MEMORANDUM

TO: Alamo Colleges Family
FROM: Dr. Bruce Leslie, Chancellor
RE: Letter from Commissioner Raymund Paredes
DATE: June 23, 2010

I am pleased to share the following letter from Dr. Paredes to Chairman McClendon as it explains the two key recommendations the Coordinating Board will present to the legislature for Community College funding. The first is to utilize 10% of whatever funding we receive to begin implementing a model referred to as Momentum Points, developed in Washington State and Ohio, that financially rewards colleges for achieving improvements across several metrics. The second is a proposal to increase community college funding by 19%. This proposal recognizes both the increasingly important role and growth of community colleges. However, realizing a 19% funding increase is doubtful in this economic climate. We can be hopeful but we can’t stray from our efforts to achieve the target reductions assigned to us by the Governor, Lt. Governor and Speaker.

The Momentum Points model as proposed is a dramatic change in the traditional Funding Formula model and would be implemented not as an incentive program as was the case in Washington and Ohio, but as a means to earn the 10% of our funding that would be withheld. If approved, this places a greater emphasis on accountability than the state has expected to date; and most likely the percent of our funding to be earned by Momentum Points will increase over time. Because of our progress in increasing student success, we have good momentum to be ready to respond to this model. But, this means we must continue to nurture that momentum or risk the loss of funding from the 10% pool. This also means we are going to have to dramatically increase student success over time as the amount of funding becomes more dependent on Momentum Points success. At the same time, as the letter indicates, we must substantially improve our operational efficiencies and as you already know, close the more than $21 million financial gap caused by state funding reductions over the next several years, increased enrollments, the costs of 24 new buildings, a new college, inflation and our operational cost structures.

I will keep you informed as the legislative session progresses and we learn more about possible implementation of the Momentum Points model and community college funding.

c: Board of Trustees

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Bruce H. Leslie
Chancellor
Alamo Colleges
201 W. Sheridan, Bldg. B
San Antonio, TX 78204-1429
(210) 485-0020 (Phone)
(210) 485-0024 (Fax)
bleslie@alamo.edu