



SOUTH TEXAS  
COLLEGE



# Dual Enrollment Program Cost-Analysis

AS OF AUGUST 31, 2015 WITH  
PROJECTIONS THROUGH FY 2019-2020

# Dual Enrollment Program Contents as of FY Year August 31, 2014-2015 with Projections through FY 2019-2020

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## Background

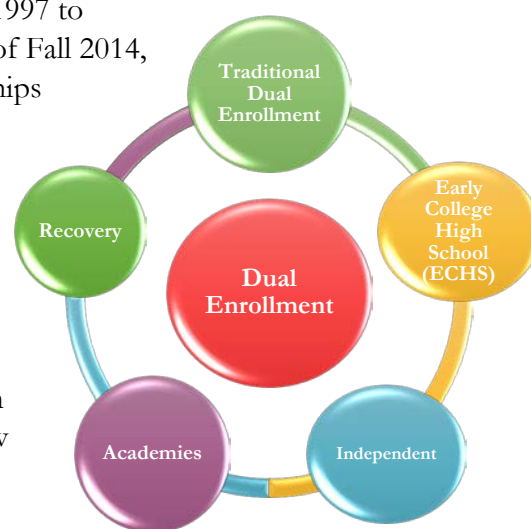
At the request of The Office of the President and The Office of the Vice President for Finance and Administrative Services, the Office of Accountability Services was tasked with performing a cost analysis on the Dual Enrollment Program at South Texas College (hereinafter, the College) to facilitate an understanding of revenues and expenses related to the program.

### Scope

The analysis was limited to Fall 2014, Spring 2015, and Summer 2015 academic semesters. The analysis included a review of notice of employment forms, state appropriations, dual enrollment course agreements (DECAs), independent school district faculty stipends, non-faculty expenses, faculty costs, dual enrollment faculty (DEF), comparisons of other institutions, and faculty overload hours. Assumptions and observations were made based on data analyzed.

### Dual Enrollment Programs and Associated Enrollment Totals

The Dual Enrollment Program at South Texas College has one of the largest high school programs and services in the state of Texas. The program was established in 1997 to provide dual enrollment opportunities to high school students. As of Fall 2014, the program serves over 12,000 students. The College has partnerships with 23 school districts at over 70 high school sites and promotes a college-going culture through dual enrollment courses, programs in Academies, Early College High Schools (ECHS), and college readiness enrollment initiatives. There was a total of 12,505 dual enrollment students for Fall 2014, 13,305 for Spring 2015 and 4,170 for Summer 2015. Tuition and fees are waived for students enrolled in a Dual Enrollment Program, excluding independent students. The overall aim of the program is to build an academic pipeline to college, thus providing students with a preview of post-secondary standards, culture, and expectations.



### Exhibit 1

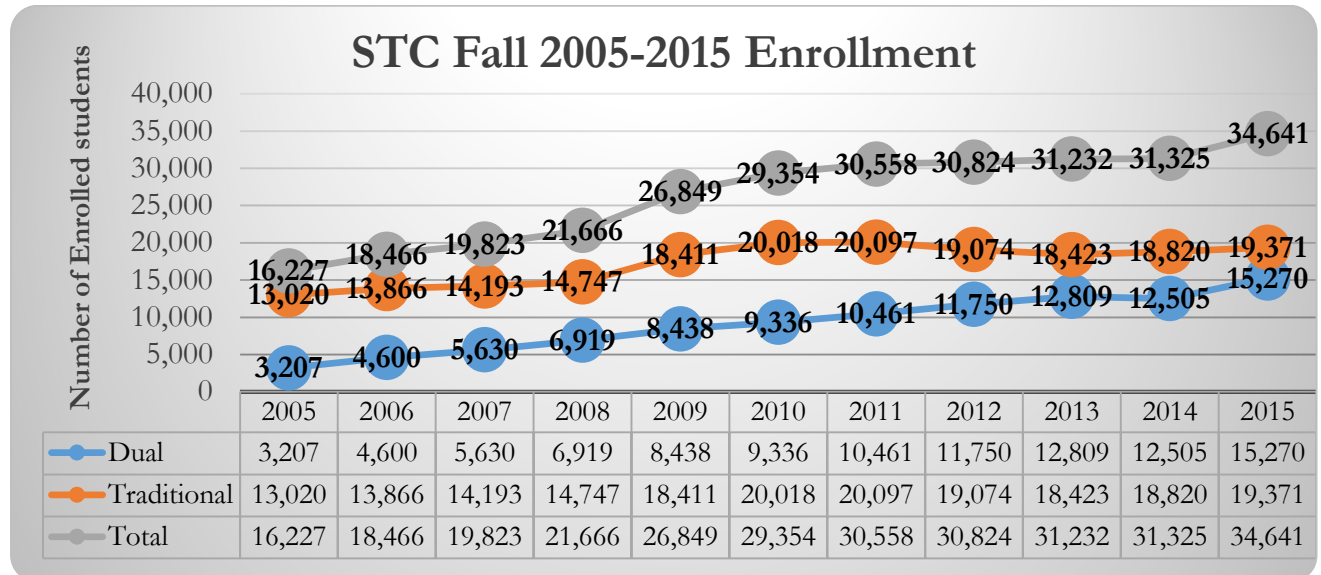
Dual Student Type	Fall 2014	Spring 2015	Summer 2015
ECHS students (student taking "s" sections and non "s" sections included)	3,436	4,047	2,358
Dual Academy Students (not included as ECHS)	154	148	49
Recovery Students (not included as ECHS)	25	29	52
Independents Non-ECHS*	112	95	318
Traditional Dual Students	8,778	8,986	1,393
<b>Total Dual Students</b>	<b>12,505</b>	<b>13,305</b>	<b>4,170</b>

(Source: RAS department)

(\*pay \$50.00 fee per Semester Credit Hour)

**Exhibit 1.1** illustrates student enrollment by Dual and Traditional students from 2005 through 2015. Dual enrollment reflects an upward trend throughout the years, with a significant increase in Fall 2015.

