

March 14, 2005

Mr. James R. Huffines  
University of Texas Board of Regents, Chairman  
PNB Financial  
919 Congress Avenue, Suite 600  
Austin, Texas 78701

Re: "UTEP 2014 - A Great Undergraduate Student Education"

Dear Chairman Huffines:

Over the last two years, our office has led state efforts to measure college and university undergraduate performance. As you may know, *U.S. News and World Report* has long published performance measures for the 1,361 colleges and universities of America.<sup>1</sup> To launch the Texas college and university accountability initiative, we authored and passed S.B. 286, the Texas Higher Education Coordinating Board Sunset Bill, and for the first time, set performance standards for Texas colleges and universities.

As a result, the University of Texas System (UT System) published its first performance report,<sup>2</sup> and other similar performance reviews have been done of Texas universities.<sup>3</sup> In addition, the University of Texas System engaged the Washington Advisory Group to baseline UT system components to see what investment was needed with respect to attaining Tier I status.

What is striking about all these performance measures is that University of Texas-El Paso (UTEP) ranks among the lowest in the country in graduation rates and among the highest in the country in remediation rates. The result is that UTEP serves as a constriction in the academic pipeline for El Paso students to achieve college graduation and success. Nearly all UT System Border universities present a similar challenge, but none more so or dramatically than UTEP. As such, it presents the

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<sup>1</sup> *US News and World Report* "Americas Best Colleges", 2005

<sup>2</sup> The University of Texas System Board of Regents Accountability and Performance Report, 2004-2005

<sup>3</sup> Legislative Budget Board Performance Review, "Higher Education-Texas A&M University, 2005,"  
"Higher Education-University of Texas-Austin, 2005"

essential challenge among the UT System on how to reform higher education, provide essential accountability, produce quality undergraduate education and finance a student population with fewer financial resources than almost any in the U.S. In this regard, I ask that you make this issue a top UT System priority and appoint a team by June to address the issues presented by UTEP's low graduation rates. Herein below is a chart which shows the remediation and graduation rates for universities in the University of Texas System:

**Undergraduates Graduating in Four Years or Less from the Same UT Academic Institution**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>UT-Arlington</b>	9.6%	13.2%	12.7%	12.3%	14.5%
<b>UT-Austin</b>	35.6%	39.2%	36.5%	38.9%	41.3%
<b>UT-Dallas</b>	32.0%	30.3%	31.7%	37.7%	29.6%
<b>UT-El Paso</b>	<b>2.1%</b>	<b>2.9%</b>	<b>2.5%</b>	<b>3.6%</b>	<b>4.5%</b>
<b>UT-Pan American</b>	5.3%	5.9%	6.2%	7.8%	8.4%
<b>UT-Permian Basin</b>	10.0%	9.3%	15.2%	17.0%	15.5%
<b>UT-San Antonio</b>	5.2%	5.5%	6.3%	6.3%	6.1%
<b>UT-Tyler*</b>	--	--	--	26.3%	49.7%

\* Tyler did not admit freshmen until Summer/Fall 1998  
*Source: Texas Higher Education Coordinating Board*

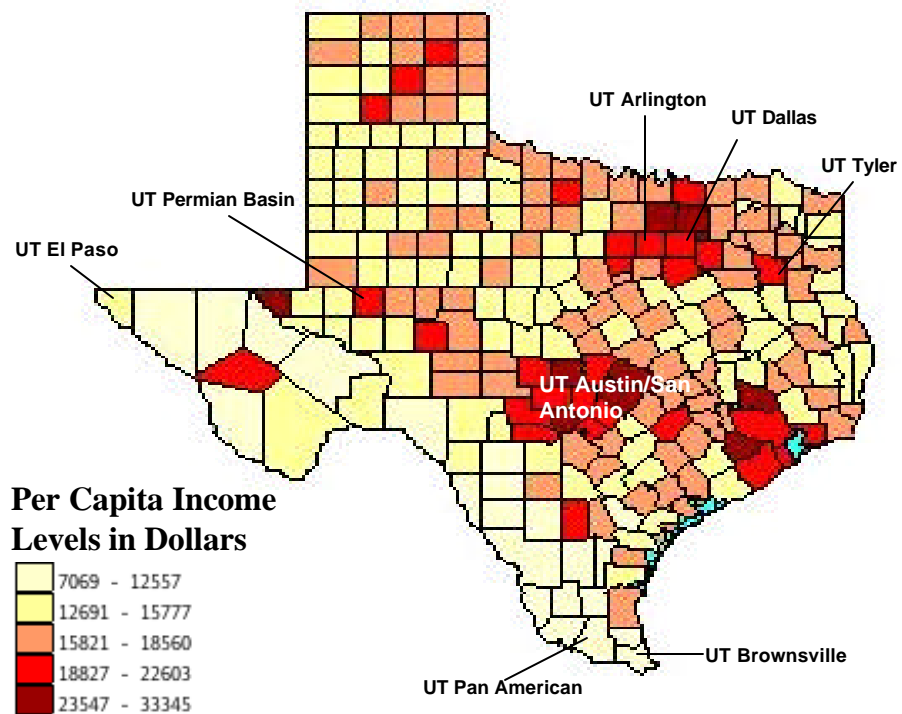
**Percent of Students Requiring Developmental Education**

