

## *1.0 INTRODUCTION*

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In Spring 2002, the Austin Community College Board of Trustees authorized a study of out-of-district tuition. ACC contracted with MGT of America, Inc. to complete a study that had four main objectives or activities:

- Analysis of the impact of current Board policies on out-of-district enrollment
- Determination of the actual cost of instruction for out-of-district students
- Creation of a model for setting out-of-district tuition, and
- Analysis of the results of surveys of out-of-district students on reasons why they no longer attend ACC.

This report presents the findings of the study. Chapter 1 of the report provides an overview of Austin Community College tuition policies and an explanation of the methodology used in the study. Chapter 2 reports the findings of the study and is organized into sections related to the four main objectives or activities of the study: current Board policies; determination of the cost of instruction; analysis of the results of the survey; and a model for setting out-of-district tuition. The tuition policies of other large, urban Texas community college districts are included as Appendix A. A copy of the survey instrument employed to collect information from the ACC current and former students is attached as Appendix B.

### 1.1 AUSTIN COMMUNITY COLLEGE TUITION POLICIES

Austin Community College currently has the following Board Policy regarding tuition rates:

**A – 4.**

[1] The tuition rates for in-district college-credit students shall be set by the Board. Except when the Board explicitly directs otherwise, tuition rates for other students shall be set by the President in accordance with this policy. To the extent feasible, general charges shall be assessed as tuition.

**[2]** In order to maintain a tuition differential that is fair both to ACC taxpayers and to Texas-resident ACC students who live outside the taxing district, the credit-hour differential for such students shall reflect the local tax effort in support of in-district students. It shall thus be the ratio of annual property-tax revenues to annual in-district credit hours, except that any term-to-term increase in the differential shall be no more than \$3 per credit-hour. The President is authorized and encouraged to use any available method to lessen the impact of this tuition differential on economically-disadvantaged students.

**[3]** The further per-credit-hour differential in tuition rates for students who do not qualify as Texas residents shall be no less than the ratio of all revenues from state government to total credit hours by in-state students.

**[4]** The President may adopt rules waiving all or part of the tuition and/or other charges for senior citizens or students enrolled under a joint-credit agreement with a school district, with an annual report to the Board on the nature and extent of such waivers.

**[5]** The President shall set charges for non-credit and continuing-education classes that at least cover operational, indirect, and overhead costs, except where specific below-cost sectors have been approved by Board vote.

Section A – 5 of Board policy further states:

“The College shall provide programs and services to residents of its service area, with priority given to sites within the taxing district. Local tax funds shall not be used to subsidize out-of-district activities. The President shall report to the Board annually the extent and financial results of out-of-district activities, including an appropriate allocation of fixed and indirect program costs.

All legally-eligible communities are invited to voluntarily join the College’s taxing district and gain the advantages of in-district tuition for their students and participation in election of the Board of Trustees. Except when approved by Board vote, no specific commitments of facilities or services shall be made to communities considering annexation. Any such commitments are subject to review and modification by later Boards as part of integrated district-wide planning.

## I.2 DATA COLLECTION

A survey asking students about their experiences at Austin Community College was administered to a stratified random sample of the student body. Students were categorized into four groups:

- 1) In-district returning students
- 2) In-district non-returning students
- 3) Out-of-District returning students
- 4) Out-of-District non-returning students.

Students were asked a series of ten multiple choice or “yes/no” questions, as well as three questions to which the students could answer freely. Approximately 400 students (100 in each group) responded to the survey. A copy of the data collection instrument is attached as Appendix A. College staff administered the survey and then transmitted the raw data to MGT for analysis.

To place ACC tuition policies in a context, MGT also obtained the tuition policies from the other seven large, urban Texas community college districts: Alamo Community College District, Collin County Community College, Dallas Community College District, El Paso Community College, Houston Community College System, North Harris-Montgomery Community College District, and Tarrant County College. Comparisons were completed among the districts. In addition to the policies, MGT also collected information on the number of out-of-district students enrolled by each district, and the tuition rates of those districts.

MGT also determined the cost of instruction, by defining what should be included in the cost, and also what should be excluded. Revenues from state and local sources were examined in the determination of the cost of instruction.

Finally, MGT created a model for setting out-of-district tuition, based on national data for tuition setting models as well as the analysis of the cost of instruction and the

survey results. Data from the National Center for Education Statistics *Integrated Postsecondary Education Data System*, Texas Association of Community Colleges, and from the Texas Higher Education Coordinating Board were used in data analysis and creation of the model.

### **1.3 OVERVIEW OF THE REPORT**

The purposes of this report are to provide an analysis of current Austin Community College Board policies on out-of-district enrollment, determine the action cost of instruction, analyze the results of a survey, and develop a model for setting out-of-district tuition. Chapter 2 of the report is organized into the following sections:

- Community College Policies on Tuition for Out-of-District Students
- Survey of ACC Students
- Cost of Instruction, and
- A Model for Setting Out-of-District Tuition

MGT sought to obtain the most recent information available on policies and tuition levels throughout this report. All tuition data are the most recent reported to the Texas Higher Education Coordinating Board and all board policies on tuition are those made available on the community college web sites.