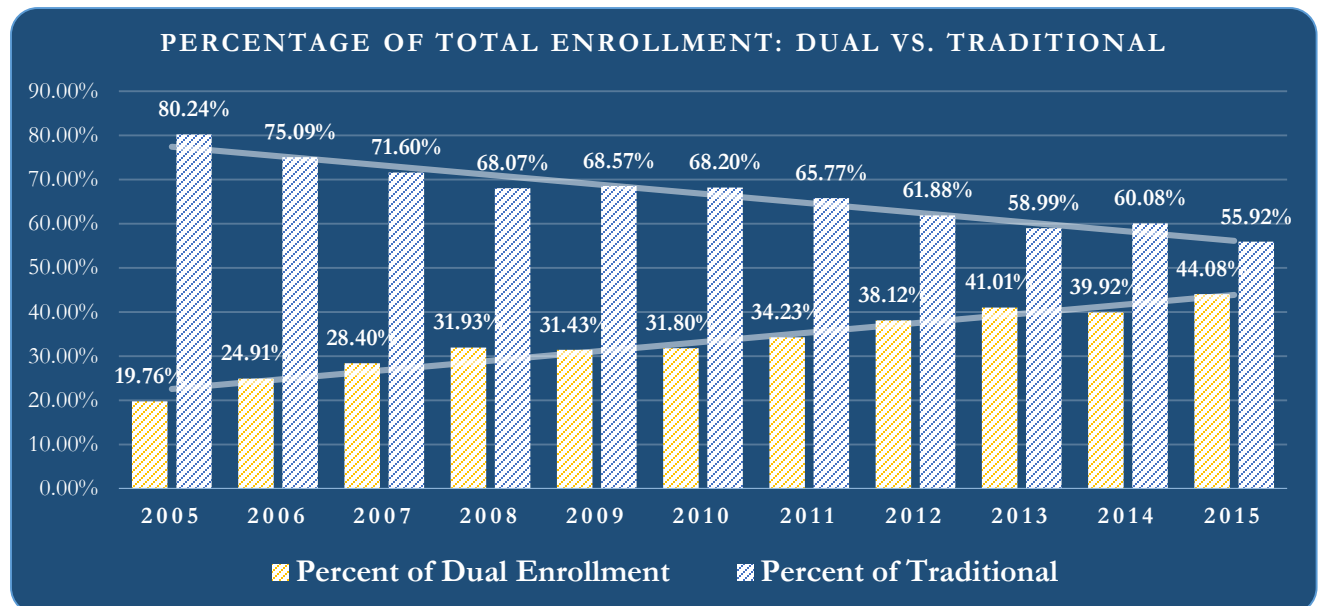
**Exhibit 1.1**



(Source: STC Census)

**Exhibit 2** displays the percentage of total enrollment from 2005 through 2015 for both dual enrollment and traditional students.

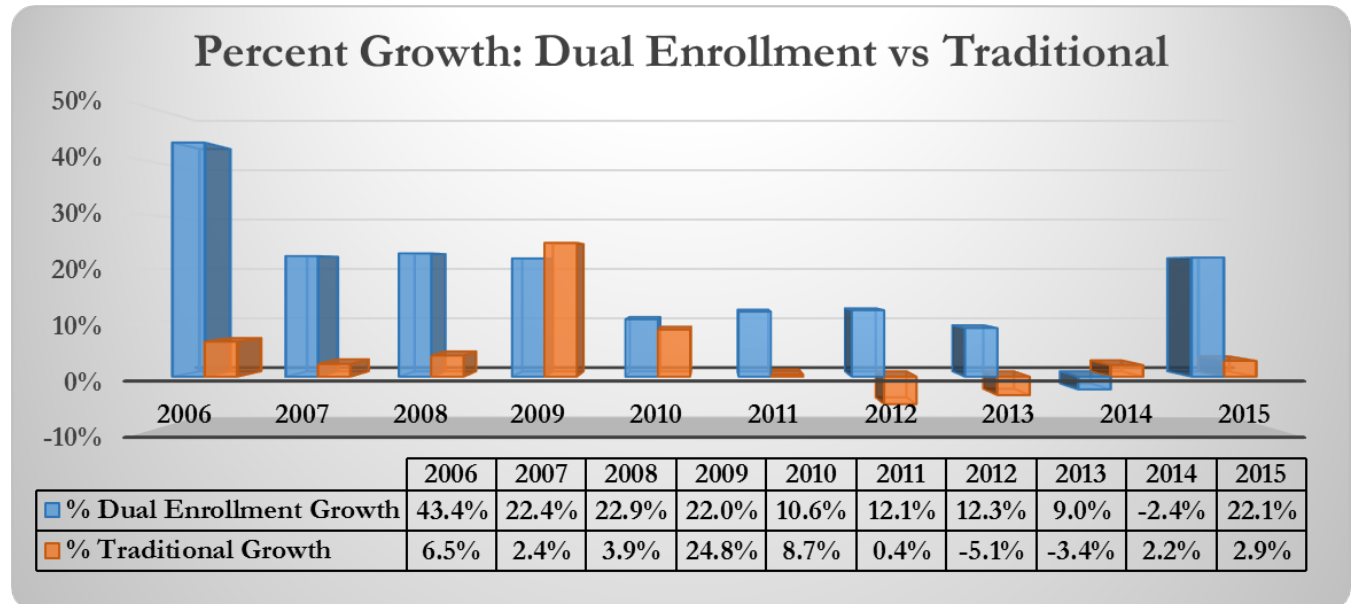
**Exhibit 2**



(Source: STC Census)

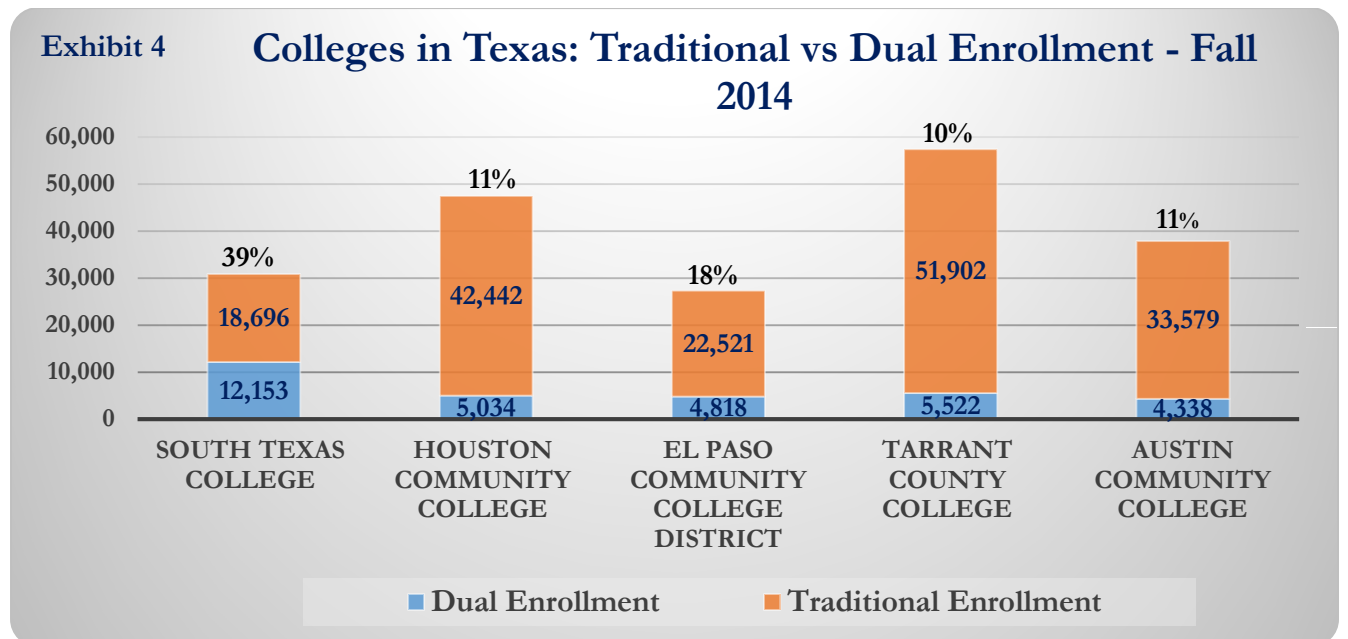
**Exhibit 3** illustrates the yearly percentage growth by dual enrollment and traditional students from 2006 through 2014. Dual enrollment is averaging approximately 16% in growth, in comparison to traditional students averaging 4.5%.

