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FOR
MEETING OF THE BOARD

Board Meeting: 11/9-10/2005
Austin, Texas

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D.   RECONVENE MEETING OF THE BOARD IN OPEN SESSION

U. T. System: Annual meeting with representatives of Employee Advisory Council and discussion and appropriate action regarding report and recommendations

Agenda

1. Current and Past Officer Introductions

2. Past Officers Report and Council Recommendations

3. Conclusion by Current Chair

The U. T. System Employee Advisory Council will meet with the Board to discuss accomplishments of the Council and recommendations for the future as set forth on Pages 1.1 – 1.8.

Council members scheduled to attend are:

Chair: Ms. Ann Tate, Manager, Department of Neurology, U. T. Southwestern Medical Center - Dallas

Past Chair: Ms. Sandra K. Goertzen, Assistant Director, Payroll & Tax Compliance, U. T. Dallas

Past Vice-Chair: Mr. Eduardo "Pep" Valdes, Director of Internet and Internal Communications, Office of University Advancement/Public Affairs, U. T. Medical Branch - Galveston

Past Secretary: Ms. Janet Cole, Administrative Coordinator, Office of Health Affairs, U. T. System Administration

Past Historian: Mr. Glen Worley, Manager, Monograph Acquisitions and Approval Plans, University of Texas Libraries, U. T. Austin

BACKGROUND INFORMATION

The mission of the Employee Advisory Council (EAC) is to provide a forum for communicating ideas and information between employees, the Executive Officers of U. T. System, and the Board of Regents. Election of new officers was held in July 2005 and 16 new members joined the EAC in October.

The University of Texas System
Employee Advisory Council

2004-2005

Recommendations and Report to the

Board of Regents

of

The University of Texas System

November 2005

A "university of the first class" needs a first class staff

Introduction – The importance of higher education workers to The University of Texas System.

It has been a tradition in Texas to equate higher education employees with state employees in terms of benefits and compensation. It is important that the UT System strive to keep its autonomy in order that its various institutions can provide the flexibility necessary for recruitment and retention of quality employees. This is a winning strategy as shown by the recent Hewitt Pathfinder study which cited UT System as the most efficient benefit program of 30 academic institutions surveyed. More importantly for UT System as a whole, this view equating higher education employees with state employees overlooks a major difference in the effect each group has on their particular customer base, and how this can relate to the health of the particular institution. Impressions formed by the customers, the students and patients of the UT System have an impact on this institution's future financial wellbeing as well as its reputation. Awareness of these important considerations are often not attributed to the line level staff, but the majority of UT System employees understand the long-term implications of providing the best service possible. While state workers are also encouraged to provide good customer service, the interaction does not have the same possible consequences. For example: It is not likely a person who renews driver's licenses will later receive a request to donate money to the Department of Motor Vehicles.

Many University of Texas staff choose to work at an institution of higher education to further the cause of education or research and make a positive contribution to our culture and society. They also choose to work in an environment where knowledge is prized and the pursuit of knowledge never ceases. They are committed to providing the means to a brighter future for students in the academic institutions and for students and patients in the medical institutions. As both of these customer groups are vulnerable populations, UT System employees also provide a secure environment for learning and healing. Parents and relatives entrust their loved ones to this institution and staff take this responsibility to heart. They also take their jobs seriously, show respect for the institution, and desire the same to be shown to them.

Most people outside of the educational system do not comprehend the amount of staff necessary for the operation of the various institutions of the UT System, because, if the institution is operating properly, the various functions of staff stay in the background and customers receive necessary services without their awareness of what it really takes to provide these services. At The University of Texas at Austin, for example, there are roughly 13,000 classified employees: This translates to four staff members for every faculty member, or one staff member for every four students. As similar faculty/staff and student/staff ratios

probably exist at all System institutions, it behooves the System to empower this large group of people and consider them an asset rather than a liability. Some reasons for doing this are as follows:

- Staff makes most of the financial transactions at each institution.
- Staff support the System institutions' faculty and physicians; and make it possible for these groups to use their talents effectively.
- Staff interact on a more personal level with the UT System customer base than either faculty or physicians.
- Staff are responsible for using System resources efficiently and responsibly.

