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## MEMORANDUM

TO: Alamo Community Colleges Family

FROM: Dr. Bruce Leslie, Chancellor

DATE: July 17, 2008

SUBJECT: **Town Hall Meetings**

Thank you to everyone who attended the recent Town Hall Meetings. The questions and discussions were certainly stimulating and I appreciate your taking the time to share your thoughts and participate in these exchanges. I hope that the information provided by way of my responses was clear and helped everyone to better understand the context in which recent decisions were made. I exited each meeting impressed by your level of engagement and clear dedication to making ACC the best it can be. Please continue your active involvement by reviewing the Chancellor's Web page, especially the [Board Retreat Memo](#) to the ACC Family dated May 19, 2008.

One of my realizations following our discussions is the great challenge we collectively face in communicating information throughout our large and complex organization. We are so often consumed with meetings, deadlines, juggling multiple priorities, and trying to balance our personal lives and professional obligations that basic communication sometimes takes a back seat. Because this pace is likely to continue, we must not forget to make the time to engage in effective two-way dialogue. This means availing ourselves of the information that is out for public consumption and channeling our queries through the appropriate governance structures. For instance, much of the information we discussed at the Town Hall Meetings is readily available, but isn't being synthesized. The Board materials containing the Trustees approvals with relevant justifications, along with the video archives, are available to everyone. A summary of each week's Executive Team meetings is on the Chancellor's web page. Faculty and staff representatives are present at those meetings. The Communication's Office issues an electronic weekly report and the Presidents and Vice Chancellors meet regularly with their teams. The Chancellor issues regular "ACC Family" messages containing crucial information and background materials that are informing college decisions. Meetings with senior administrators are held with department chairs, with the Faculty Super Senate and Staff Executive Council each month. There is much deliberation with representatives from all internal employee constituencies throughout the system that influence decision-making. But it was evident at the Town Hall Meetings that these materials aren't being

read, responsible persons are not sharing information with their peers, and there is a breakdown of communications all across the district.

While I am pleased to visit the colleges regularly to discuss ongoing changes and initiatives, we cannot rely on this as a primary mode of communication. Because communications must be two-way to be effective, I encourage you to read the published materials, discuss issues and questions within your departments and units, dialogue with the Deans, Vice-Presidents and President and with the Vice Chancellors or relevant district administrator. The Presidents are being encouraged to make a major effort to ensure relevant materials are shared throughout each college and to also meet frequently with employees. With more complete and timely information there is less chance that misunderstandings will arise.

For those who were unable to attend, and those who would like a summary of the discussions from all five of the Town Hall Meetings, the key themes were as follows:

1. Why are senior administrators being paid more at a time when we can't afford to fill key staff and faculty positions?

Answer: There are two factors at work:

- a. Market Salaries: the Board has recognized that ACC salaries are not competitive and our compensation plans outdated. Thus, they have approved studies of staff and faculty compensation. As a result, about \$3 million has been approved to restructure the staff compensation plan and \$4 million to implement the compression phase. This \$7 million is an additional cost that must be absorbed now and in the future. The Faculty Compensation Study RFP has been released and we expect to select a vendor and begin the study this fall. The administrative phase of this process will be proposed to the Board last.

Another example of our addressing market forces is the provision of faculty stipends for current and future nursing faculty. In an effort to both reduce the attrition and improve the recruitment of new nursing faculty, the Board approved an annual \$7,500 stipend this year. Additional proposals for other disciplines are currently under consideration.

At the district I inherited several key administrative vacancies and a senior staffing level that was not sufficient to meet the needs of a system of this size and complexity. To rectify, I provided the Board with organizational structure and salary data of our Texas peer college senior administrators and the Board approved an increase to the rate of the AVERAGE of the Texas institutions. This made us competitive enough to attract Drs. Loston, Cleary and Mr. McLaughlin.

So, in the big picture, the administrative increases were a very small investment to address serious and immediate needs of this organization. Already, the new leadership has initiated substantial cost reductions through strategic changes in IT, Finance, Employee Services and CIP implementation worth substantially more than the increased expenditure in these positions.

- b. Current staffing levels: Among the many factors affecting the size of our staff are history and the traditional ACC budgeting approach. Traditionally, each college determined the necessary staff and SAC and St. Philips, in particular, have had many years upon which to build their staffing patterns. This history was supported by a budgeting process that has given the colleges full flexibility to make local employment decisions without consideration to overall alignment with district-wide staffing policies (see [Personnel Effectiveness Program {PEP} Memo](#) dated 10/04/07 on Chancellor's website under Q & A). Compounding this issue was a budgeting allocation model that provided the colleges with state tuition reimbursement and local tuition and fees leaving the local tax base to fund district operations. This rewarded the larger colleges without regard to need or efficiencies, a model that can no longer sustain itself.