**Exhibit 3**



(Source: STC Census)

Based on data gathered from the Texas Higher Education Coordinating Board (THECB) for Fall 2014, **Exhibit 4** illustrates South Texas College with the highest number of students in a dual enrollment program.



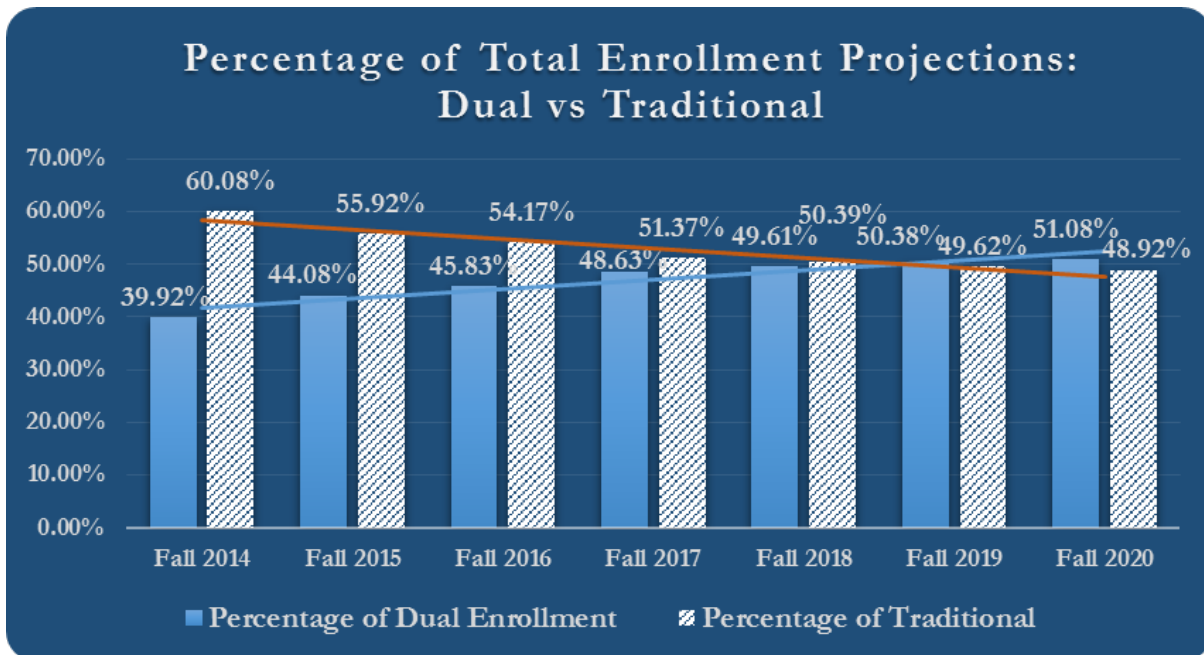
(Source: THECB)

**Exhibit 5** shows projected growth of enrollment for dual and traditional students for the next five years. Growth is anticipated through Fall 2017 due to new Early College High Schools.

<b>Exhibit 5</b> Fall 2015 – Fall 2020 Projections							
	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020
Dual	12,505	15,270	16,797	19,266	20,538	21,708	22,881
Growth		22.11%	10.00%	14.70%	6.60%	5.70%	5.40%
Traditional	18,820	19,371	19,855	20,352	20,860	21,382	21,917
Growth		2.93%	2.50%	2.50%	2.50%	2.50%	2.50%
Total	31,325	34,641	36,652	39,618	41,398	43,090	44,797
Growth		10.58%	5.81%	8.09%	4.49%	4.09%	3.96%

(Source: Comprehensive Operational Plan FY 2015-2016 to FY 2019-2020)

**Exhibit 6**



Matriculation is defined – students taking dual enrollment courses attending South Texas College after graduating from High School.

**Exhibit 7**

**Matriculation of Dual High School Graduates to STC**

*(May and June high school graduates with dual credits enrolled immediately in the fall)*

Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015
19.30%	20.10%	23.30%	22.50%	27.70%	25.30%	26.60%	28.60%	26.90%

(Source: RAS)

## Financial Analysis

### REVENUE

#### Contact Hours

South Texas College receives contact hours from the State of Texas for the Dual Enrollment program. Contact hours generated in Base Year Summer 2012, Fall 2012 and Spring 2013 were received by South Texas College and serve as basis for contact hour revenue projections for FY 14-15. **Contact hours received include “s” and non-“s” sections**, and are displayed below in **Exhibit 8**.

<b>Exhibit 8</b>			
<b>Term</b>	<b>Contact Hours*</b>	<b>Funding Rate (average)</b>	<b>Contact Hours Revenue</b>
Summer I 2012	74,112	\$ 2.66	\$ 197,137.92
Summer II 2012	25,088	2.66	66,734.08
Fall 2012	1,269,904	2.66	3,377,944.64
Spring 2013	1,310,272	2.66	3,485,323.52
<b>Total</b>	<b>2,679,376</b>	<b>\$ 2.66</b>	<b>\$ 7,127,140.16</b>

(Source: RAS and CBM001) (\*Contact Hours generated in Base Year 2012 for state appropriations for FY14-15)

#### Reimbursement from School Districts

The College receives reimbursements from the High School for the cost of the college provided faculty and for travel paid to the instructor. **The Dual Enrollment Course Agreement (DECA) is a contract with the independent school districts.** The school district is responsible for arranging payment to the College for amount agreed upon within the contract terms for providing an instructor and mileage. **Exhibit 9** displays the total reimbursement to the College, including Dual Enrollment Course Agreements, Academies, and the Recovery program, for the Fall 2014, Spring 2015 and Summer 2015 semester. Table 2 agrees with BMR-P02 report.