	<b>1997-1998</b>	<b>1998-1999</b>	<b>1999-2000</b>	<b>2000-2001</b>	<b>2001-2002</b>
<b>UT-Arlington</b>	20.6%	25.7%	24.4%	23.4%	23.0%
<b>UT-Austin</b>	3.2%	6.6%	6.6%	4.5%	0.9%
<b>UT-Brownsville*</b>	73.7%	45.2%	35.3%	28.0%	37.4%
<b>UT-Dallas</b>	4.8%	6.0%	23.7%	12.5%	19.1%
<b>UT- El Paso</b>	<b>48.1%</b>	<b>66.7%</b>	<b>66.0%</b>	<b>64.5%</b>	<b>61.5%</b>
<b>UT-Pan American</b>	47.9%	54.9%	68.4%	70.0%	74.0%
<b>UT-Permian Basin</b>	37.9%	32.4%	29.8%	8.2%	8.0%
<b>UT-San Antonio</b>	25.1%	24.6%	25.1%	26.3%	34.2%

<b>UT-Tyler</b>	13.2%	11.1%	23.5%	1.6%	0.8%
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\*Separate reporting by UTB/TSC may produce anomalous results.

Source: Texas Higher Education Coordinating Board



SOURCE: US Census Bureau, 1999

Obviously, part of the challenge facing UTEP is financing a college education among a low-income population that has historically avoided loans. Below is a map that portrays a snapshot of a UTEP

student's personal income situation:

Given a student population with income levels in the lower brackets and a significant portion that are working students, our research and investigation over the last four years has led us to the following key issues on how to improve UTEP's undergraduate education. As you can see below, these issues are based primarily on management decisions:

1. *Open Enrollment Policy.* Texas A&M-Corpus Christi has adopted a quality/excellence model with results in the fastest growing enrollment of any public institution in Texas. By focusing on clear objectives, quality research, and especially, high standards, Texas A&M-Corpus Christi has been able to attract not only top quality Texas students, but an increasing cohort from California who want to study near an ocean body.

It is interesting to note that both Corpus Christi and Laredo have adopted the later model. With this piece missing in El Paso, we export our best talent and UTEP has become an integral part of the brain drain. Today, UTEP competes only with El Paso Community College for undergraduate talent.

2. *Excessive Remediation Rates.*
  - (a) Use of testing measures to increase remediation hours. There is a significant concern regarding excessive remediation rates at UTEP. There are reports of repeat testing, lack of competent advising by students who serve as "remediation advisors," different testing standards from other schools within the UT System, and conflicting guidelines on the requirements for completing remedial classes. Essentially, the disarray in UTEP's approach to remediation is resulting in the University collecting an "extra semester" at both the financial and academic expense of the student. Instead of graduating in four or five years, a student graduates in six or seven years, thus netting significant additional resources for the university, delaying the student's graduation, and effectively taking two to four years off that student's work life.

(b) Ineffective counseling regarding degree plans. There have been many reports to our office regarding incomplete, wrong, or non-existent academic advising at UTEP. Only skilled advisers with content specific knowledge of degree requirements should counsel students for effective graduation progress. Emphasis should be placed on the course load and degree requirements necessary to graduate in four years and students' progress toward a degree and graduation should be tracked by semester.