By 2003, following the state's reduction in community college funding and the more rapid increase of the local tax base funding the district's operations, this method became even more ineffective as the district began to subsidize the colleges and, by doing so, perpetuated staffing levels that no longer reflected the enrollment patterns taking place in San Antonio. Thus, the shift of the region's growth to the north side, with the expansion of Northwest Vista and opening of Northeast Lakeview, couldn't be sustained. The growth of these two colleges is the key factor in the continuing increase in revenues to the system, as enrollment at the other three colleges has been sedentary. These two colleges require an accompanying increase in staff, as does the district, which has been traditionally understaffed in favor of the colleges.

It was expected that a .25 cent tax the Board implemented to help cover college start up costs and New Campus Funding legislation from the state would be adequate to open Northeast Lakeview College. Unfortunately, we reached a tax cap and are unable to continue collecting the .25 cents. The governor vetoed the \$3.8 million in new campus funds request. Thus, costs to open the new college must come from redistribution of internal resources.

Since we must self-fund, the most appropriate strategy to address these issues has been to ensure appropriate distribution of staff resources across the colleges and district so that there is both fairness and transparency. We must work together in these efforts and take a GLOBAL view; a view that is in the best interests of all our students, not just those in a single college. This will require leadership, sacrifice and a commitment to equity. This spring, Jim McLaughlin, with the Presidents' assistance, began applying staffing formulas to achieve this system. The models being applied are not new; they have been utilized by other community colleges both statewide and nationally for many years. In fact, ACC is one of the few institutions not using this approach. So what may seem radical and a threat to the long-term status quo of our colleges has been in practice elsewhere for many years. The result will be several changes:

- 1) The Board directive, which is on the Chancellor's Web Page under "Reports and Documents" dated February 19, 2008 to properly distribute resources, will be implemented.

- 2) Board policies will be fully implemented and revised to ensure staff resources are distributed according to the needs of the system, not just to accommodate the needs of a single college.
- 3) The new compensation plans will be maintained through the application of Board policies that prevent local decisions to supersede district applications.

The result will be some redistribution of resources based on the staffing structures. The first phase is the reassignment of faculty positions primarily from SAC and Palo Alto Colleges. This was done during the opening of Northwest Vista College when 16 vacant positions were relocated from SAC. This will require some time to implement fully and in the meantime there will be some disruption as the necessary sequence of actions takes place. In the long run, the formulas will drive staffing and budgeting decisions in advance, greatly reducing such disruptions. In the end, this approach, especially under financially challenging times, will reduce the risk of over staffing in certain areas while understaffing in others and the potential of any employee layoffs. It's better to transfer employees than to layoff anyone.

2. Why create a new Vice Chancellor for Student Success and why was that position as well as the position of Vice Chancellor for Planning, Performance and Information Systems not advertised?

Answer:

- a. The new vice chancellor positions were created to provide the critical leadership necessary to achieve the Board's directives, improve operational effectiveness and efficiencies and to prepare ACC for the anticipated new operational demands expected from the legislature.

- i. Vice Chancellor for Planning, Performance and Information Systems.

There is substantial waste at ACC that has developed over the years based on the financing culture as previously described. Thus, there are five or six duplicative systems, when one is the norm. For various reasons, key infrastructure systems such as IT have not operated as required. The Banner implementation is the best example. The Board approved and financed Banner's implementation five years ago but little progress has been made during that time. Several factors contributed:

- 1) Despite capable and dedicated staff, the organization and operations of IT have not been conducive to project development.
- 2) The culture of ACC, with its multiple systems, has placed a huge barrier to implementing the various Banner systems. Although Banner is capable of being customized to allow independent customers to meet local needs, for ACC to adhere to each college's unique approach to its operations requires significantly greater Banner redesign, increased operating costs and substantial, ongoing administrative challenges and investments to operate and maintain.

- 3) Additionally, having Institutional Research separate from IT, crucial for our Achieving the Dream commitments and performance operations, has proven to be highly ineffective. Merging planning and Institutional Research with IT is more efficient and will provide better results that are crucial in increasing our student and operational performance.