<b>Exhibit 9</b>	
<b>Term</b>	<b>ISD Reimbursement</b>
Fall 2014	\$ 1,006,961.54
Spring 2015	1,290,098.12
Summer 2015	467,431.40
<b>Total</b>	<b>\$ 2,764,491.06</b>

(Source: HS Program and Services Dept.)

## Academies

South Texas College receives reimbursement for each of the Academy cohorts. There are five distinct Academies within the program: Dual Enrollment Medical Science Academy, Dual

<b>Exhibit 10</b>	
<b>Term</b>	<b>Academy Reimbursement</b>
Fall 2014	\$ 120,850.20
Spring 2015	111,100.00
Summer 2015	61,500.00
<b>Total</b>	<b>\$ 293,450.20</b>

(Source: HS Program and Services Dept.)

Enrollment Engineering Academy, Dual Enrollment Computer Science Academy, School to Career Dual Enrollment Academy, and Dual Enrollment Criminal Justice Academy. **Exhibit 10** illustrates the total amount invoiced to school districts for students enrolled in one of the five academies. The Academy reimbursement is included in **Exhibit 9**.

## Independents

Independent students are those who are not enrolled in an Academy cohort or Early College High School; however, are high school junior and senior students eligible to participate in the Dual Enrollment Program and receive college credit. This program consists of students that are enrolled in non-“s” section courses. In-district students pays a standard fee of \$50.00 per credit hour and out-of-district pays \$78.00 per credit hours. **Exhibit 11** summarizes the total revenue generated by independent students for the three terms. The calculation does not include students with an “ECHS Attribute.”

<b>Exhibit 11</b>	
<b>Term</b>	<b>Revenue for Non “s” Sections</b>
Fall 2014	\$ 27,732
Spring 2015	45,992
Summer 2015	92,588
<b>Total</b>	<b>\$ 166,312</b>

(Source: Technology Resources)

## Late Registration Fees

The Dual Enrollment Program Manual states “Failure to submit a South Texas College admissions application or to sign an “S” form, will result in the student not being enrolled in the dual credit

<b>Exhibit 12</b>	
<b>Term</b>	<b>Late Processing Fee</b>
Fall 2014	\$ 43,200
Spring 2015	28,500
Summer 2015	9,900
<b>Total</b>	<b>\$ 81,600</b>

(Source: Business Office)

class. A \$150.00 late registration fee will be charged to any student requesting to be registered for dual enrollment courses after Census Day as a result of a missing admissions application and/or “S” form signature.” Dual Credit Late Processing Fee revenue is shown in **Exhibit 12**.



## EXPENDITURES

### Faculty Costs – South Texas College Professors Teaching at ISD

Faculty cost is the cost incurred for South Texas College faculty teaching “s” sections, including course overloads.

The South Texas College Employee Pay Plan Handbook 2014-2015 indicates overload pay compensation for full-time regular faculty is paid at the adjunct rate for all LHEs beyond 15 per semester or 30 per academic year. Full-time faculty may accept an overload up to six LHEs each fall and spring semester for additional compensation. Course overloads impact the overall cost of the Dual Enrollment Program. For the purposes of this study, overloads were calculated by reviewing the Notice of Employment for Overload Assignment Form of each instructor teaching “s” sections; however, this does not indicate overloads were a result of an “s” section.

**Exhibit 13** provides a summary of the faculty costs for DECA’s, compared to amount invoiced from the College to ISD. Included in the table are: faculty salaries, benefits, and

<b>Exhibit 13</b>			
<b>Term</b>	<b>Cost for “s” Sections</b>	<b>Amount Invoiced to ISD</b>	<b>Difference</b>
Fall 2014	\$ 1,410,008.94	\$ 886,111.34	\$ (523,897.60)
Spring 2015	1,694,827.73	1,178,998.12	(515,829.61)
Summer 2015	330,605.09	405,931.40	75,326.31
<b>Total</b>	<b>\$ 3,435,441.76</b>	<b>\$ 2,471,040.86</b>	<b>\$ (964,400.90)</b>

overloads pertaining to “s” sections. In comparing the total amount invoiced, the summary in **Exhibit 13** reflects the College did not fully recover the cost of faculty teaching “s” sections.

**Note: The sum of Exhibit 13 (Amount Invoiced to ISD) and Exhibit 10 Academy Reimbursement equals to Exhibit 9 ISD Reimbursement.**

### Faculty Costs – South Texas College Professors Teaching Academy Cohorts

**Exhibit 14** displays the faculty cost South Texas College incurs for professors teaching Academy cohorts.

<b>Exhibit 14</b>			
<b>Term</b>	<b>Faculty Cost to Teach Academy Courses</b>	<b>Amount Invoiced to ISD</b>	<b>Difference</b>
Fall 2014 and Spring 2015	\$ 466,258.63	\$ 231,950.20	\$ (234,308.43)
Summer 2015	79,981.10	61,500.00	(18,481.10)
<b>Total</b>	<b>\$ 546,239.73</b>	<b>\$ 293,450.20</b>	<b>\$ (252,789.53)</b>

(Source: Accountability for Exhibit 13 and 14)

## ISD Faculty Teaching Dual Enrollment

The Dual Enrollment Program utilizes Independent School District (ISD) faculty, who meet the requirements of the College, to teach dual enrollment courses at the high school. The STC Dual Enrollment Manual indicates, “Dual Enrollment faculty are high school instructors who have been approved to teach STC Dual Enrollment college courses at their high schools.” When the ISD provides an instructor to teach a dual enrollment course, a stipend of \$350 is paid by the College to the dual enrollment faculty for each section. The amount paid may be prorated depending on class enrollment size. **Exhibit 15** provides a summary of the stipends paid to dual enrollment faculty for Fall 2014, Spring 2015 and Summer 2015 semesters. In addition to the stipends, benefits are provided to the DEFs for teaching “s” section courses. Benefits are included in the calculation, which consists of Retirement, FICA, Workmen’s Comp, Unemployment Ins, Other, with an aggregate percentage of 14.55%.

