



*Office of the  
Chancellor*

*201 W. Sheridan, Bldg. B.  
San Antonio, Texas 78204  
Phone: 210.208.8020  
Fax: 210.208.8149*

---

## MEMORANDUM

TO: The Alamo Community Colleges Family

FROM: Dr. Bruce H. Leslie, Chancellor

DATE: May 1, 2008

SUBJECT: **Update on State Initiatives and Request for Input**

The purpose of this email is to provide an update on state initiatives, discuss the impact on the ACC, and most importantly, to solicit your input.

There are a number of state commissions and projects initiated by the legislature and/or Governor's Office that potentially will have far reaching impact on the way higher education is structured, financed, and held accountable. All community colleges, and especially the Alamo Community Colleges, have been very pleased that Chairman Zárate has been appointed by the governor to serve on a new commission to consider incentive funding, which is the governor's key strategy to improve performance throughout higher education. The expectation is that new dollars will be made available, for the governor and legislature do understand that additional financing will be crucial to "Close the Gaps", but any new funding will be made available on the basis of improved performance. The key performance indicators being considered are within the "Closing the Gaps" agenda: retention, including transfer to universities, and completion. There is a strong movement towards increasing student graduation rates at all levels, a factor that has already had an impact on secondary education. The committee on higher education financing, chaired by Representative Branch, is considering changes in the formula structure as we know it. The Coordinating Board has already announced that funding should shift from the traditional twelfth day to the end of semester enrollments. This modification will have a significant affect on teaching and learning and on student support and success strategies (See *attachment 1*).

At the same time, a new legislative commission is emphasizing strategic priorities for higher education that may result in new relationships among and between the various sectors of education, with recommendations addressing such issues as world class research, literacy and developmental education as a framework for

improving the pipeline to higher education. The Coordinating Board already has proposed restructuring developmental education under the premise that the current approach isn't successful (*See attachment 2*).

Fundamentally, these state initiatives are in response to local issues including:

1. Recognition that to "Close the Gaps," an additional \$1.5 billion dollars would be necessary if current financing structures are maintained --funds not available.
2. Local pressures on state legislators and the governor to reduce taxes, the key driver in changing the secondary school financing structure during the last special session.
3. Local pressure for increased numbers of graduates with the skills needed by employers for both high tech and broadly educated individuals.
4. Statewide concern over the increasing cost of tuition at the state's colleges and universities.
5. Statewide recognition that Texas lags behind peer states in the numbers of skilled and educated graduates, which is negatively affecting the Texas economy.

A positive development has been the formation of the Regional P-16 Plus Council of Greater Bexar County. The last session of the Texas Legislature encouraged the establishment of such councils statewide and Mayor Hardberger took the leadership. The P-16 Plus Council of Greater Bexar County is chaired by Bartell Zachry and represents business, community, educators and parents and was framed by a formation committee chaired by Elaine Mendoza, our representative to the Texas Higher Education Coordinating Board, and Dr. Charles Cotrell, President of St. Mary's University. I was pleased to have served on that commission receiving much help from Dr. Fabianke and other members of the Alamo Community College family. The focus and charge of the P-16 Plus Committee, which is consistent with the national P-16 movement, is to bring alignment among the different sectors of education, to focus on strategies that will improve student success and develop ways to make the entire regional education system more efficient and cohesive.

In addition to these legislative and gubernatorial initiatives, there are several emanating from the Coordinating Board, including "course redesign" and "Making Opportunities Affordable," a new national initiative funded by the Lumina Foundation, designed to increase graduation rates while reducing higher education costs. Texas will be one of twelve states selected with the full support of the Governor, Lieutenant Governor, Speaker of the House, Chair of the Higher Education Committees in both the House and Senate and the Coordinating Board. Thus, it too, has the potential for both reinforcing these other initiatives and delivering its own impact on strategies that will affect higher education performance and costs.

It is clear that substantial change at the state level is emerging as a high priority for our public officials and that higher education will be undergoing a series of adjustments. It is in our collective best interest, and frankly those of our

students, for us to maintain our active participation in these processes in the hope of helping to frame the outcomes.