(c) Repeated changes to degree plans to increase total number of hours. Reports of repeated changes to degree requirements need to be corrected in order to improve graduation rates. There needs to be clear policies regarding what courses apply toward degree and graduation requirements, and changes to degree requirements should be for prospective students and not retroactive. UTEP should create a contract with each student regarding degree requirements once a student declares their major. The requirements governing degree requirements should be specified at the time the student declares their major in the program. We need to ensure that students are rewarded for their success and achievement, and not penalized unfairly for administrative incompetence.

4. *37% Tuition Increases With no Corresponding Increase in Value.* Tuition increases at UTEP are on the third poorest student population in the state and one of the poorest in the country. The current five percent increase approved by the UT Board of Regents on March 11, 2005, adds another \$60 per semester for a total of \$270 more per semester since Fall 2003. With a 4.5 percent graduation rate, this is not a course of action that is beneficial to UTEP, UTEP students, or El Paso. The increased cost of tuition will only further delay graduation for our income-sensitive students as the extension of what should be an eight semester education to over 12 semesters creates damaging consequences by cutting two years off the work life of thousands of Texas college students.

**UT System Tuition Increase 2003-2004**

	<b>Total Statutory &amp; Designated Tuition Fall 2003</b>	<b>Total Statutory &amp; Designated Tuition Fall 2004</b>	<b>Percent Increase in Statutory &amp; Designated Tuition</b>	<b>Percent Increase in Designated Tuition</b>
<b>UT- Arlington</b>	\$1,380.00	\$1,815.00	31.52%	30.36%
<b>UT-Austin</b>	\$1,380.00	\$2,130.00	54.35%	34.29%

<b>UT-Brownsville</b>	\$1,170.00	\$1,290.00	10.26%	18.75%
<b>UT-Dallas</b>	\$1,380.00	\$2,040.00	47.83%	33.33%
<b>UT-El Paso</b>	<b>\$1,380.00</b>	<b>\$1,890.00</b>	<b>36.96%</b>	<b>21.88%</b>
<b>UT-Pan American</b>	\$1,170.00	\$1,252.00	7.01%	10.83%
<b>UT-Permian Basin</b>	\$1,380.00	\$1,500.00	16.28%	15.56%
<b>UT- San Antonio</b>	\$1,380.00	\$1,860.00	34.78%	24.59%
<b>UT-Tyler</b>	\$1,380.00	\$1,650.00	19.57%	19.23%

*Source: Texas Higher Education Coordinating Board*

Unlike other UT components, UTEP faces stiff competition at New Mexico State University (NMSU). After NMSU offered in-state tuition to El Paso residents in 1996, UTEP's enrollment experienced a serious decline. Today, 11 percent of NMSU's student population comes from El Paso. Even UTEP's Center for Institutional Evaluation, Research and Planning cited NMSU as a source of declining enrollment (*See, [www.cierp.utep.edu/StratigicPlan/sec5e.html](http://www.cierp.utep.edu/StratigicPlan/sec5e.html)*). UTEP's decisions regarding tuition increases should be price sensitive with respect to NMSU. As the chart on the following page shows, UTEP now charges \$140 more per year in tuition and fee than NMSU. The recently approved tuition increases make UTEP \$332 more per year than NMSU.

#### **NMSU vs. UTEP**

	<b>NMSU</b>	<b>UTEP (current)</b>	<b>UTEP (Fall 2005 Tuition Increase)</b>
Undergraduate Tuition and Fees per semester (per semester for 12 credits)	\$1,833	\$1,903	\$1,999

5. *Lack of Open Accountability.* Taxpayers want accountability and value for money. Instead of resisting accountability, UTEP should embrace it and openly publish administrative overhead, student performance, and the total cost of a UTEP education, including books, tuition, housing, and travel. While the El Paso Independent School

District, Ysleta Independent School District, Socorro Independent School District and El Paso Community College have all adopted significant reform from Comptroller Performance Reviews, UTEP has consistently refused scrutiny. UTEP can compete and we have nothing to hide.