<b>Exhibit 15</b>			
<b>Term</b>	<b>ISD Faculty Stipend</b>	<b>Benefits at 14.55%</b>	<b>Total</b>
Fall 2014	\$ 376,162.72	54,731.68	\$ 430,894.40
Spring 2015	391,090.00	56,903.60	447,993.60
Summer 2015	30,870.00	4,491.59	35,361.59
<b>Total</b>	<b>\$ 798,122.72</b>	<b>116,126.86</b>	<b>\$ 914,249.58</b>

(Source: HS Program and Services Dept.)

**Exhibit 16** represents the number of ISD Faculty from Fall 2006 to Fall 2015. The number of dual enrollment faculty has increased, on average approximately 14% every year.

<b>Exhibit 16</b>		
<b>Year</b>	<b>Dual Enrollment</b>	<b>ISD Faculty</b>
Fall 2006	4,600	121
Fall 2007	5,630	141
Fall 2008	6,919	177
Fall 2009	8,438	191
Fall 2010	9,336	226
Fall 2011	10,461	252
Fall 2012	11,750	285
Fall 2013	12,809	328
Fall 2014	12,505	345
Fall 2015	15,270	393

(Source: Academic Affairs)

## Program Revenues and Expenditures

**Exhibit 17** provides a summary of the dual enrollment revenues and expenditures for Fall 2014, Spring 2015 and Summer 2015 semesters, including additional required staffing to support dual, and waived tuition and fees. **Exhibit 20** and **Exhibit 21** display revenue and costs associated with the program.

For the purpose of this cost analysis, department leaders provided approximate percentages of time their departments spend on dual enrollment related services. The department expense reflects the staff salaries and benefits. **Exhibit 18** displays the departments with percent of time allocated towards the program.

<b>Exhibit 18</b>	
<b>Proportionate Allocation of Staff to Support Dual Enrollment</b>	
<b>Department</b>	<b>Percent Utilized Towards Dual Enrollment</b>
High School Programs and Services	100%
Dual 2 Degree	100%
Counseling	20%
CLE	5.32%
Library Services General Staff	5.35%
Library Services Dual Enrollment Staff	100%
Research and Analytical Services	21%
Human Resources	5%
Student Activities and Wellness	20%
Testing Center	25%
Advising	20%
College Connections	5%
Admissions	40%
Professional and Organizational Development	20%
Career and Employer Services	20%
Executives and Deans	10-30%
Financial Aid Support	30%
Student Conduct and Conflict Resolution	15%
Program Chairs	25%

<b>Exhibit 17</b>				
<b>Summary of Dual Enrollment Revenues and Expenses</b>				
<b>For semesters Fall 2014, Spring 2015 and Summer 2015</b>				
	<b>Fall 2014</b>	<b>Spring 2015</b>	<b>Summer 2015</b>	<b>Total</b>
<b>Revenue</b>				
State Appropriations <sub>1</sub>	\$ 3,377,944.64	\$ 3,485,323.52	\$ 263,872.00	\$ 7,127,140.16
School District Reimbursement <sub>2</sub>	1,006,961.54	1,290,098.12	467,431.40	2,764,491.06
Dual Enrollment Late Fees	43,200.00	28,500.00	9,900.00	81,600.00
Independent students non "s" section <sub>3</sub>	27,732.00	45,992.00	92,588.00	166,312.00
<b>Total Revenue</b>	<b>\$ 4,455,838.18</b>	<b>\$ 4,849,913.64</b>	<b>\$ 833,791.40</b>	<b>\$ 10,139,543.22</b>
<b>Expenditures</b>				
<b>Direct Costs</b>				
Faculty Cost for DECA's <sub>4</sub>	1,410,008.94	1,694,827.73	330,605.09	3,435,441.76
Faculty Cost for Academies <sub>4</sub>	252,585.96	213,672.67	79,981.10	546,239.73
ISD Teacher Stipend	430,894.40	447,993.59	35,361.59	914,249.58
College-campus trips <sub>6</sub>		33,879.20		33,879.20
Overtime expense <sub>7</sub>	3,148.11	3,148.12		6,296.23
Mileage Reimbursement <sub>8</sub>	2,899.41	310.85		3,210.26
Operation and Maintenance <sub>9</sub>	267,149.17	258,047.25	66,907.05	592,103.47
Office of Safety and STC Police	65,508.60	63,276.68	16,406.52	145,191.80
Miscellaneous <sub>10</sub>		5,640.79		5,640.79
Tech Maintenance & Replacement <sub>11</sub>	4,052.11	3,914.05		7,966.16
Graduation <sub>12</sub>		74,050.60		74,050.60
HS Program and Dual2Degree Cost <sub>13</sub>	665,970.12	732,567.13	266,388.05	1,664,925.30
<b>Proportionate Allocation of Staff to Support Dual</b>				
Research and Analytical Services	28,484.45	31,332.89	11,393.78	71,211.12
Human Resource	1,882.91	2,071.20	753.16	4,707.27
Admission	142,942.63	157,236.89	57,177.05	357,356.57
CLE and Library	128,724.66	141,597.13	51,489.87	321,811.66
Advising services	110,243.47	121,267.81	44,097.39	275,608.67
Counseling services	82,891.18	91,180.29	33,156.47	207,227.94
College Connections	9,562.32	10,518.55	3,824.92	23,905.79
Student Activities and Wellness	59,278.12	65,205.93	23,711.25	148,195.30
Testing Center	66,469.52	73,116.47	26,587.81	166,173.80
Professional Development Cost	29,904.28	32,894.71	11,961.71	74,760.70
Career & Employer Services	23,664.58	26,031.03	9,465.83	59,161.44
Financial Aid Support	190,956.62	210,052.29	76,382.65	477,391.56
Student Conduct and Conflict Resolution	18,367.88	20,204.67	7,347.15	45,919.70
<b>Indirect Cost</b>				
Executive and Deans	156,317.39	171,949.13	62,526.96	390,793.48
Program Chairs	62,072.66	68,279.93	24,829.06	155,181.65
<b>Total Expenses</b>	<b>\$ 4,213,979.49</b>	<b>\$ 4,754,267.58</b>	<b>\$ 1,240,354.46</b>	<b>\$ 10,208,601.53</b>
<b>Net Revenue over Expense</b>	<b>\$ 241,858.69</b>	<b>\$ 95,646.06</b>	<b>\$ (406,563.06)</b>	<b>\$ (69,058.31)</b>
Additional Required Staffing to Support Dual	\$ 316,557.79	\$ 348,213.57	\$ 126,623.12	\$ 791,394.48
<b>Net Revenue over Expenses/ Additional Required Staffing to Support Dual</b>	<b>\$ (74,699.10)</b>	<b>\$ (252,567.51)</b>	<b>\$ (533,186.18)</b>	<b>\$ (860,452.79)</b>
<b>Waived Tuition and Fees*</b>				
Dual Enrollment Tuition Exemption	\$ (6,141,072.12)	\$ (6,401,108.19)	\$ (1,805,875.92)	\$ (14,348,056.23)
Dual Enrollment Fee Exemption	(2,188,740.25)	(2,239,582.70)	(1,113,877.25)	(5,542,200.20)
<b>Total</b>	<b>\$ (8,329,812.37)</b>	<b>\$ (8,640,690.89)</b>	<b>\$ (2,919,753.17)</b>	<b>\$ (19,890,256.43)</b>