Communication - An exchange of information

The Employee Advisory Council strongly believes that communication is the key to integrating UT employees into the institution to the advantage of all. As mentioned previously, most people seek employment within UT System for more than just a job with benefits. However, the advantages of this motivation will be lost if the initial enthusiasm of these employees is not encouraged in a direction that benefits the employee while also benefiting the institution. Employees should receive, or have access to, as much information as possible concerning the workings of their institution and UT System. Most employees will choose to buy into the institution's mission and goals if they feel that they are considered an important part of the institution, rather than an afterthought. Employees are more likely to support and defend the institution during difficult times if they are given the necessary background information as to why the situation has developed. This also stops potentially harmful rumors from circulating via the speed of email.

Communication is defined as "an exchange of information". If information only flows one-way, then there is no communication; there is no exchange of ideas that could benefit the institution or its employees. The creation and support of the Employee Advisory Council shows a commitment on the part of UT System Board of Regents and administration to remain open to issues and concerns affecting staff. Also, the sharing of information to EAC members, and consequently to their constituents, can only benefit the institution by allowing all staff to become aware of the larger issues that confront us. In the four years that the EAC has been in existence, communication of information to and from the UT System Administration and the Board of Regents has been the main topic of discussion. The number one concern that EAC members bring from their various components is how can staff receive information from the highest levels and also pass information back in the form of concerns or questions. Because the EAC recognizes that some structures must be created and maintained to facilitate this exchange of information, we make the following three recommendations, all of which will improve communication and offer benefits to The University of Texas System and its institutions.

Recommendation No. 1: E Pluribus Universitas: Promote and publicize greater staff involvement on campus and/or local community, or – it's not about diversity, but university.

If you would please direct your attention to the group photo of the EAC on Page 1.8, you will notice that the EAC is composed of a diverse group of individuals. This photo shows the diverse makeup of today's Texas population at a glance. One could easily say, "We are Texas." The first part of the UT System mission statement could easily be used to provide a caption for this picture: University of Texas staff are *from a wide range of social, ethnic, cultural, and economic backgrounds, thereby preparing educated, productive citizens who can meet the rigorous challenges of an increasingly diverse society and an ever-changing global community.*

Any company operating in Texas with a workforce exhibiting such a varied makeup would use this to promote itself to the community, not only for its obvious public relations advantages, but also to increase its corporate strength over its rivals by recruiting more talented individuals of different backgrounds. This same strategy is stated very well in The University of Texas System mission statement, *"Recruit and appropriately recognize exemplary administrators and staff members who provide leadership and support of the educational enterprise in an energetic, creative, caring, and responsible manner."*

Cost Considerations:
Costs for this recommendation should be minimal. Each institution already has an office for official communication, public relations, etc.   These offices should be encouraged to publicize in the local community staff accomplishments, such as UT Austin's Excellence Awards. Participation in campus-wide committees will involve some work time, but this should be a reasonably small amount. Some institutions may also seek to put on events for staff such as recognition programs or heritage recognition events such as Juneteenth or Cinco de Mayo. Expenditures for these events can be reduced if outside sponsorship is allowed. UTMB has a wonderful event called the Staff Support Conference that allows outside vendors to rent booths and market themselves to the UTMB community.

Advantages to UT System and institutions:
The UT System can demonstrate to the citizens of Texas, and to their duly elected representatives, that UT has created a workplace where employees combine their unique talents and backgrounds to provide superior educational opportunities and medical care. As the public becomes more aware of this, recruitment of diverse students, staff, and faculty will become easier. UT System will be seen as a leader in this area not a follower.

The EAC believes that the UT System can and should capitalize on the diversity of its staff by allowing and encouraging more participation of staff members in

campus affairs. Staff members are long-term residents of each campus and, as mentioned previously, are often the point-of-service for customers of the UT System. If these customers see that all sorts of individuals are working together to provide services for them, it can only leave a positive impression. Incorporation of staff into the university experience not only will increase employee ownership of the goals of the organization, but also provide valuable goodwill from the community towards the institution. Staff members should also be invited and encouraged to participate on campus-wide committees. Public recognition of staff, especially in the surrounding community, will serve to enhance the reputation of the institution and the UT System.

Recommendation No. 2: Establish a Staff Council, or similar organization, for each institution.

Many of the UT System institutions already have some sort of staff council, however, there are still a few institutions that do not. These institutions should be encouraged to lay the groundwork and provide the necessary support to create and maintain such organizations.

