Early College High School Initiative

Lessons from the Lone Star State

Designing a Sustainable Financial Model to Expand Early College High School in Texas

By Susan Goldberger and Janet Santos

FEBRUARY 2009

The Early College High School Initiative is coordinated by:

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The Bill & Melinda Gates Foundation
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The Early College High School Initiative

Early college high school is a bold approach, based on the principle that academic rigor, combined with the opportunity to save time and money, is a powerful motivator for students to work hard and meet serious intellectual challenges. Early college high schools blend high school and college in a rigorous yet supportive program, compressing the time it takes to complete high school and the first two years of college.

The schools are designed so that low-income youth, first-generation college goers, English language learners, students of color, and other young people underrepresented in higher education can simultaneously earn a high school diploma and one to two years of transferable college credit—tuition free.

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Jobs for the Future is the lead coordinator, manager, and policy advocate for the Early College High School Initiative. Through research, analysis, action, and advocacy, JFF develops promising education and labor-market models, expands successful models in communities across the country, and shapes the policy environment that enables American families and companies to compete in a global economy.

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Acknowledgements

The authors are deeply appreciative of the contributions made by several colleagues to this publication. Dr. Richard Rhodes, President of EPCC, Dr. Dennis Brown, and Luzelma Canales at South Texas College generously shared their vision and operational strategy for scaling up early college high schools in their regions. Barbara Knaggs, Kelty Garbee, Gina Day, and Jan Lindsey of the Texas Education Agency; Alma Garcia, Ana Tilton and John Fitzpatrick of the Communities Foundation of Texas; and Dr. Kristen Kramer, Evelyn Hiatt, Susan Brown and Dr. Colby Stoever of the Texas Higher Education Coordinating Board provided thoughtful review of the document and editing suggestions. Carol Gerwin served as editor, providing invaluable help clarifying the analysis. Last but not least, we are grateful to our colleagues at Jobs for the Future, Joel Vargas, Nancy Hoffman, and Richard Kazis, for their editing advice.

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EXECUTIVE SUMMARY

Texas is a national leader in creating early college high schools, an innovative small school model that blends secondary and postsecondary education with intensive supports to increase college-readiness and success for underachieving students. The state now has 29 early colleges in operation, with several more to open in fall 2009, thanks largely to several rounds of education reform that have created public policies favorable to their development. Texas leaders hope to further expand the model, which provides the opportunity to earn one to two years of transferrable college credit—tuition free—along with a high school diploma, using it as a priority strategy to boost college success rates across the state.

This paper focuses on the efforts of El Paso Community College, South Texas College, and their respective partners to build clusters of early colleges in their regions. Their experiences illustrate important lessons about how to make the most of a state's public policy environment to create, sustain, and expand early college schools.

A Policy Foundation for Sustaining and Expanding Early Colleges

The Texas approach to scaling up the early college school model, which grew out of the state's extensive dual enrollment programming, has three major strengths:

Multiple funding streams: State policy provides several funding streams to support the development of dual enrollment course offerings, including early colleges. Both high schools and their partner colleges receive per-pupil funding for each dually enrolled student, while high schools receive an additional $275 per pupil to help students reach college-readiness standards. Early colleges can integrate significant college coursework into their curricula without financial penalty to the institutions or their students.

Public-private partnerships: To help fund the sizeable start-up costs of early colleges, the state has joined forces with private organizations, most notably the Texas High School Project. This $261 million public-private initiative supports the development of new and redesigned high schools and other innovations to prepare more students to succeed in college and careers. The Bill & Melinda Gates Foundation has been the major private donor, providing $400,000 to each of 14 new early college schools. The state education department, the Texas Education Agency, has awarded 19 grants averaging $425,000 each.

Regional economies of scale: A growing number of postsecondary institutions like El Paso Community College and South Texas College are building clusters of early college high schools to better serve their regions and take advantage of economies of scale. Organizers expect that the partnerships will save money by centralizing many of their operations, such as professional development, human resources, financial aid, and purchasing. They also hope that new early colleges will benefit from the standardization of design and implementation procedures, which could save considerable additional money.

Lessons from El Paso and South Texas

Both El Paso Community College (EPCC) and South Texas College (STC) are taking advantage of the favorable Texas policy landscape to sustain and expand their early college clusters, but each is pursuing a slightly different approach.

For EPCC, which has four early colleges in operation and is planning two more, using qualified high school faculty to deliver college courses at the high school is key to making the program financially sustainable and feasible to deliver on a broad scale. EPCC grants adjunct status to these instructors, but their local school districts pay them as part of their regular salaries. The college also offers online classes, in which high school teachers facilitate computer-based instruction that a college faculty member leads remotely, from the college campus.

STC has a similar cluster of early college high schools. In contrast to EPCC, STC's four schools use a blended design to deliver dual enrollment courses, with extensive use of college faculty in addition to high school instructors. STC charges school districts a small fee for every course its faculty deliver; these fees supplement state per-pupil payments to the colleges. In addition, the college keeps faculty costs low by using instructors who already are teaching a full load and gives them stipends for taking on extra courses. STC also aligns dual enrollment college courses with high school AP courses, using both high school and college faculty to teach them. This also allows the college to use state high school textbook funding.

Extending the Lessons of El Paso and South Texas

While Texas funding policies provide a strong base for sustaining early colleges once they have been operating for several years, barriers remain in the way of expansion. Policymakers will need to consider ways to provide sufficient start-up funding, facilities, and qualified staff if they want to support continued expansion of the model:

Lower start-up costs by addressing payment lag. While maintaining a supply of funds to support the development of new early college schools is crucial to expansion efforts, reducing the amount of money each school requires during the start-up phase would allow the state and private investors to spread their dollars to more schools. One way to significantly reduce these early operational costs would be to address the two-year lag in state funding to colleges for enrolling new early college students in their courses. The lag creates a significant revenue gap during the early years of each school's operation. Although the impact of this lag is not limited to early college schools, the rapid expansion of any new program that relies on enrollment-based funding can place an acute strain on sponsoring colleges. Reducing or eliminating lag payments would close a major early college revenue gap, one that start-up funds now fill.

Promote blended approaches to funding facilities. There are major benefits to locating early college high schools on college campuses, but few of the state's postsecondary institutions have enough space for them, and funding for new facilities is difficult to secure. Encouraging school districts and colleges to co-develop schools or to pool their facilities resources may be a solution. The state should consider ways to encourage or facilitate such efforts.

Increase the supply of qualified faculty. The biggest barrier to scaling up early college programs may be finding enough qualified high school instructors, on whom many partnerships rely because they can be supported by K-12 per-pupil funding. To teach early college courses, high school instructors must meet college faculty requirements, including a Master's degree or significant Master's-level work in the field. Making Master's-level courses more available to high school faculty online or reducing tuition are two avenues worth exploring. Increasing training opportunities to help prepare high school teachers to deliver college courses to diverse learners would further help the state meet its goals for underserved students.

Removing these obstacles to the growth of early college high schools in Texas would pave the way for many other colleges and their partners to follow the lead of EPCC and STC and help achieve the goal of making college accessible to all.

Lessons from the Lone Star State

Designing a Sustainable Financial Model to Expand Early College High School in Texas

In March 2008, the Texas High School Completion and Success Initiative Council, a statewide committee established under HB 2237, identified early college as a priority strategy for increasing college-readiness and success rates across the state.[1] With 29 early college high schools now in operation, Texas sees the potential of this innovative small school model to improve outcomes for youth facing significant barriers to higher education. Early colleges do this by blending secondary and postsecondary education in a rigorous yet intensely supportive program that enables low-income, minority, and other at-risk students to earn up to two years of college credit at the same time as their high school diploma—tuition free.