\*Reference report: BMR-A08

**Exhibit 19** displays the credit hours generated by dual enrollment students for Fall 2014, Spring 2015 and Summer 2015. Program expenditures shown on **Exhibit 17** were divided by credit hours to calculate the cost per credit hour by term for dual enrollment. For the three academic terms, the average cost per dual enrollment credit hour is approximately **\$62.21**.

<b>Exhibit 19</b>				
<b>Term</b>	<b>Credit Hours</b>	<b>% of Credit Hours</b>	<b>Program Expenditures</b>	<b>Cost Per Credit Hour by Term</b>
Fall 2014	87,247	46%	\$ 4,213,979.49	\$ 48.30
Spring 2015	88,393	46%	4,754,267.58	53.79
Summer 2015	14,670	8%	1,240,354.46	84.55
<b>Total</b>	<b>190,310</b>	<b>100%</b>	<b>\$ 10,208,601.53</b>	<b>\$ 62.21</b>

(Source: RAS Department)

Identifying the cost per credit hour assists in strategic planning and consideration for determining the potential shift to a fee structure, as described in **Exhibit 26**.

Exhibit 20

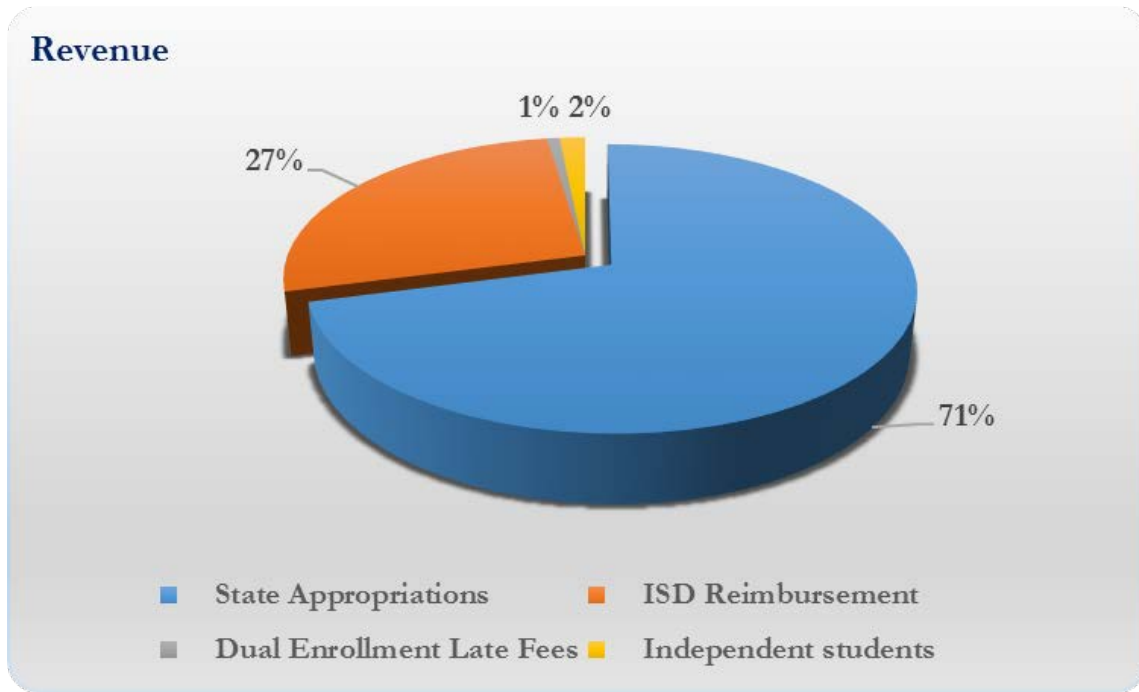
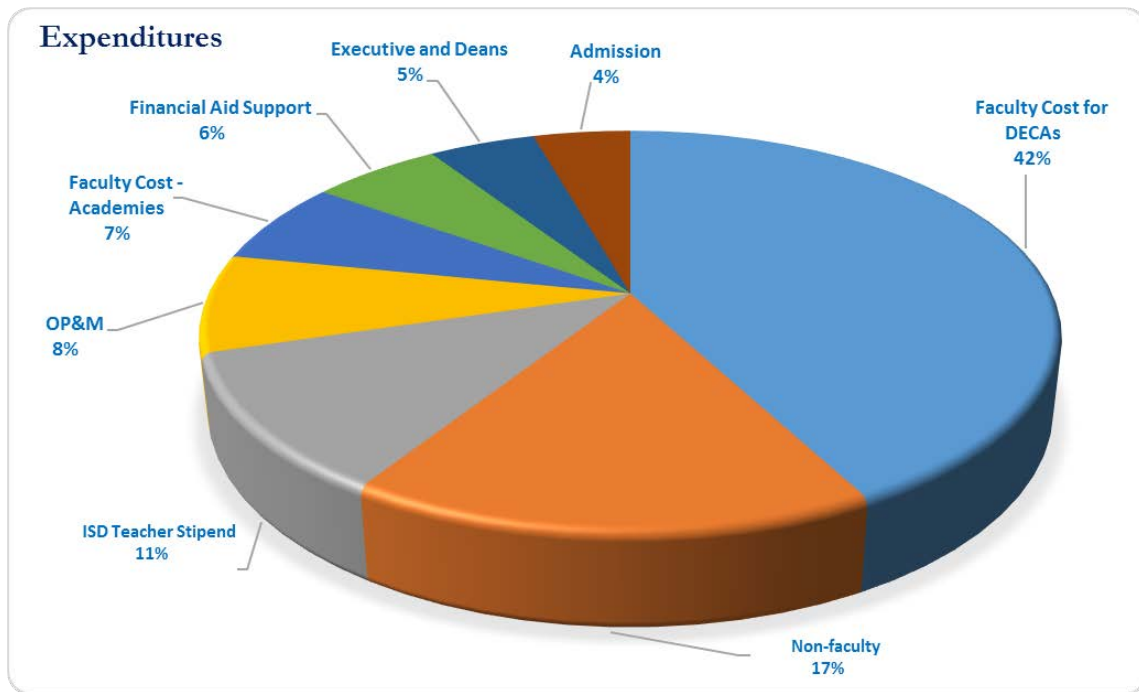


Exhibit 21



## What Are Other Colleges Doing?

The Office of Accountability researched and contacted various institutions with Dual Enrollment Programs from Texas and outside the state.