### **CHALLENGE FOR ACCD**

One example of local concern is reflected in a report commissioned by the Alamo WorkSource entitled “Alamo Regional Industry Cluster Analysis,” July 2005 (pp. 65-66) that indicates the community’s recognition of our crucial role but also calls for specific improvements in our performance. [Click here for the Alamo Regional Industry Cluster Analysis](#)

“Compared with other community college districts in Texas, the six-year graduation/persistence rate of ACCD is not unusual. Ninety percent of ACCD students have either graduated within six years, or are still students (though not necessarily full-time students). The problem, however, lies with completion. The rate of which ACCD students transfer to universities is 20% less than the Texas average. And, the six-year graduation rate--indicating students who have graduated from a community college or university—is only about 60% of the Texas average.

| <b>COMPLETIONS</b>                            | <b>ACCD</b> | <b>STATEWIDE AVERAGE FOR COMMUNITY COLLEGES</b> |
|---|-------------|---|
| 6 year graduation and persistence rate (2004) | 90.0%       | 91.5%   |
| % who transfer to universities (FY 2004)      | 14.0%       | 17.5%   |
| 3 year graduation rate (Fall 2004)            | 5.7%        | 13.0%   |
| 6 year graduation rate (Fall 2004)            | 17.4%       | 29.5%   |

*Source: THECB*

In addition, fragmentation within the district, and the corresponding challenges of creating single district-wide programs to support targeted industries, mean that many prospective and current students may not have a clear sense of exactly how a community college program will result in a better job at its conclusion. The fact that only 17.4% of entering ACCD students have either an Associates or Bachelor’s degree after six years is a serious weakness in the overall regional economy. Investing in and improving the performance of ACCD should be viewed as a major priority for political, educational, business, and community leaders.”

The conditions expressed in this report must be understood by the ACC family as reflective of the community’s acknowledgement of our crucial role in this region and the importance of helping ACC do more to fulfill the promise of education and strengthen the region’s economy. To this end, it has been beneficial that Dr. Jonathan Lee has actively provided leadership in the College Readiness Initiative, that Mr. Zárate is actively involved in the Governor’s Incentive Funding

Project, and that several of the Alamo Community College administrators and faculty have been engaged in providing legislative testimony--that our voice is being heard. It would be helpful for Mr. Zárate and me to hear your ideas and recommendations in order to help make our voice that much more effective in these commissions and forums. Thus, I invite all members of the Alamo Community College family to e-mail me with your recommendations and advice, as your advocacy in these deliberations will be most beneficial. But in the end, it's up to us to improve ACC, increase student success, and expand opportunities for our students and employees. Our financial resources may ultimately depend on our ability to improve student success.

Please take time to review the several reports on the chancellor's web page, especially the "Alamo Regional Cluster Analysis." Let me know of your proposals and I will keep you informed as these various activities unfold and evolve into specific legislation in the next year and evolve into specific legislation in the next session of the Texas Legislature.

There is much that we are doing well, there is substantial support in the community and we have great potential to become the best community college in the nation. However, external expectations, changes in state funding strategies and increased demand for graduates will fundamentally change how we carry out our mission to empower our diverse communities for success.

Attachments:

1. TACC memo regarding accounting for completed student enrollments
2. TACC memo regarding Developmental Education funding

## Attachment 1

LESLIE, BRUCE

---

From: Don Hudson [dhudson@tacc.org]  
Sent: Thursday, April 24, 2008 4:19 PM  
To: [texasCEO@tacc.org](mailto:texasCEO@tacc.org)  
Subject: Coordinating Board Formula Recommendations

Presidents & Chancellors,

The Coordinating Board approved the following formula recommendations this afternoon:

Formula increase: \$668 million  
Performance funding: \$100 million  
Developmental Education: \$30 million  
Alternative Teacher Certification: \$4.5 million Small Institution Supplement: \$4.8 million

Phase in of Completed Contact Hours: 25% in 2010, 50% in 2011, 75% in 2012, 100% in 2013 if the Legislature provides at least \$400 million in additional formula funds. If increase is less than \$400 million, the funding for 2010-11 should be based on attempted contact hours only.

## Attachment 2

LESLIE, BRUCE

---

From: Don Hudson [dhudson@tacc.org]  
Sent: Friday, April 25, 2008 8:16 AM  
To: [texasCEO@tacc.org](mailto:texasCEO@tacc.org)  
Subject: Coordinating Board Formula Recommendations

Presidents and Chancellors,

A compromise position was reached yesterday. The \$30 million will be trusted to the Coordinating Board, \$20 million will be distributed to all 50 district and TSTC/Lamar for non-course based developmental education instruction. THECB will distribute the remaining \$10 million for small pilot programs (\$100,000 each) and large institutional pilots (up to \$1.0 million each).

--Don

~~~~~  
Don Hudson, Ph.D.  
Vice President  
Texas Association of Community Colleges  
512/476-2572 (ext. 212)  
512/476-0262(fax)