Texas is not alone in embracing early college as strategy for improving college success rates. There are now more than 200 early colleges in operation across the nation. While the developers of early college share a common vision of making college accessible to all, they also face the common challenge of developing a sustainable financing model to support this new approach of combining high school and college learning. Meeting this challenge in Texas and beyond requires joining together two traditionally separate state funding streams—one supporting K-12 schools and one supporting higher education—as well as bridging the gap between the distinctive and sometimes conflicting rules governing these separate spheres.

In Texas, compared to many other states, public policies are favorable to the development of early college schools—a result of several rounds of education reform over the past decade. These policies, which provide critical funding for startup and ongoing operations, have made it possible for early colleges to take root across Texas and to achieve impressive scale in some areas. The state now has among the highest number of early colleges in the country.

This paper looks at the way El Paso Community College (EPCC), South Texas College (STC), and their partners are financing the expansion of early college programs. In two communities in different corners of the state, these colleges and their partners are creating clusters of early college high schools for students throughout their geographic regions. The clusters extend robust dual enrollment programs already established in local school districts, and they benefit from regional economies of scale. The communities also are finding ways to turn per-pupil funding sources for both K-12 and higher education into sustainable financing streams for their early college schools.

Texas public policies are favorable to the development of early college schools—a result of several rounds of education reform over the past decade.

However, each community is pursuing a slightly different approach to sustainability and scalability, using different strategies to staff and fund the high school and college components of their programs. For example, El Paso Community College and its partners are making greater use of high school faculty who qualify as adjunct professors to deliver college curriculum, and it also makes good use of online courses taught by college faculty. South Texas College is making greater use of full-time college faculty to deliver college courses and merging Advanced Placement (AP) classes with dual enrollment courses to minimize competition between these two attractive options and combine limited funding in order to support both.

Designing a Sustainable Financial Model to Expand Early College High School offers important lessons for Texas policymakers and practitioners about how to sustain and expand the early college model for maximum impact. It is intended as a guide to others—in Texas and across the nation—who want to use the early college model not simply as a boutique program for a fortunate few but as a core component of broad efforts to help large numbers of students reach and succeed in college.

I. How Texas Policy Supports Sustainable Funding for Early Colleges

Texas education policy supports the development and sustainability of early college high schools in several critical ways starting with the state's dual enrollment policies, which are among the most favorable in the country toward blended secondary and postsecondary school designs like early college.

Like many states, Texas began creating dual enrollment courses years ago as a way to accelerate academic opportunities for high-achieving high school students. However, the state expanded its dual enrollment goals significantly in 2006 with the passage of HB1, sweeping education reform legislation that set as its target preparing all Texas students for college. The law requires school districts to provide every high school student with the opportunity to earn at least 12 college credits, and it distributes significant funding to cover the costs.

Although the state's first early colleges had opened several years earlier, in fall 2003, with major financing from the public-private Texas High School Project, HB1 gave a huge boost to efforts to expand the model throughout the state. The new policies provide a sustainable funding stream for both the delivery of college courses and the extra supports needed to prepare underachieving students for postsecondary work. In addition, more recent changes to state law allow both colleges and high schools to recoup costs for dual credit courses, so neither partner institution is financially penalized for participating.

Texas also takes an innovative approach to finding the hefty start-up capital needed to create early colleges, joining with a variety of private organizations to finance new schools. The conduit is the Texas High School Project, a $261 million public-private initiative focused on supporting the development of new and redesigned high schools, educator training, and other innovations to help prepare more students to succeed in college and careers. The state education department, the Texas Education Agency, manages the public resources that go to the project, while Communities Foundation of Texas manages the philanthropic investments.

Strengths and Limitations of Dual Enrollment and Early College Finance Policies

Favorable dual enrollment funding policies in Texas have provided a strong financial platform for the development and expansion of the state's early college high schools. Three policies have been particularly helpful in providing ongoing operating funds, which are crucial to the goal of designing early colleges that are both financially sustainable and scalable:

- Colleges receive per-pupil, or "contact hour," funding for all dually enrolled high school students, including those attending early colleges.
- High schools receive per-pupil, or "average daily attendance" (ADA), funding for all dually enrolled students, including early college students participating in dual enrollment courses as early as grade 9.

- High schools also receive a state allotment of $275 per student from the HB1 legislation to support students' achievement of college-readiness standards. This money can help pay for early college programs and materials, including tuition for college coursework.

The state's education finance policies do have limitations, however. The most significant is a lag of one to two years in the state's delivery of per-pupil funding to colleges for each new enrollee, including dual enrollment and early college high school students.

Flexibility in scheduling and the delivery of college courses can reduce transportation and delivery costs and maximize the benefits of coordinating early college high school schedules with their college partners.

High school funding builds in flexibility, leaves gaps

One of the biggest boons to early college finance came in 2003, when Texas revoked a law that had prevented local school districts and colleges from both claiming per-pupil funding for dual enrollees.[2] Now Texas provides funding to both of the partner institutions. School districts receive full ADA funding for each high school student enrolled in dual credit courses (as they do for all other high school students), while community colleges receive the same "contact hour" funding from the state for dual enrolled high school students as they receive for regular college students.

Texas is one of the few states that provides such flexibility in its per-pupil high school funding formula. The key is that Texas allows districts to count dual enrollment courses as high school courses, rather than non-eligible college courses, when it comes to calculating each high school student's "seat time," or high school course load. This boosts the total amount of per-pupil funding each district receives.[3]

The state caps the number of dual credit courses most students may take at two per semester. The intention of this policy is to manage the college-level course load of underprepared students, who otherwise would be overwhelmed by too many college courses and might find themselves without the academic and social supports necessary for success.[4] In contrast, early college students are exempt from this restriction. (Students at risk for dropping out of high school and those participating in certain programs approved by the Commissioner of Education also can receive waivers from this restriction.[5])

Several other Texas policies encourage the development of early colleges. One important waiver opens dual enrollment classes to early college students in grades 9 and 10, not just juniors and seniors.[6] State law also allows for flexibility in scheduling and the delivery of college courses in order to minimize transportation and delivery costs and maximize the benefits of coordinating early college high school schedules with their college partners.[7] Students may take college courses at the college campus, but dual enrollment classes also are delivered in several other ways: at the high school by college faculty, at the high school by qualified high school teachers with adjunct college faculty status, and online.[8]

Beginning in the 2009-10 school year, this high school funding will come with some restrictions, however. Schools will not be allowed to count dual credit courses toward their ADA per-pupil funding allotment if the student must pay tuition or buy textbooks, because students in traditional high school courses do not pay these fees.[9] Therefore, school districts that wish to claim full ADA funding for dual enrollment courses will have to buy the textbooks for their students.[10]

Fortunately, another state funding source helps ease this particular financial burden while also providing broader support to early colleges. Texas school districts receive $275 per student in grades 6-12 to support the implementation of college-readiness curricula. This helps cover the costs of college textbooks, as well as dual enrollment courses and programs, such as summer "bridge to college" classes, that help prepare students in grades 6-12 for college-level work.[11]

A second state funding source also helps offset the cost of textbooks and other instructional materials. High schools may tap into

Early College High School vs. Dual Enrollment

The goal of the early college model in Texas is to go farther than traditional dual enrollment programs in preparing and engaging all students in college-level course work *(see Table 1)*. The state mandates that early college schools serve a broad student population, with a focus on students who face significant barriers to college success.[12] Dual enrollment programs are limited to students who have achieved college-readiness standards. Dual enrollees must meet the college-mandated prerequisites for the course they wish to take at the higher education institution they wish to attend. Students are limited to two courses per semester, unless they have demonstrated high achievement in high school. Early college students are exempt from such restrictions and may take as many courses as their high school permits, based on their readiness for college work.

Ultimately, early college students can earn up to two years of college credit while concurrently earning their high school diploma.[13] In contrast to the limited academic supports provided to students in most dual enrollment programs, early college students receive intensive academic preparation, guidance, and other supports from the moment they walk through their high school door.