The State of Florida approved a bill spring of 2013 and effective July of the same year, allowing colleges to charge school districts a standard fee of \$71.98 per credit hour. The Accountability Services Department, contacted the Director of Academic Advising, Dual Enrollment, Veterans Services, and Career Services from Daytona State College to see if there was an impact in enrollment size in Dual Enrollment Program as a result of the \$71.98 fee charged to the school district. The Director stated, “There has not been any impact for Public schools”. As a result of the \$71.98 fee per credit hour bill passed, Daytona State College contracted an agreement with School Districts to return 30% of the fee back to the school. The agreement sustained dual enrollment size in public schools.

**Exhibit 22** provides a summary of Texas schools and fees associated with Dual Enrollment Programs. Based on Texas Association of Community Colleges, Local Revenue Survey Results released December 8, 2014, the following table displays a summary of what other Texas community colleges are charging for dual enrollment courses.

**Exhibit 22**

Fees for Dual Enrollment from other Texas Community Colleges		Fall 2014 Enrollment		
Community College	Dual Enrollment Fee In- District	Dual Enrollment	Total Enrollment	% of Dual
Alamo	Waived Tuition & Fees	8,615	58,292	15%
Alvin	\$30 registration fee; all other fees waived	1,193	4,914	24%
Amarillo	\$50 per semester credit hour	2,082	9,948	21%
Cisco	Reduced rate for tuition & fees	807	3,564	23%
Collin	Based on financial need, waived tuition & fees	3,138	27,525	11%
El Paso	Waived Tuition & Fees	4,818	27,330	18%
Grayson	Based on financial need, waived tuition & fees	845	4,511	19%
Kilgore	\$35 per semester credit hour	1,011	5,740	18%
Lee	Waived 50% of Tuition & mandatory fees; no building use fee	928	6,481	14%
Lone Star	Waived Tuition & Differential Fees	9,372	73,559	13%
Navarro	\$25 per semester credit hour plus technology fee	2,480	9,825	25%
San Jacinto	Waive 55% of tuition and fees	2,635	31,967	8%
Southwest Texas	Waive 15% of tuition and fees	1,622	5,572	29%
Trinity Valley	Waive tuition only for up to 2 courses	1,444	6,755	21%
McLennan	Based on financial need, waived tuition & fees	1,161	8,291	14%
Northeast Texas	Flat rate of \$200 per three hour course	572	3,193	18%

## Recommendations

- **Increase Instructor Cost Invoiced to ISDs**

The Dual Enrollment Program Manual states, “When STC provides the instructor, tuition and fees will be waived, provided the school district pays for the instructor’s cost and mileage. The School District is responsible for arranging payment to STC for the amount specified in the Dual Enrollment Course Agreement (DECAs) billing for high school Dual Enrollment sections where an STC instructor is provided. Current costs are as follows for FY 2015:

3 hr. per week course - \$2,500  
 4 hr. per week course - \$3,000  
 5 hr. per week course - \$3,125  
 6 hr. per week course - \$3,525

As per General Services Administration \$0.575 per mile is added for mileage, as applicable.

The cost of an STC instructor might vary from the standard cost listed above based on the number of teaching overloads and annual salary of the instructor. In addition, the mileage rate could vary from the rate listed to agree with the maximum state mileage reimbursement rate set by the state.” Additionally, the ISD is invoiced for over the class limit student per course at a rate of \$78 per student.

Provided in the table below is an example of faculty cost for a professor compared to the amount invoiced to the ISD for instructor services.

**Exhibit 23**

TRM	SCHD_CODE	SUBJ	CRSE	COURSE_TITLE	LHE	Salary and Benefits cost for "S" Section	Overload Rate	"S" Section Overload Cost	Total "S" section cost	Amount Invoiced to ISD	Variance
201510	LEC	SPAN	1311	Beg. Spanish I-Spanish Sp	3						
201510	LEC	SPAN	1311	Beg. Spanish I-Spanish Sp	3						
201510	LEC	SPAN	1311	Beg. Spanish I-Spanish Sp	3						
201510	LEC	SPAN	1311	Beg. Spanish I-Spanish Sp	3						
201510	LEC	SPAN	1311	Beg. Spanish I-Spanish Sp	3	8,390.33	0	-	8,390.33	2,300.00	(6,090.33)
					15						

**Exhibit 24**

TRM	SCHD_CODE	SUBJ	CRSE	COURSE_TITLE	LHE	Salary and Benefits cost for "S" Section	Overload Rate	"S" Section Overload Cost	Total "S" section cost	Amount Invoiced to ISD	Variance
201510	LEC	HITT	1305	Medical Terminology I-HYBRID	3						
201510	LEC	HITT	1305	Medical Terminology I-HYBRID	3						
201510	LEC	HITT	1305	Med. Terminology I-HYBRID	3						
201510	LEC	HITT	1305	Medical Terminology I	3						
201510	LEC	HITT	1305	Medical Terminology I	3						
201510	LEC	HITT	1305	Medical Terminology I	3						
201510	LEC	HITT	1305	Medical Terminology I	3						
201510	LEC	HITT	2331	Advanced Medical Terminology	3						
201510	LEC	HITT	2331	Advanced Medical Terminology	3						
201510	LEC	HITT	1305	Medical Terminology I	3						
201510	LEC	HITT	1253	Legal/Ethical Aspects of H. I.	2	-	525	1,050.00	1,050.00	2,250.00	1,200.00
					32						



**Exhibit 25**

TRM	SCHD_CODE	SUBJ	CRSE	SECT	COURSE_TITLE	LHE	Salary and Benefits cost for "S" Section	Overload Rate	"S" Section Overload Cost	Total "S" section cost	Amount Invoiced to ISD	Variance
201510	LEC	ENGL	1301	S58	Composition	3						
201510	LEC	ENGL	1301	S59	Composition	3						
201510	LEC	ENGL	1301	S60	Composition	3						
201510	LEC	ENGL	1301	S61	Composition	3						
201510	LEC	ENGL	1301	S62	Composition	3						
201510	LEC	ENGL	1301	S63	Composition	3	32,832.15	650	1,950.00	34,782.15	25,590.24	(9,191.91)
						18						

The above examples indicated the amount invoiced to ISD does not cover faculty cost. During Fall 2014, Spring 2015 and Summer 2015 the amount invoiced to ISD for STC instructors to teach “s” sections course at the school districts was not fully recovered by approximately \$1.2 mill. Therefore, we recommend for consideration an increase in the course cost invoiced to the ISD by the following:

- 3 hr. per week course - \$3,000
- 4 hr. per week course - \$3,500
- 5 hr. per week course - \$3,625
- 6 hr. per week course - \$4,125

As per General Services Administration \$0.575 per mile is added for mileage, as applicable.

