



July 28, 2026

Senate Committee on Higher Education
Texas State Capitol, E1.028
1100 Congress Ave.
Austin, TX 78701

Dear Chairman Bettencourt,

Thank you for your leadership on the Texas Senate Committee on Higher Education. On behalf of the Dallas Regional Chamber, we appreciate the opportunity to submit written testimony on the committee's interim charge reviewing the state's public junior college state finance program.

In 2023, the Legislature positioned Texas as a leader in innovative postsecondary policy by passing House Bill 8 (HB 8), revolutionizing the state's community college finance system and investing significantly in community colleges statewide.

Throughout 2022, the DRC convened a working group comprised of 11 executive leaders of regional employers to follow and advise the work of the Texas Commission on Community College Finance. Outcomes-based funding for community colleges, designed to better connect community college programming with in-demand workforce needs, emerged as a central tenet of the DRC's working group recommendations.

Three years later, HB 8 is working as intended. Community college outcomes are exceeding state projections, outpacing expectations in credential attainment, workforce readiness, and dual-credit completion. As a result, however, most community colleges will see a decrease in state funding next year, despite improving outcomes.

Moving into the 90th Texas Legislative Session, we urge the Legislature to continue its commitment to driving postsecondary achievement across the state by maintaining the outcomes-based funding model created by HB 8.

Community colleges are integral to Texas' postsecondary, workforce goals

The continued success of North Texas and the state relies on the strength of our talent pipeline. The state's strategic plan for higher education, *Building a Talent Strong Texas*, recognizes this, aiming to equip at least 60% of all working age Texans with a postsecondary degree or credential by 2030.

This plan is ambitious, but apt: by 2030, more than 60% of jobs in Texas will require a degree or credential beyond a high school diploma. In the Dallas Region, just 26% of students meet this mark within six years of high school graduation.



Community colleges are uniquely positioned to bridge this gap. In the Dallas Region alone, community colleges serve nearly 250,000 students each year, ranging from high school students earning dual-credit to adult learners seeking to upskill or reskill into a new occupation.

In the Dallas Region, HB 8 helps facilitate significant gains in postsecondary attainment

Community colleges in North Texas demonstrated significant growth in key student outcomes in just the first year of HB 8 implementation.

Across Dallas College, Collin College, Tarrant County College, and North Central Texas College, attainment of credentials in high-demand fields increased by 27% overall year-over-year. Economically-disadvantaged students and adult learners outpaced overall growth in high-demand credential attainment, improving 39% and 44%, respectively.

Additionally, all four colleges saw significant growth in short-term workforce credentials, including a 97% increase in the number of Occupation Skills Awards achieved.

These gains suggest that community colleges are responding to the incentives established by HB 8. Importantly, improvements are concentrated in high-demand fields and target student populations, such as economically-disadvantaged and adult learners.

Preserving HB 8 funding model is critical to *Building a Talent Strong Texas*

The business community was broadly supportive of HB 8's passage in 2023, and the gains in postsecondary outcomes already realized demonstrate why.

While calibrations may be necessary to right-size the funding incentives provided by HB 8, we urge the Legislature to maintain the state's commitment to a dynamic, outcomes-based funding model for community colleges during the 90th Texas Legislative Session. Preserving the intent of HB 8 is central to sustaining our progress towards the goals of *Building a Talent Strong Texas*.

Thank you for your attention to this important topic and your continued leadership on behalf of the students, higher education institutions, and employers of Texas.

Sincerely,

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