Cost considerations:
In order for the staff council to work effectively, it is necessary to allow employees to use work time to attend to staff council business. For example at UT Austin staff council members are allowed four hours of work time each month to attend the monthly staff council meeting and for staff council committee meetings. A policy such as this must be supported by the institution administration in order that any person elected to the staff council will be encouraged to act as an effective member of this group. Support must also be given to the officers of these staff councils who will likely have more responsibilities and demands on their time. It is also likely that there will be a small amount of operating expenses such as handouts, tech support for the maintenance of staff council Web pages, etc. The administration could also choose to give the staff council a budget to cover these expenses, which is already being done at UTHSC-Houston for example. This would make each staff council in question responsible for a budget and encourage good stewardship of institutional resources. Overall, the costs of establishing and maintaining a staff council are minimal, especially when compared to the advantages.

Advantages to UT System and institutions:
The establishment and support of staff councils at each of the UT System institutions will provide a useful mechanism to supply information to staff, and also would allow staff to suggest policy changes or solutions to problems using a deliberative process. Staff councils, along with the EAC, provide an opportunity for staff to make a contribution to their work environment and identify more closely with the institution by understanding the complexities faced by the leaders of each institution. Employees who are willing to invest their time to improve things are the kind of employees who bring value to an institution, and are the

employees that any institution would wish to retain. Staff Councils also provide opportunities for the members to network and become familiar with parts of the organization with which they normally would have no knowledge or contact. This peer-to-peer communication increases the efficiency of the organization and reduces the us vs. them attitudes between departments that can be the source of many problems on campus. Staff Councils also can be the nurturing ground for the future leaders of the various departments of the component. The experience of working in such an organization can be very valuable to the employee who can then bring that to their own workplace.

Recommendation No. 3: Make the EAC Best Practices document a living document accessible to all employees.

During fiscal year 2002-2003 the EAC compiled a 66-page document listing many of the "best practices" of each system institution regarding their employees. The goal was that "The best practice program would be a repository of model programs from all components." Many institutions have come up with innovative strategies and policies benefiting their employees. By making this information accessible, the various institutions can be recognized for their ingenuity, and also other institutions can get ideas. The EAC recognizes that what works at one campus may not be possible at another, but there is such a profusion of excellent ideas, it is unlikely that there is not something there that could not be used by another institution.

This document was presented to the Board of Regents at the February 2003 meeting. The document was later posted on the UT System Web site, but only accessible by UT System institution HR directors. The EAC felt that limiting access to this document did not encourage the use of the document as originally envisioned. In 2004 the EAC recommended that the Best Practices document be posted on the EAC Web site. The Best Practices document is now available on the EAC Web site and the EAC now recommends that support be given to the EAC to transform the document as a constantly updated, easily searchable, list of the best practices involving employees of the UT System.

Cost considerations:
The cost for making this document accessible is minimal. Occasional technical support will be necessary to keep it up-to-date. Ideally, some sort of indexing by component, category of practice, etc. would be developed to facilitate searching this large document. The EAC recommends that it be charged with the maintenance of this document with support from UT System HR. The EAC also recommends that each institution's staff council be charged to review the practices submitted by their campus and also to submit new contributions to the EAC on an annual basis.

Advantages to UT System and institutions:
The Best Practices document will be a constantly updated resource for various institutions. Information regarding the cost and success of each practice is given which will help individuals or departments considering whether to try one of these practices. Since this information will be available to employees, they can use it to make suggestions for similar practices through their staff councils, or through whatever mechanism is appropriate. Staff Councils should also be encouraged to work with their local HR office to collaborate on implementing existing ideas on the document or contributing new ones. This will encourage greater communication between the staff council and the local HR office. The publication of this document will promote the sharing and development of good ideas, and also further refinement of these ideas. It also demonstrates publicly that UT System encourages innovation in improving its employees' lives.

Conclusion – UT System must effectively integrate all its human resources to remain a first class institution that continually attracts intelligent, dynamic faculty, students, and staff.

UT System possesses an extremely talented, motivated workforce in locations all over the state. These staff members have the potential to be the most effective ambassadors to the everyday Texan because they can bear witness to their community, as no press release can, of the wonderful things being accomplished by the institutions of the UT System. If for no other reason than this, staff should be treated with the same dignity and respect that is afforded to any other integral part of such a diverse and "forward thinking" institution. The Employee Advisory Council believes that the adoption of the three recommendations will greatly improve communication between the rank and file employees of UT System and the men and women charged with directing its progress through the twenty-first century. This will allow us to not only retain and recruit the best people, but will also serve to make working here, at any level, a reason for pride. We all must remember: "It takes a first class staff to operate a university of the first class".

Thank you very much for your attention today.