Table 1. Comparison of College Credit in High School Options: Dual Enrollment Versus Early College

	Dual Enrollment	Early College
Target population	High school juniors and seniors who meet college-mandated prerequisites for the course they want to take may participate.	Broad population, with a focus on low-performing students, low-income students, first-generation college students, potential dropouts, and those who want to accelerate high school completion. Most early college schools target students in grades 9-12, but other models target students in grades 6-12.
Academic mission	Augment the high school curriculum with more challenging work for college-ready students	Prepare all students for college
Curriculum design	Students can earn at least 12 college credits while in high school.	Students can earn up to two years of credit toward a Bachelor's degree along with their high school diploma.
Course load maximum	Two college courses per semester; only high-achieving students may take more	No restrictions
Student support services	Limited support beyond services provided to traditional college students by college sponsor of dual enrollment courses	Intensive supports and extra coursework to prepare students for college-level work and help ensure success in college classes

the state's textbook fund for financial assistance if their dual enrollment classes are aligned with the Advanced Placement high school curriculum for that subject area.[14]

College funding is critical but has limitations

Texas funds its public colleges and universities through three main sources: per-pupil funding from the state based on contact hours; tuition payments from students; and local property taxes assessed by the local boards of trustees. (Community colleges may issue general obligation and revenue bonds to make up gaps and to help pay for capital projects.)

The state provides the same payments to postsecondary institutions for dual enrollees and early college high school students as it does for traditional college students. In fiscal year 2007, for example, the state paid community colleges an average of $150 per pupil—or $3.04 per contact hour for every

student enrolled in a typical 3-credit, 16-week course.[15] Public four-year institutions received slightly more—an average of about $173 per student.

When it comes to tuition for dual enrollment and early college courses, Texas allows each college or university to decide for itself how to set up fees with its local high school partnership. Colleges offering credit to high school students can choose to waive tuition fully, or partially, depending on the local articulation agreement.[16] But because the courses are free to all students, it is up to each school district to cover any fees a college partner may charge.

Although the Texas education finance system supports dual enrollment and early college funding in several important ways, it also leaves several gaps. The biggest problem is the one- to two-year delay in state payments to colleges for all new enrollees, including dual enrollment and early college high school students. This significantly hinders the pace and scope of efforts to scale up the early college model across the state.

Texas colleges are reimbursed annually based on their total student contact hour enrollment figures during designated "base years" (highlighted in color in Table 2), rather than on their actual enrollment in the present fiscal year. For example, for FY 2009, the state's contact hour student funding allotments are based on enrollment two years ago—during the base year of 2007. Base-year calculations are adjusted every two years, but actual reimbursements for new students are not sent until the following fiscal year. Therefore, postsecondary institutions beginning or expanding a dual enrollment program or early college high school during a base year must wait one year before receiving state funding for their new students. Colleges starting or expanding dual enrollment programs or early college schools during non-base years receive no state funding for their new students until two years later, after the base has been recalculated. Colleges with extraordinary increases in enrollment (of any kind—traditional or dually enrolled students) during base years can apply to the state for additional funding, but these funds are limited.[17]

Developing any single early college high school—let alone a regional cluster of early colleges—requires significant start-up financing as well as ongoing operating funds.

State Policies Addressing the Start-Up Costs of Early College High Schools

Developing any single early college high school—let alone a regional cluster of early colleges—requires significant start-up financing as well as ongoing operating funds. In Texas, both the state and private organizations have played a major role in providing start-up support for early colleges as part of the public-private Texas High School Project, launched in 2003. The project's goal is to improve college-readiness for all students, with a focus on low-income, underachieving students. It provides start-up capital for a range of innovative reforms, including the development of early college high schools.

The Bill & Melinda Gates Foundation provided the first round of funding for early college schools in Texas—$400,000 to each

Table 2. Two-year Lag in State Funding for New Community College Students

Fiscal Year[18] 04	Fiscal Year 05	Fiscal Year 06	Fiscal Year 07	Fiscal Year 08	Fiscal Year 09	Fiscal Year 10	Fiscal Year 11
	Base Year 04/05		Base Year 06/07		Base Year 08/09		Base Year 10/11
State FTE funding based on student enrollment in Base Year FY 03		State FTE funding based on student enrollment in Base Year FY 05		State FTE funding based on student enrollment in Base Year FY07		State FTE funding based on student enrollment in Base Year FY 09	

Source: Personal communication with Luzelma Canales, Director for Grant Development, Accountability and Management Services. South Texas College, June 25, 2008.

of the 11 new schools—managed by Communities Foundation of Texas. The state education department, the Texas Education Agency, has provided three additional rounds of grants—in spring 2006, fall 2007, and spring 2008—to fund the start up of 19 early colleges, with each partnership receiving an award averaging $425,000.[19]

In Texas, these public and private financial resources have supported the planning and implementation of all early college schools to date. The ability to further expand this model will depend on maintaining a reliable flow of start-up funds to get new schools off the ground.

How Texas's Funding Lag Restrains Early College Expansion and Sustainability

Typically, the opening of an early college high school is staggered over a period of several years. Each school grows incrementally, adding a new class of 100 freshmen per year, until it reaches a maximum capacity of 400. The planned growth of each early college high school directly relates to the problems with the formula in Texas for providing funding for schools based on enrollments in earlier years.

Consider the hypothetical case of a college that partners with a regional cluster of four early college schools *(see Table 3)*. During the base year 2007, early college high school (ECHS) #1 was the only one in the region. The school will reach its enrollment capacity of 400 students in FY 2010, but not all these students will be included in the state's official enrollment count until the base year 2011 *(see Table 4)*. Therefore, the school will not receive full state reimbursement for its entire student body until 2012, two years after reaching capacity. This pattern repeats itself as new schools open and grow, with other funding streams covering the costs of providing college courses to 100 to 700 students each year, until FY 2013, a year after all schools have reached their capacity.

Table 3. Students at a Hypothetical Cluster of Regional Early College High Schools Served by One College

	FY 2007*	FY 2008	FY 2009*	FY 2010	FY 2011*	FY 2012	FY 2013*	FY 2014
ECHS #1	100	200	300	400	400	400	400	400
ECHS #2		100	200	300	400	400	400	400
ECHS #3			100	200	300	400	400	400
ECHS #4			100	200	300	400	400	400
Estimated Total Student Enrollment	**100**	**300**	**700**	**1,100**	**1,400**	**1,600**	**1,600**	**1,600**

** Denotes base-year*

Table 4. Early College Costs Shared by the State and Other Funding Streams

Fiscal Year	Total Number of High School Student Enrollees at Community Colleges	Number of High School Students Covered Under State Reimbursements to Community Colleges	Number of Dual Enrollment Students Supported Through Other Funding Streams
FY 07*	100	0	100
FY 08	300	100	200
FY 09*	700	100	600
FY 10	1,100	700	400
FY 11*	1,400	700	700
FY 12	1,600	1,400	200
FY 13*	1,600	1,600	0

** State-designated base year*

A major gap in the state's start-up funding program for early colleges is the lack of money to expand classroom space on participating community college campuses. Consequently, early colleges and their higher education partners must depend on local revenue streams and limited K-12 school building funds for support to construct or renovate facilities. Local revenue sources include property taxes and bonds, as well as tuition and fees. All "general revenue" funds that the state sends to community colleges are to be used exclusively for instructional and administrative costs.

The state provides indirect support to school districts where local communities have approved bonds to fund the construction of new school buildings through one of two assistance programs: the Instructional Facilities Allotment (IFA) and the New Instructional Facilities Allotment (NIFA).[20] The IFA program in Texas does not provide resources directly for constructing new school buildings; rather, it helps eligible local school districts pay a percentage of their debt service payments. The $25 million-a-year NIFA program is designed to assist all new and rapidly growing school districts in the building of new campuses. School districts can receive a reimbursement of up to $250 per pupil for a school's first and second years of operation. A new campus is defined as a school constructed on a new site and that hires a new principal, has its own accountability rating, and has its own set of expenditures. Replacement school campuses also receive funding from this program. Reimbursement amounts are reduced if the total amount requested by districts exceeds $25 million in a year.

