budget reflects only 52 percent in formula funding.

Community colleges are the gateway to higher education, yet they receive little support from the state.

Historically, the state and local communities have shared the responsibility for financing community colleges. Through local taxes, community colleges pay for facilities and operations, while state appropriations fund the costs of education and administration (Chapter 130 of the Texas Education Code).

Regardless of the political rhetoric about employee benefits and formula funding, it’s bad public policy to underfund community colleges. When the state lowers its support of higher education students, businesses and communities pay the price:

Tuition & local property taxes go up.
Access to higher education goes down.
Fewer people are trained and educated for the workforce.
Fewer companies expand or locate in Texas.
More tax dollars are needed to support social services and the penal system. The Texas economy suffers.

**Texas is already in crisis.** If we do not enroll an additional 630,000 students in higher education by 2015, we will not have the educated populace needed to meet the workforce demands or compete on a global level.

**Community colleges are “the front line” of closing the education gaps. They are the engine that drives economic development:**
- Primary gateway for more than 50 percent of all who enter higher education
- Primary provider of transfer students to four-year universities
- Primary trainer and re-trainer of the local workforce
- Primary trainer of emergency first responders
- Primary facilitator of “access” programs that get students college-ready

**At risk is much more than just health insurance benefits for employees.** We risk quality of instruction and student services if we cannot provide our faculty and staff with adequate health coverage. When state appropriations are cut, ACC is left with few choices that affect our students and community, one way or another:
- Raising taxes – requires election and voter approval of all taxpaying residents in the ACC District
- Tuition increases – limits access to higher education and places too high of a burden on students
- Staffing cuts – reduces quality of instruction and services provided to students

**New campus funding also cut – another blow to access efforts.** In addition to the loss of benefits funding, the Governor also vetoed funding for new community college campuses. For ACC, this meant the loss of nearly $400,000 it would have received for its new South Austin Campus.

**How can you help?**
Let our local legislators know that we appreciate what they tried to do in the funding they approved and sent to the Governor, and ask them to not forget us in the next session.
Tell your network of business and industry leaders, your neighbors, your friends, and family the real story of how community colleges contribute to economic development and healthy communities.

We aren’t out to spar with the Governor, but we are not willing to let this ill-advised action go without comment. We would like to work with him to formulate a more cohesive public policy related to higher education, but we expect to be treated as equals in the higher education system and to be recognized not only for the impact we currently have, but for the potential we represent in expanding economic development efforts in Texas. We hope this leads to a renewed, and honest, discussion of better alignment of public
education support around the Closing the Gaps initiative and on strengthening community colleges. It matters to every Texan.

To learn more . . .

. . . about Closing the Gaps

. . . about Return on Investment
HYPERLINK "http://www.window.state.tx.us/specialrpt/highered05/" http://www.window.state.tx.us/specialrpt/highered05/

. . . about Texas Higher Education
HYPERLINK "http://www.thecb.state.tx.us/" http://www.thecb.state.tx.us/

. . . about the Austin Community College District
HYPERLINK "http://www.austincc.edu/" http://www.austincc.edu/