E.   APPROVAL OF MINUTES

F.   RECESS FOR MEETINGS OF THE STANDING COMMITTEES AND
      COMMITTEE REPORTS TO THE BOARD

      The Standing Committees of the Board of Regents of The University of Texas
      System will meet as set forth below to consider recommendations on those
      matters on the agenda for each Committee listed in the Agenda Book. At the
      conclusion of each Standing Committee meeting, the report of that Committee
      will be formally presented to the Board for consideration and action.

      Audit, Compliance, and Management Review Committee: Chairman Estrada
      Agenda Book Page 9
      No Items

      Finance and Planning Committee: Chairman Rowling
      Agenda Book Page 12

      Academic Affairs Committee: Chairman Krier
      Agenda Book Page 21

      Health Affairs Committee: Chairman Clements
      Agenda Book Page 35

      Facilities Planning and Construction Committee: Chairman Barnhill
      Agenda Book Page 42

G.   CONSIDER AGENDA ITEMS

1.   **U. T. System: The Disaster Response Mutual Aid Plan overview and U. T.
      Medical Branch – Galveston's response to Hurricane Rita**

                                    REPORT

Executive Vice Chancellor Kelley will provide a report on the U. T. System Disaster
Response Mutual Aid Plan. President Stobo will make a presentation on U. T. Medical
Branch – Galveston's response to Hurricane Rita following the PowerPoint on
Pages A – G of the Supplemental Materials (Volume 2) of the Agenda Book.

Disaster response and recovery preparedness involves a cycle of outreach, planning,
capability development, training, exercising, evaluation, and improvement. While U. T.
System institutions have disaster plans in place, Tropical Storm Allison in 2001
illustrated the need for a more formalized process for providing response and recovery
assistance following a major disaster for all U. T. System institutions.

Since 2001, over 60 representatives from across the U. T. System have participated in the Disaster Mutual Aid Working Group. Participants include subject matter experts in finance, physical plant, security, environmental health and safety, human resources, procurement, counsel, and information technology. This working group developed the Disaster Response Mutual Aid Agreement (MOU) and Guidebook, collectively referred to as the Disaster Response Mutual Aid Plan (the Plan), which became effective in March 2003.

The Plan outlines a process for unaffected U. T. System institutions to provide manpower and materials to assist impacted U. T. System institutions in recovering from a major disaster. The Plan consists of detailed procedures for administration of the MOU executed to be effective between all U. T. System institutions, as well as disaster response and recovery, and provides an inventory of resources available during a disaster. One of the requirements of the Plan is to conduct annual exercises to test coordination of the Plan and its ability to:

1.   Integrate resources from U. T. System institutions within the region to aid the affected U. T. System institution;

2.   Coordinate disaster response team efforts to work together effectively under a unified command system;

3.   Improve communication within and between U. T. System institutions and U. T. System Administration;

4.   Identify training or resource needs and deficiencies in the Plan; and

5.   Develop recommendations for improving the Plan.

The Plan is initiated when assistance from local authorities and/or outside contractors is not available or adequate. In July 2002, U. T. System executed a contract with BMS Catastrophe, Inc. to provide disaster restoration and recovery services. These services include project management; fire, smoke and water damage recovery; moisture control; heating, ventilation and air conditioning decontamination and cleaning; microbial remediation; telecommunications, electronics, media and equipment recovery; and recovery of documents, books and vital records. All services are provided using rates negotiated on a pre-loss basis.

HURRICANE RITA RESPONSE AND RECOVERY

U. T. System institutions predicted to be in the path of Hurricane Rita did a phenomenal job executing their disaster plans in preparing for the worst case scenario. Although it appears the physical damage was light, affected institutions had to dedicate extensive resources to relocate patients and staff and to conduct other emergency preparedness activities. Other U. T. System institutions were very active in making preparations to assist, if needed.

Under the Plan, the U. T. System Office of Risk Management initiated communication with the institutions' mutual aid coordinators. All U. T. System institutions were prepared to offer recovery assistance and BMS Catastrophe, Inc. was prepared to provide response and recovery services to U. T. institutions. While on call, neither the Plan nor the contract with BMS Catastrophe, Inc. was executed during the disaster.

A systemic issue identified during the disaster was the need for reliable communication equipment and notification systems. U. T. System institutions will need to evaluate equipment and systems frequently since these items are often the most problematic during a disaster. In addition, U. T. System needs to ensure that the Plan and the legislatively mandated information technology disaster recovery plan overseen by the State Department of Information Resources are not in conflict.