Given that most community colleges in Texas are already operating above capacity, finding classroom space on campus to accommodate a significant influx of early college students remains a problem.

Given that most community colleges in Texas are already operating above capacity, finding classroom space on campus to accommodate a significant influx of early college students remains a problem. The default solution for many early college partnerships has been to buy portable classrooms for the college campuses. The school districts sponsoring the early colleges usually pay for the portables, tapping either local or limited state funding. However, portables are not eligible for NIFA funding.

Gaining charter school status brings additional money

Another avenue for raising start-up capital is to petition the state for in-district charter status. The state distributes charter start-up funds, which it receives through a competitive grant from the federal government. Each charter school is eligible to receive up to a total of $450,000 over three years, which includes up to 18 months for planning and up to two years for implementation. The grant amounts vary based on the total funding available and the number of requests. However, the funding is distributed evenly across all eligible schools, with maximum awards not exceeding $450,000 per school.

Charter schools are eligible for this funding for the first 18 months they are open. The money can go toward planning, program design, curriculum development, equipment, and other one-time costs, including those associated with the acquisition of school facilities (the purchase of portable classrooms, for example, or the down payment on the purchase of a building). However, as soon as a school begins serving students, it is considered to be in the implementation stage rather than the start-up phase. Early colleges that seek charter status after having opened their doors are only eligible to receive start-up funding for two years, and they may receive a reduced amount of aid.[21] The Northwest Early College High School in El Paso County is in process of filing for charter school status through the Texas Education Agency.

II. El Paso Community College District: Developing a Financially Sustainable Cluster of Early College Schools

El Paso Community College serves a predominantly Hispanic population of about 25,000 students in credit-bearing courses at five campuses along the U.S.-Mexico border near New Mexico. It is one of only two accredited institutions of higher learning in El Paso County (the other being the University of Texas at El Paso). The vast majority of EPCC students are members of groups traditionally underserved by institutions of higher education-—economically disadvantaged students, first-generation college goers, English language learners, students of color. Hispanics comprise 85 percent of the student body.[22] Most of the students arrive unprepared for college-level work. Only 20 percent of the region's public high school students who graduated in 2006 were deemed college ready in both English language arts and mathematics.[23]

EPCC is developing early college high schools on several of its campuses as part of a comprehensive strategy to address the low rates of college preparedness among high school students and to increase postsecondary success. The college opened its first early college high school in fall 2006 on its Mission del Paso campus and a second in 2007 on its Valle Verde campus. In 2008, EPCC opened early colleges on its Northwest and Transmountain campuses, and it is engaged in preliminary planning for a fifth early college to serve a rural section of the county and a sixth at its Rio Grande campus in downtown El Paso. The rural school would require the development of a new facility that would house both the early college and a satellite campus. The development of a downtown school depends largely on identifying adequate space.

Ultimately, EPCC would like to give every student in the El Paso region, including those in rural areas, the opportunity to apply to a neighboring early college high school. The four in place draw on students from four of the twelve school districts in the college's service area. Mission Early College High School was established in conjunction with the Socorro Independent School District; Valle Verde Early College High School is a partnership with the Ysleta district; Northwest Early College High School works with the Canutillo district; and Transmountain, with the El Paso district.

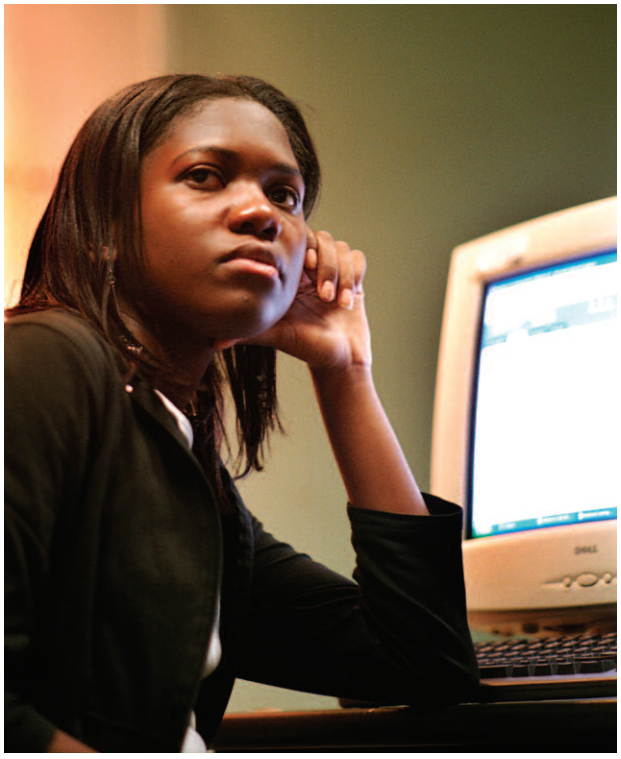
College Funding Model Builds on Dual Enrollment Success

For El Paso Community College, the development of a comprehensive early college option for high school students is a logical extension of the college's recent success increasing the delivery of dual enrollment courses. Participation in its dual enrollment program has jumped from 100 to 2,000 students since 2005. President Richard Rhodes attributes this increase to the college's 2005 decision to waive tuition for dual enrollment students. Previously, most high school students who wanted to take a college class had to pay approximately $150 per course (although in rare instances the school district covered the cost). The college coupled the new policy with a new model for delivering courses that made it financially viable for the college to offer classes tuition-free.

Using high school faculty to teach dual enrollment courses is the key element that makes a college's program financially sustainable and feasible to deliver on a broad scale.

The main elements of the college's dual enrollment financing and delivery model are:

- *Delivery of college courses at the high schools:* This has made it possible for the college to add several hundred high school students to its rolls without expanding college facilities.
- *Use of qualified high school faculty to teach college-level courses:* The college makes extensive use of high school faculty who meet minimum instructor requirements—a Master's degree in the field or any Master's degree with 18 hours of Master's-level course credits in the college subject area they are teaching.[24] The college grants adjunct status to these instructors, but they are paid by their respective school districts to teach dual enrollment courses as part of their regular teaching load.
- *Online delivery of college courses when a high school does not have qualified college-level instructors:* The school pays a high school teacher to facilitate the computer-based instruction during a regularly scheduled class period, while the college pays a faculty member to teach the class online from the college campus.



Using high school faculty to teach dual enrollment courses is the key element that makes the college's program financially sustainable and feasible to deliver on a broad scale. The only costs the college incurs for these courses are for training and supervising the adjunct faculty and for the administrative costs associated with student registration and enrollment. The college does not pay for the course instruction itself.

On the revenue side, the college receives the same contact-hour payment from the state for these dually enrolled students taught in their high school classrooms as it does for its regular college students—about $150 for each typical 3-credit course.[25] For example, the college would receive $3,750 for 25 dually enrolled students taking a college course taught at the local high school by an adjunct faculty member.

Although this state funding accounts for only about 45 percent of the revenue that EPCC would collect for a traditional course, the college has found that it is more than adequate to cover its costs for a dual enrollment course when the instructor is a high school faculty member paid by the school district. (Tuition and fees make up the other 55 percent in usual revenue, but these are waived for dual enrollees.) In fact, the college uses a portion of its state funding for courses taught by high school faculty to help cover the much higher costs of providing online dual enrollment courses taught by its own faculty.

Using blended delivery to benefit partners and students

Like EPCC's dual enrollment funding model, its early college funding model relies upon extensive use of high school faculty paid by the participating school districts to teach college courses. But EPCC's early colleges are not simply "dual enrollment" on steroids. They are designed to prepare all students to take up to two years of college courses, comprising most of their junior and senior years. In addition, the freshman and sophomore years are designed to provide all

students with an intensive college preparatory experience. This includes early exposure to college courses paired with extensive supports.