The Board agreed with the need for an experienced, senior leader to oversee these three areas, as well as our Baldrige and Good to Great strategies, and approved the position of Vice Chancellor for Planning, Performance and Information Systems position last year. The position had been in the queue to be advertised but, as everyone knows, such efforts take much longer than necessary at ACC! Thus, when Dr. Cleary was interviewed for the Vice Chancellor for Academic and Student Success position, many of us, including faculty and staff who had interviewed Tom during his open forums, suggested that his IT and research experience made him an excellent choice for the VCPPIS position. Given the substantial difficulty finding persons with the desired qualities, the Trustees agreed to waive the policy and employ Dr. Cleary, who had been interviewed and found to be a top candidate for ACC, without a separate search. This was a critical hire in view of the tremendous frustration with IT and Banner and the ongoing waste in money and time. Plus, we saved the cost of advertising the position and the twelve months it would have taken to fill the position through the normal approach; delaying by yet another year our progress in improving IT and implementing Banner. Remember, we had been searching for a Vice Chancellor for Academic and Student Success for over a year at that point. Austin Community College whose Vice President for IT was employed at Houston Community College just before I left, still hasn't been successful in employing a replacement and many colleges have decided to outsource IT operations, not, in my mind, an acceptable strategy.

ii. Vice Chancellor for Student Success:

As the search progressed for the Vice Chancellor for Academic and Student Success, a position the Board had mandated several years ago concurrent with their establishment of the Internal Auditor and Ethics Compliance Officer, it became increasingly clear that one person could not handle all the demands of our academic and student operations, at least at this time in the district's development. As a result of the many serious audit findings, my growing familiarity with previous audits and district operations and consultant reports, it became increasingly clear that reorganizing the position into both academic and student operations was necessary. Increasing concerns about state accountability, local employers calls for greater numbers of ACC graduates (see Alamo Work Source Report on the Chancellor's Web Page), expanding community partnerships with the Bexar County's 17 school districts and more inquiries from the schools within our 7 county service area, the need for new student support models added to these concerns.

In this instance, my recommendation to the Trustees was based on reorganization of the vice chancellor position. Such reorganization and promotions are carried out frequently within ACC as at most other colleges and districts. Dr. Clark, Dr. Fabianke and Dr. Silva were finalists for the Vice Chancellor's position and recommended to me for consideration by the committee. I could have selected any one of them during the search. Thus the committee had vetted the individuals and they had been interviewed by employees from across the district prior to their appointments. By not advertising the Vice Chancellor for Student Success, re-advertising the Vice Chancellor for Academics, yet again, or the Associate Vice Chancellor for Academic Support, we saved substantial costs and at least another year in the search process, time not really available to us given the important tasks ahead. In addition, these appointments show the district's commitment to appointment from within, the opportunity for any employee to reach the most senior positions of the college and broad diversity throughout the system; a strong statement to our employees and community.

3. Why is class size increasing and the ratio of full-to-part-time faculty decreasing? Won't this affect student success at the very time we are seeking to improve student achievement?

Answer:

- a. Increasing class size was one of the recommendations of the Texas State Performance Review (TSPR) completed by the State Comptroller several years ago. The auditors reviewed class size of our Texas peer institutions and found that ours at approximately 18 was well below the 25 of our peers. For each one student increase in class size, the district can save \$1 million. There is little evidence that an increase of this small amount has a detrimental impact on student learning. In fact, colleges with larger class size are achieving better student results than ACC and Northwest Vista, with a larger class size, has better results than the other Alamo colleges. The savings accrued from this initiative will be used to help offset the increasing cost of instruction and allow ACC to remain competitive in its efforts to recruit and retain quality faculty.
- b. Increasing the full-to-part-time faculty ratio is also a means to control our costs. Although there has been much talk of our having a 60/40 ratio, our actual ratio is closer to 50/50 already, which is better than many other community colleges in Texas and across the nation who are at a 40/60 ratio. The literature is also very vague about any real impact this has on student success. This issue is made more critical because of the large number of very small classes, with ten (10) students or fewer.. I do realize that we are constrained by certain programs that stipulate small class sizes and limitations of our room dimensions, especially at Palo Alto College. So, our goal is an overall district class size of 23 and a faculty ratio of 50/50 full-time to part-time courses taught, and our budget is being built on this.
- c. A third factor is the amount of credits we require for graduation. Many of our programs require students to complete 76 hours to graduate, not the 60 – 66 credits as stipulated by the Coordinating Board. This places an unnecessary

burden on our students to complete the degree, contains credits that are often not transferable to colleges and universities and requires us to employ more staff and faculty to offer so many courses. We are currently reviewing this practice in order to bring us back into compliance, anticipating the positive affect of allowing us to reduce costs and, we believe, increase student achievement.

4. Why are we opening the Northeast College and purchasing land for a new North Central College when we can't afford to meet current needs?