By increasing the instructor’s course cost, it will assist in decreasing the gap between the instructor cost and the amount invoiced to the ISD.

- **Scenarios for Shifting to a Tuition Structure**

Based on assumptions, a scenario was formulated to depict what may occur in the event the College elects to charge a \$50.00 fee to dual enrollment students. If a charge per credit hour is imposed, the College would either receive DECA reimbursement or the Fee per credit hour. Scenarios are displayed in **Exhibit 26**. Excluded from the scenarios are the non-ECHS independent students, as this student population currently pays a fee per credit course.

**Exhibit 26**

Description	No Impact on Dual Enrollment	Revenue and Expenditures Decrease by 20%	Revenue and Expenditures Decrease by 40%	Revenue and Expenditures Decrease by 60%	Revenue and Expenditures Decrease by 80%
<b>Revenue:</b>					
\$50 Fee Revenue <sup>1</sup>	\$ 4,418,250.00	\$ 3,534,600.00	\$ 2,650,950.00	\$ 1,767,300.00	\$ 883,650.00
Summary of Dual Revenue <sup>2</sup>	7,375,052.16	5,900,041.73	4,425,031.30	2,950,020.86	1,475,010.43
<b>Less Expenses:</b>					
Summary of Dual Expenses	10,208,601.53	8,166,881.22	6,125,160.92	4,083,440.61	2,041,720.31
<b>Net Revenue/Expenses</b>	<b>1,584,700.63</b>	<b>1,267,760.50</b>	<b>950,820.38</b>	<b>633,880.25</b>	<b>\$ 316,940.13</b>

<sup>1</sup> For Fall 2014, Spring 2015 and Summer 2015, total dual exd'd independents.

<sup>2</sup> Dual Revenue includes: state appropriations, late fees, and independents fee. Excludes ISD reimbursements.

**Exhibit 27** displays dual enrollment decreasing by 20%, 40%, 60% and 80%.

**Exhibit 27**

Term	Current Dual Enrollment	Dual Enrollment Decrease by 20%	Dual Enrollment Decrease by 40%	Dual Enrollment Decrease by 60%	Dual Enrollment Decrease by 80%
Fall 2014	12,393	9,914	7,436	4,957	2,479
Spring 2015	13,210	10,568	7,926	5,284	2,642
Summer 2015	3,852	3,082	2,311	1,541	770

- **Shift Instruction to the Independent School Districts**

A recommendation is made for STC faculty teaching “s” sections to be taught by ISD teachers. If approximately 20% of “s” section courses taught by South Texas College faculty are shifted to the ISD, the faculty cost not fully covered will decrease to \$771K in comparison to \$964K as shown in **Exhibit 13**. Additionally, this may also have an effect in a reduction in the College’s total number of full-time instructors needed for dual enrollment.

## Remarks and Conclusion

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In completing the cost analysis, below are key takeaways identified that should be evaluated moving forward.

### Remarks

- Contact hours, Dual Enrollment Faculty, and overloads assist in offsetting Dual Enrollment Program expenses,
- Cost savings to families was approximately \$20 mill for FY 2014-2015. This could be potential reinvestment of savings back into the community,
- Dual enrollment is increasing at a rapid rate,
- Perception that South Texas College is an extension of a High School,
- Consider increasing STC faculty reimbursement rate,
- Shifting dual enrollment instruction to be taught by ISD teachers,
- Current projections depict dual students are closing the gap on traditional enrollment which can be expected as early as Fall 2019,
- Potential increased in staffing to fully aid dual enrollment growth,
- Transition Specialist investment – salary and benefits savings due to PSJA ISD fully staffing four positions,
- Based on the projections of in the report, Early College High School enrollment is expected to increase to 19,630 by 2019.

### Conclusion

Overall, based on the cost analysis, the Dual Enrollment Program does not fully cover program expenses. Although contact hours are generated by the program, the College receives state appropriation funding every biennium. Large spikes in enrollment, such as Fall 2015, may not provide enough revenue to cover the demand for student services.

In view of the report, it is vital the College strategically plan and focus on the fiscal direction of the institution. A cause for conversation is recommended regarding dual exceeding traditional student enrollment at a faster rate than anticipated.

## Summary of Notes for Exhibit 17

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### Notes

- <sup>1</sup> Contact hours generated by dual students in Base Year 2012.
- <sup>2</sup> Includes: Academies, DECA, and Recovery program.
- <sup>3</sup> Fee of \$50.00 per credit hour for non "s" sections.
- <sup>4</sup> STC Faculty salaries/benefits utilized towards "s" section courses
- <sup>5</sup> Salaries/benefits for the following departments: Dual 2 Degree, High School Program
- <sup>6</sup> Educational trips provided to dual enrollment student enrolled in an Academy cohort.
- <sup>7</sup> Overtime for following departments: Academy and Dual 2 Degree staff.
- <sup>8</sup> Dual 2 Degree and ECHS departments
- <sup>9</sup> YTD Operation & Maintenance expense / (Total Student Enrollment + Total STC Employees) = n  
n \* Total Independents, Academy students per semester, and 11th and 12th ECHS students attending STC campus =  
Amount of Operations & Maintenance expense utilized by dual enrollment students
- <sup>10</sup> Student ID Badges for dual students and Comevo Counseling software.
- <sup>11</sup> Utilized Expenditures by Class & Organization Report to determine expenses. YTD Tech Maintenance and Repair / (Total Student Enrollment + Total STC Employees) = n. N\* Academy and Independent dual enrollment students per semester  
= amount of expense utilized by dual students.
- <sup>12</sup> Includes May 2015 Graduation Ceremony.  
Total May 2015 Grad Expense = \$189,873 . Total number of students graduating is 4,190.  
Total number of dual students graduating is 1,614.  
Amount of graduation expense for dual students = 1,614 / 4,190 = 0.39  
39% \* 189,873.35 = \$74,050.60
- <sup>13</sup> Includes, salaries, benefits and operating cost.