While dual enrollment programs can rely solely on qualified high school faculty to deliver a limited set of college-level course offerings, early college programs require greater use of college faculty. Early colleges in Texas are increasingly relying on a blended approach to deliver the college course component of the curriculum. Early college high school faculty with adjunct status are expected to deliver the core general education college sequence, with traditional college faculty delivering a range of electives and upper-level courses.

While the comprehensive nature of the early college academic design requires greater use of college faculty than dual enrollment programs, it also provides more flexibility in delivering and financing college courses. Because the early college curriculum substitutes several dual credit college courses for traditional high school courses, early colleges can redirect a portion of ADA funds to pay colleges to deliver these dual enrollment offerings.

The early college design also calls for integrating students into campus life as a means to build a college-going identity and motivate academic performance. Participation in traditional college classes taught by college faculty on the college campus is one of the most important integration activities.

For example, all Northwest Early College students who have passed the reading portion of the placement test are required to take Education 1300, the same EPCC course required for all incoming traditional college freshmen, to learn the study, time management, and navigation skills needed for college-level work. At Valle Verde Early College High School, Education 1300 is offered to students the summer following the ninth grade. Early college freshmen also take a college elective in their second semester. Given the strong Spanish-speaking skills of many incoming students, college Spanish is a strong candidate; humanity electives such as drama or speech are other options available to students.[26]

Once an early college student passes EPCC's English and math placement exams, which most are expected to do by the end of their freshman year in high school (or ninth grade), they are eligible to enroll in a broad range of college courses on campus that meet requirements for high school graduation or completion of their college major.

The long-term cost efficiencies of establishing early college schools

While the comprehensive design of a blended academic program gives early college schools more flexibility than traditional high schools to redeploy a portion of their budget toward purchasing college-level courses, the design also requires spending on academic support and enrichment programs not typically provided by traditional high schools, and typically added on to less-intensive dual enrollment programs. To complete up to two years of college courses, most early college students need to take both preparatory and college-level courses in the summer. While EPCC receives the same state reimbursement for summer dual enrollment courses as for any other summer college course, it cannot use high school faculty to teach these courses. Either the college or the school district needs to pay college faculty to teach these summer classes. The cost of college textbooks, which can run $100 or more per course, is another extraordinary cost not included in traditional high school budgets.

To develop a financially sustainable model, early college programs and their partners need to develop steady funding streams to cover these costs. For now, private foundations are the main source of funding for summer preparatory experiences like the two-week orientation for new early college students. Additional state funding provides early colleges with $275 per student to cover the programmatic costs associated with implementing a college-readiness curriculum,

The early college design calls for integrating students into campus life as a way to build a college-going identity and motivate academic performance.

which also includes paying the salaries of faculty teaching dual credit summer classes.

The cost of college textbooks and extended summer learning time to make college coursework accessible to students who need more intensive preparation and support is not unique to the early college model. Any dual enrollment program that embraces the state's goal of making college coursework accessible to all high school students will face these costs. Due to their comprehensive design geared toward reengineering core high school programming, early college schools are in a stronger position to execute cost-effective approaches to preparing all students for college success than are less intensive dual enrollment programs, which must layer additional supports for underprepared students on top of the traditional high school program. In other words, early college schools, while they have some features that are more expensive than traditional high schools, may be the most efficient means of providing the academic, social, and emotional supports to underrepresented students required to advance the goals of HB1.

Early college schools may be the most efficient means of providing the academic, social, and emotional supports to underrepresented students.

Determining the optimal mix for course delivery

EPCC and its school district partners are still determining the appropriate mix of college courses taught by high school faculty versus courses taught on campus or online by EPCC faculty. EPCC has had great success seating early college students side by side with traditional college students. In the long run, the selection of majors and the availability of space in certain courses will determine the extent to which this can continue. Cost and operational issues, which favor heavy reliance on dual enrollment courses taught by high school faculty, will need to be weighed against the educational advantages of having early college students participate in the college community.

EPCC's Start-up Funding Strategy

Finding enough start-up funding for EPCC's early colleges has been a critical piece of its financial sustainability model. This is due to both the extraordinary cost of building new facilities and developing new programs, as well as to the one- to two-year lag in state reimbursement for increases in college enrollment. The funding shortfall caused by the delay in state contact hour payments for increases in a college's enrollment will hit EPCC and its early college partners particularly hard as their first students reach their junior and senior years, when college courses are anticipated to comprise most of each student's schedule. For example, the first class of juniors at Mission Early College High School will take several college courses during the 2008-09 school year. But EPCC and its district partners will not receive any state funding to help pay for them this year. EPCC must wait until next year, FY 2009-10, to begin receiving state FTE funding for these classes. It will take even longer—two years—for EPCC to receive reimbursement for the college courses taken by the first group of seniors in the 2009-10 school year because they were not included in the 2008-09 base year enrollment calculation.

EPCC and its district partners have tapped a wide range of state and private foundation programs to support the startup of its four early colleges. Its first early college, on the Mission campus, received $400,000 from the Bill & Melinda Gates Foundation, administered through the Texas High School Project at the Community Foundations of Texas (CFT). Its second early college, on the Valle Verde campus, received $300,000 in start-up support from the state's early college development grant program administered by the Texas Education Agency. In the case of the Northwest campus, the partners received $800,000 in private start-up funding from the Greater Texas Foundation, administered by Community Foundations of Texas. The Greater Texas Foundation has pledged an additional $800,000 to support scholarships for graduating seniors. (Each senior in the

first four graduating classes will receive a $2,000 college scholarship.) The Transmountain early college, having received funds from a state-funded Texas Science Technology Engineering and Math (TSTEM) Initiative administered by CFT, will have a math and science focus.

Early college partnerships also have received many types of technical assistance, including academic program design, college partnership development, and effective instructional methods for preparing diverse learners to a college-ready standard. The assistance has been supported by Communities Foundation of Texas and the Texas Education Agency. In addition to staff from CFT and TEA, the Texas Association of Community Colleges, the TSTEM regional centers, and Jobs for the Future have all provided support to the El Paso early college partnerships.

Limited state funding for new school facilities

EPCC and other community colleges in Texas are expected to raise revenue—through local property taxes, bonds, tuition, and fees—to cover the costs of expanding and constructing new facilities. EPCC charges a building-use fee of $10 per credit hour to fund revenue bonds that finance new construction. In its early college partnerships, EPCC has relied on the purchase of portable classrooms to house early college programs on its satellite campuses. In the case of Northwest, the sponsoring school district—Canutillo—already owned the portables and paid for transporting them from district schools to the college campus, as well as for their installation and ongoing maintenance. EPCC has paid for site preparation, utility lines and hook-ups, and ongoing utility costs. In exchange for providing these services, EPCC will gain ownership of the portables after five years.

Because Canutillo recently financed the construction of a new high school, these costs represent an add-on to expenses already incurred by the district. The community approved borrowing money in 2003 to pay for the new high school building. Canutillo and EPCC are also hoping to secure in-district charter status for Northwest early college school, which would qualify the school for an additional $250,000.

Expected Benefits from Economies of Scale

EPCC, with four early colleges in operation and two more on the drawing board, is organizing itself to take advantage of potential economies of scale. Organizers expect that the college should be able to lower its per-unit cost of planning and implementing a new early college as it capitalizes on its experience designing and implementing multiple schools. For example, it is expected that the college could organize system-level solutions for delivering critical services, such as professional development for high school faculty teaching college-level courses.