Answer:

- a. The demographic impact on the city of San Antonio and resultant increase in the northern population is affecting ACC just as it is the area school districts and other public service organizations. The Board has responded to years of community encouragement to open the Northeast Lakeview College and the growth along the I-10 corridor has resulted in similar interests for a new college south of Boerne; whose school district is in both Bexar and Kendall counties. On the positive side, Northwest Vista and Northeast Lakeview are among the fastest growing colleges in the nation and are the source of most of the increasing revenues that are subsidizing the other three colleges. Without these two colleges, ACC would have no growth and, therefore, no new money. There are obviously start-up costs for Northeast Lakeview as there were for Palo Alto and Northwest Vista, but the growth will be the primary source of new funds that will be distributed across the district.
  - b. The cost of gas is already having an impact on the affordability and willingness of our students to travel to class. Our close proximity to most of our students will be enhanced by the North Central College's location, which positions us geographically to serve, and therefore, maintain, our student enrollment base. Without these new campuses, students would choose other options and our revenues would experience long-term decline.
5. Why are we purchasing land for a new administration building?

Answer:

- a. The funds to purchase land and buildings do not come from the operating account but rather from bond funds established for this purpose. Thus, there is no direct impact on the operating budget.
- b. The administration's operations are currently scattered among three buildings: Houston Street, Sheridan Street and Pat Booker Road. This is very inefficient and the costs to maintain these old and not well-designed facilities are quite high. A consolidated administrative building will reduce costs and improve operational efficiencies. This project should be seen in the context of the ongoing acquisition of additional land at SAC, St. Philips and Palo Alto Colleges, construction of a new Public Safety Campus, and several construction projects in conjunction with local school districts.

This is a lot of information but hopefully it provides a thorough assessment of the actions we are taking. To summarize:

1. Although our budget is growing, funds anticipated to cover the costs of opening the new college (Northeast Lakeview) are no longer available. This necessitates the reallocation of resources to fund our future growth and long-term stability.
2. Enrollment growth on the north side and low growth elsewhere in the system requires additional resources to expand the two colleges affected.
3. To ensure that reallocation is transparent and fair, we have adopted several formulas, based on comparable data with our Texas peer colleges.
4. The governor and state legislature are calling for greater levels of student performance, which will require greater levels of operational performance. Concurrently, our community is asking that we produce more capable graduates to meet the workforce needs of the region, and partner with our schools and communities for greater leverage of increasingly limited funds. To achieve this, ACC must undergo substantial systemic change.
5. There are substantial inefficiencies throughout the system as validated by formal audits and consultant reports that must be eliminated so available dollars can be redirected to meet our student focused agenda. Because we cannot have operational control without fiscal control, ACC's budgeting process must be modified with a focus on performance, need and equity.
6. At the same time, in order to ensure our salaries are market based and fair across the system, the Board has approved implementation of the staff compensation and compression studies, with a cost of about \$7 million as well as stipends for certain high-demand positions. Additional studies will be completed for the faculty and administration. These costs are ongoing and must be absorbed by the budget as people are our most important asset.
7. A component of the reallocation process is to "place the right people on the bus and in the right seats." Thus, the Personnel Effectiveness Program process was initiated to ensure that every vacant position is thoroughly vetted as to its necessity and, unless critical to the mission of the college/district, left vacant or reallocated.
8. Several key senior administrative positions were created by a Board-approved reorganization. The Vice Chancellor for Planning, Performance and Information Systems, critical to finally get Banner operational and modernize our IT and IR systems, was filled from the pool of recommended candidates from the Vice Chancellor for Academic and Student Success search. Dr. Cleary's expertise has already saved several hundred thousand dollars in improved efficiencies.
9. The Vice Chancellor for Academic and Student Success, a position established by the Trustees several years ago was restructured and a new Vice Chancellor for Student Success incorporated into the organization. This action was initiated in order to ensure that the most important responsibilities of the Alamo Community Colleges, teaching and learning and student success, achieve the highest level of attention. This aligns the district with the colleges' organization. The search committee recommended both individuals appointed to these vice chancellor positions. By not re-advertising these two jobs, especially after an 18-month search reopened four times, ACC saved substantial dollars and precious time and sends an important message to our employees and community of opportunity and diversity in achieving our mission.

In closing, let me once again express my sincere appreciation for your continued interest in, and dedication to, making ACC the best system in the nation. To ensure our future success it will be important to continue to maintain open

communications, a student-centered focus, and a global perspective. As always, I look forward to working together to build a better future for our students and communities.

c: Board of Trustees