To put it bluntly, to compete we need systemic reform at UTEP. Our university is the key to El Paso's economic success. To attain Tier I status, UTEP's student undergraduate education must improve. The Washington Advisory Group acknowledged as much when it stated:

The fact that more than 40% of the student population have not received a degree 10 years after entering the University is troublesome. UTEP's administration is well aware of this problem and is working on developing ways of addressing it. It should redouble its efforts in this area, and continue to work with the local community college to develop solutions.<sup>4</sup>

Our office first addressed these issues in 1999 with no success. The creators of the current graduation rates are not likely to lead real reform. We believe that the UT System must make UTEP's graduation rates a top priority as success at UTEP can transfer to other institutions. Below are five initiatives we believe must be instituted at UTEP in order to succeed:

1. *Create a Top Draft choice program.* The Top Draft program is a multi-level program which would seek to bring the strongest academic talent to UTEP through methods such as early recruiting, full-ride scholarships, job placement and cash stipends. Most of the money for this program is already in various funds and programs at UTEP.
2. *Create a Plan II program for Top Draft choice students.* Similar to the Plan II program at the University of Texas at Austin, UTEP needs an honors program that would offer highly motivated undergraduates an opportunity to be part of a small, selective academic honors program. The program would offer more challenging classes and have stricter requirements for admission than regular UTEP academic programs such as a minimum SAT/ACT and GPA requirement.
3. *Create a "Contract For Our Future" with UTEP students regarding tuition.* Under this contract, the UTEP administration would guarantee students that a substantial percentage of any extra income raised from tuition increases would be

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<sup>4</sup>Report of The Washington Advisory Group, LLC on Research Capability Expansion for The University of Texas at El Paso.

dedicated to student services and aid would offer, guarantee fixed tuition if a student graduated in four years, and put in place a financial aid package tailored for that student's financial needs.

4. *Create a Flex Time Flex Pay Program.* UTEP is notoriously rigid in class availability. If UTEP will provide more classes at alternative times, more students will be able to enroll in classes and graduate on schedule. Competitors like University of Phoenix build class hours around students; UTEP does not. With an increasing number of working students, UTEP must increase night and Saturday classes and adopt incentive tuition to fill classes. College students are not "nine-to-five" employees. Deans, department chairs, advisors, degree offices, the book store, etc. should have occasional nontraditional office hours to match nontraditional customers.
5. *Create and strengthen the university college system to guarantee that student graduation programs do not change over time.* Get a third party review of university courses to reform and update the UTEP University College System. Ensure that every student knows exactly how many hours are needed to graduate for a particular degree. The college system should be reformed to guarantee that students graduating within a given time period would not be subject to a change in their degree plan, thus preventing added costs and inconvenience for the undergraduate community.
6. *Create a standing independent committee with national experts anchored by El Paso leaders to create and oversee UTEP's excellence programs.* An independent committee will give the citizens of El Paso ownership of their university and the opportunity to provide input on the needed excellence programs as they relate to the economic development of the region.
7. *Create a Culture of Excellence and Performance.* At UTEP, fealty is valued above excellence. Nine UTEP deans were terminated or fired because they delivered a letter to the UT System questioning whether a candidate for the President's job could also sit on the selections committee. More recently, the entire Communication Department was disbanded, then recreated in order to effect the dismissal of a department head. Even students who question administration decisions are treated to significant curtailment of free speech rights, such that the UTEP was enjoined in Federal Court from further violations of First Amendment Rights. Unless excellence, academic freedom and performance are instilled as a value, UTEP will not compete for the best professors nor best students.



Dr. Diana Natalicio  
March 7, 2005  
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At our university, we must ensure that excellence, not fealty, guides our values and decisions. Our office first delivered notice to UTEP that graduation rates must change to achieve excellence in 1999. On March 10, 2005, President Natalicio, once again promised to “study” the reasons for the nation’s lowest graduation rates. Yet, Regents granted her request for a five percent increase in tuition, with no equivalent return in value to students. Significantly, according to the National Center for Education Statistics, UTEP is the only university in the University of Texas System that did not improve their graduation rate from 2001 to 2003. By their action on March 11, 2005, the Regents rewarded poor performance. To effect positive change on graduation rates and undergraduate education, UT System must make a commitment to meet the challenge at UTEP and elsewhere to make the difference.

Very truly yours,

Eliot Shapleigh

ES/bf

cc: Mark Yudof