To start taking advantage of economies of scale, EPCC has established the Early College High School Leadership Council to share implementation ideas and identify areas for centralized action. The council is composed of campus and district representatives from EPCC's four early college partnerships. One early benefit has been to help the new Northwest and Transmountain early college programs identify the most appropriate dual enrollment courses for their curricula, based on the experiences of the older schools in "cross-walking" college introductory courses to the Texas high school standards.

By targeting students who enter high school underprepared, a regional cluster of early colleges can increase their college readiness and success by graduation.

The committee has identified several areas in which the centralized provision of services should lower the costs and operational burdens on individual partnerships. These include:

- Staff professional development;
- Human resources and recruitment;
- Student services, including guidance, career planning, and college placement;
- Research, evaluation, and assessment, including student achievement data collection and analysis;
- Financial aid applications; and
- Purchasing.

Another potential benefit to the college is the likelihood that this type of large-scale intervention would reduce demand for developmental education courses. By targeting students who enter high school underprepared, a regional cluster of early colleges can increase the college readiness and success of these students by graduation and eliminate their need to enroll in developmental education courses when they enter college. This, in turn, would allow colleges to shift enrollments and redirect state contact hour funding from developmental education courses to dual credit courses for early college high school students.[27]

A barrier to scale: finding qualified faculty

While there are many benefits to developing a cluster of early college schools, there are also challenges. A major hurdle is developing a sufficient supply of high school faculty who can meet the academic qualifications required for adjunct faculty status at the college. The EPCC early college financing strategy depends upon the ability of participating districts to recruit and hire such faculty so they can use ADA funding for their salaries. The lack of qualified high school faculty already poses a barrier for several high schools in the region that wish to increase their dual enrollment offerings. So far, EPCC's two longest-operating early colleges have been able to hire faculty with sufficient Master's-level coursework to qualify to teach college courses. However, this could become a problem as more early colleges open throughout the region and the demand for teachers with Master's-level training in their subject areas increases exponentially.

III. South Texas College:

Blended Delivery of College Courses Helps to Develop and Sustain Early College Cluster

South Texas College (STC), which serves more than 20,000 students at five campuses in the Rio Grande Valley, shares many common experiences with El Paso Community College in its efforts to establish a cluster of early college high schools. Like EPCC, STC partners with public school districts serving student populations that are overwhelmingly economically disadvantaged, first-generation college goers, English language learners, and/or Hispanic.[28] The level of college preparation of public high school students in the two counties STC serves—Hidalgo and Starr—is similar to that of El Paso County students. Only 22 percent of the region's public high school graduates in spring 2006 were deemed college ready in both English language arts and mathematics.[29]

Like EPCC, STC views itself as part of a broader, aggressive strategy to promote economic development throughout the region by developing the human capital of its residents. The college envisions its partnership with four early college high schools as part of a comprehensive plan to combat the low rates of college readiness among high school students, increase postsecondary access for its population, and improve success rates in attaining a postsecondary credential.

STC shares EPCC's approach of transforming its current dual enrollment delivery model into an early college high school model in order to provide a more supportive path to college for the region's students. STC began experimenting with a more comprehensive dual enrollment program in 2005, with the creation of the Dual Enrollment Medical Science Academy, followed by the Dual Enrollment Engineering Academy in 2006. Students in these programs attend traditional high school courses in the morning and spend the rest of the school day on the college campus completing requirements for an Associate's degree in biology or engineering, respectively.[30]

But while the creation of dual enrollment academies represents an important step toward providing a more extensive college experience for high school students, it does not provide a means to make college courses more accessible to struggling learners. The programs are restricted to high school juniors and seniors who are highly prepared and have been excelling in school. STC and its district partners have embraced early college as a logical next step in adapting dual enrollment and the academy design to meet the goal of preparing all students for postsecondary success.

Early colleges provide intensive supports to students in grades 9 and 10 to help them improve basic skills, learn college expectations, and prepare for the faster pace and greater rigor of college-level work. It is these early experiences that help make college courses available to a much broader range of students than traditional dual enrollment programs.

The nearby University of Texas-Pan American, with start-up funding from the Bill & Melinda Gates Foundation, was critical in introducing the concept of early college schools to the region in 2006. The university

College administrators credit the jump in the number of students participating in dual enrollment with the decision to waive all tuition and fees for high school students taking college courses.

initiated the first early college in partnership with Hidalgo Independent School District: Hidalgo Early College High School. With the success of that model, Hidalgo ISD has reorganized itself into two early college schools. This makes Hidalgo the first district in the state in which all students will go through an early college experience. STC joined the partnership in 2008 and, along with UT-Pan American, now provides dual enrollment courses to Hidalgo students.

In addition to supporting Hidalgo Early College High School, South Texas College has been the lead postsecondary partner in three additional early colleges. In association with McAllen ISD, and with $455,000 of start-up funding from the Texas Education Agency, STC opened Achieve Early College High School in fall 2008 on its Pecan campus, the college's main campus.[31] Achieve Early College High School joins STC's other early college schools: Progreso Early College High School Academy, which opened in 2007 in partnership with Progreso ISD; and Mercedes Early College High School Academy, which also opened in fall 2008, in partnership with Mercedes ISD.

The South Texas College Approach to Financing Early College

The growth of STC's dual enrollment programs has been similar to that of EPCC's. In 1998, there were fewer than 100 dual enrollees; a decade later, more than 6,000 students from 32 high schools were participating.[32] College administrators credit the enrollment jump with the college board's decision in 2002 to waive all tuition and fees for high school students taking college courses. The decision came after an internal cost-benefit analysis showed the institution could recover its instructional costs from dual enrollment offerings if it could increase enrollment dramatically—to about 9,000 students. The college's development of a cluster of early college high schools is a key strategy for raising the current dual enrollment from 6,000.

The basic elements of STC's dual enrollment financing and delivery model are similar to those in the EPCC model.[33] Like EPCC, STC makes extensive use of high school teachers paid by their respective school districts to teach dual enrollment courses. However, STC supplements these payments with a $350 stipend to cover additional planning time and reinforce their identity as adjunct members of the college faculty. Like EPCC, STC also relies on state contact hour funding to cover the college's costs of vetting and supervising high school teachers who serve as adjunct faculty, as well as other overhead costs.

Despite the many similarities in their approaches, STC and EPCC also have several important differences in their strategies for sustaining clusters of early colleges. The main difference is that STC employs a blended design to deliver dual enrollment courses. Unlike EPCC, STC makes extensive use of college faculty to teach dual enrollment courses. In fall 2008, about 200 high school teachers and 80 college faculty offered these courses at area high schools.

To help cover the costs of deploying college faculty to the high schools, STC charges school districts $2,300 for every course it

delivers. These fees supplement the state "contact hours" payments that the college receives. STC is able to keep the faculty cost low—$1,900 per dual enrollment course—by using faculty who already teach a full load and take on the dual enrollment course as an extra assignment. (All college faculty with a full course load receive a stipend of $1,900 or more for each additional course they teach.)

Merging dual enrollment and AP courses to eliminate competition

STC employs a unique additional strategy to deliver early college programs: aligning dual enrollment college courses with Advanced Placement courses and taking advantage of benefits that union provides. First, this combination eliminates the competition between the programs in seeking prominence as the sole college preparation model in the state. When AP and dual enrollment become one, high school instructors with extensive experience delivering an AP curriculum are paired up with STC faculty.[34] The college faculty cover content in the college course syllabus, while the AP instructor covers any additional AP curriculum beyond the college course.

This blending of AP and dual enrollment courses also allows districts to tap into state textbook funding for early college texts, since AP books are funded the same way as other high school books.

Obstacles to expanding the early college model

STC plans to continue using a mix of high school and college faculty to deliver dual enrollment courses in its early colleges. Like EPCC, STC anticipates that after its early college students complete a common core of introductory college work and begin to pursue specialized study in their major, they will need to take more courses on the college campus. While this design is financially sustainable in the long run—early colleges can use a combination of ADA and state contact hour payments to cover the cost of college courses—financing in the start-up years remains a problem for STC as it does for EPCC.

The three biggest challenges STC faces as it develops new early colleges are: the delay in per-pupil contact hour reimbursement from the state for new enrollees; the limited supply of qualified faculty; and not enough funding to cover start-up costs.

As with EPCC, STC has found creative ways to cover the costs of increased enrollment from early college high schools while waiting one or two years for the state to provide full contact hour payments for the new enrollees. Because delivering dual enrollment classes using faculty with full course loads costs only $1,900 each, but the college receives approximately $3,750 per course in contact hour payments from the state, STC actually ends up with a $1,850 surplus for each student counted in base-year calculations. The college can use this money to help cover its costs while waiting for the state to recalculate contact hour funding to cover the costs of increased enrollments since the base-year calculation.

STC and its partners also are exploring new approaches to recruiting and hiring faculty qualified to teach dual enrollment courses. As the early college model expands in the region, demand for qualified faculty is likely to outstrip supply. One strategy under consideration is creating pathways for current high school faculty to complete Master's-level course requirements so they will be qualified to teach dual enrollment courses. Another idea under consideration is recruiting new full-time college faculty and splitting the salary costs for these positions between the college and the districts.

Last, STC faces the same financial hurdles as EPCC in covering start-up costs for planning new early college high schools and building new facilities on the college campus to accommodate the additional students.

The three biggest challenges South Texas College faces as it develops new early colleges are the delay in per-pupil contact hour reimbursement from the state for new enrollees, the limited supply of qualified faculty, and not enough funding to cover start-up costs.

IV. Extending the Lessons from El Paso and South Texas: Policy Steps to Sustain and Grow Early Colleges

The stories of El Paso Community College and South Texas College demonstrate how local partnerships with school districts can best take advantage of their state's highly favorable environment for collaboration in creating innovative programs to increase college readiness.

Lessons from the El Paso and South Texas Expansion Efforts

The success of efforts in El Paso and South Texas to develop clusters of early college schools in Texas stems from two major sources: the state's highly supportive funding policies and the economies of scale associated with creating several of these innovative schools in the same region.

Leveraging state funding streams to create a sustainable financing model

The availability of multiple funding streams to support dual enrollment courses and early college schools in Texas is crucial to the long-term sustainability of new early college clusters. El Paso Community College and South Texas College and their partners have been able to use traditional per-pupil state funding sources for both K-12 and higher education institutions, as well as several other public revenue sources, such as college-readiness funds. The use by El Paso and South Texas of qualified high school faculty to teach early college courses helps minimize both high school and college costs. South Texas College's use of full-time college faculty who teach dual enrollment courses for extra assignment pay offers an additional way to minimize cost. South Texas also merges AP and dual enrollment courses, allowing school districts to tap into state textbook reimbursements that are usually reserved for high school texts for early college courses. These innovative approaches have made it possible for El Paso Community College and South Texas College to integrate significant college coursework into their early college high school curricula without financial penalty to the institutions or their students.

Capitalizing on economies of scale

While propelled by the desire of local school districts to establish early colleges in their communities, the development of regional clusters of early college schools also offers important economies of scale. Among the most beneficial is the standardization of design and implementation procedures. Rather than starting from scratch, which takes considerable time and money, new early college schools can look to existing partnerships for models of a cohesive program of study and a college course-taking sequence that align with state high school end-of-course exams and graduation requirements.

El Paso Community College is capitalizing on such economies of scale by establishing an Early College High School Leadership Council, representing each of its four early college partnerships, to share ideas and identify areas that would benefit from centralizing operations and could help lower costs. The committee has already identified several potential areas to centralize, including professional development, human resources and

recruitment, the processing of financial aid applications, and purchasing, among others. South Texas College, meanwhile, is working to increase enrollment from 6,000 to 9,000 students—the number at which an internal study showed it could recover instructional costs from dual enrollment courses.

Policies to Support Continued Expansion of the Early College Model

By March 2008, when the Texas High School Completion and Success Initiative Council identified early college schools as a priority in its strategic plan, policymakers had already created many conditions for supporting early college schools, including the robust dual enrollment funding and other college-readiness policies described in this report. While Texas funding policies provide a strong base for sustaining early colleges, some barriers continue to impede expansion. Specifically, policymakers will need to consider how to provide sufficient start-up funding, facilities, and qualified staff if they wish to support continued expansion of the model.

Maintaining a flow of start-up funding

An unusual and powerful private-public partnership between the state education department and major private sources, including the Bill & Melinda Gates Foundation, has provided critical start-up funding for new early college schools in Texas. Maintaining a continued flow of state and private dollars to cover start-up and early operational costs is critical to expanding the model to more students and districts.

Lowering start-up costs by addressing the payment lag

While maintaining a supply of funds to support the development of new early college schools is crucial to expansion efforts, reducing the amount of money each school requires during the start-up phase would allow the state and private investors to spread their dollars to more schools. One way to significantly reduce these early operational costs would be to address the two-year lag in state funding to colleges for enrollment of new early college students in their courses. The lag creates a significant revenue gap during the early years of each school's operation.

Although the impact of this lag is not limited to early college schools, the rapid expansion of any new program that relies on enrollment-based funding can place an acute strain on sponsoring colleges. If the state plans to continue expanding early college schools, it should examine whether the ambitious pace of implementation warrants reducing or eliminating lag payments, closing a major revenue gap that start-up funds now must fill.

El Paso Community College and South Texas College have been able to rely on state and private foundation funding to help address these revenue shortfalls during their start-up phases. They also have been able to rely on a well-developed dual enrollment infrastructure to help weather the two-year lag in state payments. But for two-year colleges that do not have the same well-developed dual enrollment infrastructure, or for four-year colleges that face higher per-pupil costs for dual enrollment, this funding delay could pose a significant barrier to entry into early college and dual enrollment partnerships.

El Paso Community College and South Texas College have been able to rely on state and private foundation funding during their start-up phases.

Expanding avenues for increasing the supply of teachers for early college schools could have reverberating positive effects on the overall strength of its teaching corps.

Promoting blended funding approaches to expand early college facilities

There are major benefits to locating early college schools on college campuses. But with growing enrollments at the state's two- and four-year institutions, few have space to house early college programs. New facilities are needed to accommodate early college students and dual enrollment programs on postsecondary campuses, but this funding is difficult to secure. Texas colleges must raise local revenues to finance capital expansion projects, and winning local support can be a challenge. State funds provided to K-12 school districts to renovate and expand facilities are a potential source for supporting the building of new early colleges. However, these state funds also are limited, and the demand for new facilities is great in many school districts.

Encouraging school districts and colleges to co-develop or otherwise pool their facilities resources to stretch their collective dollars may be one way to start solving this problem. For example, EPCC and a consortium of six rural districts are considering using a vacant building owned by one of the participating districts to develop an early college, with EPCC establishing a satellite campus on that site to service the larger community. Pooling construction dollars to co-develop an early college as part of a larger college-sponsored capital improvement plan is another option. The state could explore ways to encourage or facilitate these co-development efforts. The state should also consider ways to encourage school districts that are seeking state funds to expand their high schools to locate a portion of this new space on college campuses.

Increasing the supply of qualified early college faculty

The financial sustainability models of the early college partnerships created by both El Paso Community College and South Texas College rely heavily on their ability to hire high school faculty, who can be supported by ADA dollars, to teach a portion of the college courses. The shortage of qualified high school faculty to teach early college courses—and dual enrollment courses, in general—poses a significant obstacle to expanding the early college model in Texas. Both EPCC and STC and their district partners already face this problem. Shortages in the supply of qualified teachers is an issue affecting all Texas high school students, but the challenge is especially pronounced in dual enrollment and early college school arrangements, which require that high school teachers meet college faculty requirements.

Making Master's-level college courses more available to high school faculty online or through reduced tuition are two avenues worth exploring. The expanded use of high school faculty and adjunct professors to teach college classes in early college and other dual enrollment programs also suggests the need for more formal training and professional development programs to help prepare teachers to deliver college-level instruction to diverse learners. Expanding these avenues for increasing the supply of teachers for early college schools will help the state meet its college-readiness and dual enrollment goals for underserved students. It could also have reverberating positive effects on the overall strength of its teaching corps.

El Paso Community College and South Texas College illustrate how postsecondary institutions and their partners have quickly scaled up innovative models to increase college readiness and success in their regions. Removing the remaining obstacles to growth will pave the way for many other colleges and partners in the state to follow their lead and help achieve the goal of making college accessible to all young Texans.

Endnotes

[1] See http://www.tea.state.tx.us/ed_init/thscsic/

[2] HB145.

[3] The district receives full ADA funding from the state for any student in dual enrollment courses as long as the student is receiving between two and four hours of regular high school instruction time. At least two hours of regular high school instruction guarantee a district to report attending for a half day (*19 Texas Administrative Code §129.21(i),* as cited in *2007-2008 Student Attendance Accounting Handbook*, Texas Education Agency).

[4] Personal communication with Kristen Kramer, program director, College Readiness, Texas High School Project, Texas Education Agency, April 10, 2008.

[5] Traditional high school students cannot enroll in more than two dual enrollment courses per semester unless they have demonstrated academic success (Texas Higher Education Coordinating Board, Rules and Regulations, Chapter 4, Subchapter D-4.85b7; Texas Higher Education Coordinating Board, Rules and Regulations, Chapter 4, Subchapter G-4.161).

[6] Texas Education Code §29.08(b).

[7] Texas Administrative Code *§129.1027*.

[8] The Southern Association of Colleges and Schools, a higher education accrediting board, defines a qualified instructor of undergraduate courses as a person who possesses "a Doctorate or Master's degree in the teaching discipline or 18 graduate semester hours in the teaching discipline." See www.sacscoc.org/policies.asp.

[9] Personal communication with Kelly Callaway, director, Advanced Academics, Gifted Education, Division of Curriculum, Texas Education Agency, December 3, 2008; Texas Education Agency Web site, Frequently Asked Questions about Dual Credit, www.tea.state.tx.us/gted/aafaq.html.

[10] Texas Education Code §30.031.

[11] HB 1 §5.06.

[12] Texas Education Code §29.908.

[13] Texas Administrative Code § 29.908; HB 1 §28.009.

[14] The alignment of dual enrollment courses to AP curricula opens additional funding possibilities through the state's Advanced Placement incentive program. For example, schools providing one AP course qualify to receive a one-time grant of $3,000 to cover the cost of equipment; schools receive $100 for each student scoring a 3 or above on the exam; $450 in professional development funds for each instructor of an AP course; etc. (Texas Education Code §28.051).

[15] The Texas Higher Education Coordinating Board defines contact hours as a "time unit of instruction used by community, technical, and state colleges consisting of 60 minutes, of which 50 minutes must be direct instruction" (19 Texas Administrative Code §4.3).

[16] Texas Education Code §54.216; Texas Higher Education Coordinating Board, Rules and Regulations, Chapter 4, Subchapter D-4.85i.

[17] Only institutions reporting a growth in contact hours reported between successive fall semesters exceeding 10 percent are eligible to receive the state's Dramatic Enrollment Growth Funding for Two-Year Public Institutions. Funds available through this program were appropriated by the state legislature. If the demand for funds exceeds the quantity available, the amount of funds distributed to each institution is prorated.

[18] A fiscal year in Texas begins on July 1 and ends on June 30 of the following year. For example, FY 2007 refers to a fiscal year beginning on July 1, 2006 and ending on June 30, 2007.

[19] The second cycle of early college grants was awarded on December 18, 2007, to five school districts and one community college system to start seven early college high schools: Cedar Hill ISD; Edgewood ISD; Frenship ISD; Houston Community College System; Mercedes ISD; and two at Houston ISD. See Texas Education Agency. "$4.2 million in grants awarded to

create T-STEM academies, Early College High Schools." www.tea.state.tx.us/comm/page1.html. The third cycle of funding for early college high schools was announced in June 2008. The grant will fund five to ten new schools and provide additional funding to ten to fifteen existing schools to add lower grade levels to their programs to serve students in middle school grades. Additional information available at www.tea.state.tx.us/taa/opge060608.html.

[20] Texas school districts can receive funds from one program but not both.

[21] Personal communication with Mona Corbett, Discretionary Grants, Texas Education Agency, April 10, 2008 and on April 14, 2008; personal communication with Kelty Garbee, Early College High School Program Manager, Texas High School Project, Texas Education Agency, April 10, 2008.

[22] Higher Education Accountability Data Web site. Information retrieved October 21, 2008. www.txhighereddata.org/Interactive/Accountability/InteractiveMain.cfm.

[23] Source: Texas Education Agency. 2006-07 Academic Excellence Indicator System Region Reports. Retrieved October 21, 2008, at www.tea.state.tx.us/perfreport/aeis/2007/region.srch.html.

[24] Requirements for adjunct status are set by the Southern Association of Colleges and Schools, the accreditation agency for community colleges in an 11-state region that includes Texas.

[25] The $150 fee is the cost for a typical three-credit course; however, the exact costs for individual courses are based on subject area. Some courses, particularly in the sciences, are more expensive than others (Texas Higher Education Coordinating Board. Report on Community College Legislative Funding Approved Rates. www.thecb.state.tx.us/PA/FinanceAndResourcePlanning/default.cfm#).

[26] Northwest Early College High School administers EPCC's Spanish Placement Test to its ninth-grade students. However, students are only eligible to enroll in an intermediate-level Spanish course if they obtain a college ready score on the reading portion of the placement test. Students who place into Spanish 2313 (an intermediate-level course) but do not have the minimum placement score for admission at EPCC enroll in a second-semester Spanish 1 course.

[27] Texas community colleges need to wait up to two years to begin collecting state payments on dual enrolled students only when they can not substitute dual enrolled course contact hours for contact hours already included in its base funding formula.

[28] Hidalgo ISD serves a student body that is 99.7 percent Hispanic, 90 percent low-income, and 55 percent English language learners. McAllen ISD, Mercedes ISD, and Progreso ISD also serve populations that are predominantly Hispanic, low-income, and English language learners.

[29] The Texas Education Agency's *2006-07 Region Performance Report* for both Progresso ISD and Mercedes ISD. Retrieved July 31, 2008 at www.tea.state.tx.us/perfreport/aeis/2007/region.srch.html.

[30] The Dual Enrollment Medical Sciences Academy graduated its first class of 16 students in spring 2007. In spring 2008, 13 students graduated from DEMSA. The Dual Enrollment Engineering Academy program graduated 33 students in spring 2008 (personal communication with Lupe Chavez, Coordinator of Dual Enrollment Academies, South Texas College, October 23, 2008).

[31] The Texas Education Agency's *2006-07 Region Performance Report*, McAllen ISD. Retrieved on July 23, 2008. Available online at http://www.tea.state.tx.us/perfreport/aeis/2007/region.srch.html

For information on the Texas High School Project's Texas Science, Technology, Engineering and Math Initiative, see, http://www.tea.state.tx.us/ed_init/sec/thsp/tstem.html

[32] South Texas College and McAllen Independent School District, proposal for funding of T-STEM ECHS in McAllen, Texas, March 27, 2008.

[33] As in all of its dual enrollment programs, STC waives tuition and fees for the 200 students enrolled in the Dual Enrollment Medical Sciences Academy and the Dual Enrollment Engineering Academy in fall 2008. However, to recover its instructional costs, participating districts have agreed to pay the $500 per student per semester (STC staff interview, 2008).

[34] These high schools teachers have also received training for the past few summers through the state's AP Summer Institute.

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