U. T. System and U. T. institutions are pursuing federal and/or other funds that might be available to recover from the financial losses resulting from Hurricane Rita.

2.   U. T. System Board of Regents: Appointment of Regent Colleen McHugh as Regental member to the Board of Directors of The University of Texas Investment Management Company (UTIMCO

RECOMMENDATION

In accordance with the requirements of the Regents' *Rules and Regulations*, Series 10402, Chairman Huffines requests approval of the proposed appointment of Regent Colleen McHugh to replace Vice Chairman Hunt on The University of Texas Investment Management Company (UTIMCO) Board of Directors to serve a term ending April 1, 2007, or until a successor is chosen and qualifies, or until her earlier resignation or removal.

BACKGROUND INFORMATION

Pursuant to *Texas Education Code* Section 66.08, the Board of Regents shall appoint the nine directors of UTIMCO. At least three members of the U. T. System Board of Regents and the Chancellor shall be appointed to the UTIMCO Board of Directors by the Chairman of the Board of Regents, by and with the consent of the Board of Regents.

Vice Chairman Hunt has served on the UTIMCO Board of Directors since August 1999. The proposed appointment of Regent McHugh has been reviewed by the Office of General Counsel and the Counsel and Secretary to the Board and was found to be consistent with State law and the provisions of the UTIMCO Code of Ethics.

3. **U. T. System Board of Regents: Appointment of Mr. Woody L. Hunt as external member of the Board of Directors of The University of Texas Investment Management Company (UTIMCO)**

RECOMMENDATION

In accordance with the requirements of the Regents' *Rules and Regulations*, Series 10402, Chairman Huffines recommends that Mr. Woody L. Hunt be appointed as an external member of the Board of Directors of The University of Texas Investment Management Company (UTIMCO) for a term ending on April 1, 2006, or until his successor is chosen and qualifies, or until his earlier resignation or removal.

BACKGROUND INFORMATION

Pursuant to *Texas Education Code* Section 66.08, the Board of Regents shall appoint all the directors of UTIMCO. At least three members of the U. T. System Board of Regents and the Chancellor shall be appointed to the UTIMCO Board of Directors upon recommendation by the Chairman of the Board of Regents, by and with the consent of the Board of Regents. External members of the UTIMCO Board are appointed by the Board of Regents following a process outlined in the Regents' *Rules and Regulations,* Series 10402.

Consistent with Series 10402, a broad solicitation for nominations was conducted in June 2004. In August 2005, Chairman Huffines appointed an advisory committee of Regent Caven, Regent Rowling, and UTIMCO Director Erle Nye to make recommenda- tions to him. Following recommendation from the committee, Chairman Huffines has recommended Mr. Woody L. Hunt be appointed as an external member of the Board of Directors of UTIMCO. The proposed appointment of Mr. Hunt as an external member of the UTIMCO Board has been reviewed by the Vice Chancellor and General Counsel and the Counsel and Secretary to the Board and found to be consistent with State law and the UTIMCO Code of Ethics. The Office of the Board of Regents has also reviewed Mr. Hunt's most recent disclosure forms filed with UTIMCO and confirmed that no conflicts exist.

Mr. Hunt, former Vice Chairman of the Board of Regents, served on the UTIMCO Board of Directors as a Regent director from 1999 to 2005 and was Chairman of the UTIMCO Board from 2003 to 2005. If approved, he will fill the position vacated by Mr. I. Craig Hester, who resigned from the Board of Directors February 1, 2005.

4. **U. T. System: Authorization for the Chancellor to submit Report Concerning Designated Tuition**

RECOMMENDATION

It is requested that the Board of Regents grant authority to the Chancellor to submit on its behalf the "Report Concerning Designated Tuition" as required by the General Appropriations Act, Senate Bill 1, Article III, Section 59 to the Lieutenant Governor, the Speaker of the House, the Chair of the Senate Finance Committee, the Chair of the House Appropriations Committee, and the members of the Legislative Oversight Committee on Higher Education.

BACKGROUND INFORMATION

A Report Concerning Designated Tuition is to be filed not later than January 1, 2006, by the governing board of each public institution of higher education that charges students designated tuition under Section 54.0513, *Texas Education Code*, for the 2004-2005 and 2005-2006 academic years. The Report is to include the amount the institution has collected in designated tuition, the purposes for which the institution spent the money derived from designated tuition and the amount of that money spent for each of those purposes, and the amount set aside from designated tuition for resident undergraduate and graduate student assistance under Section 56.011 and 56.012, *Texas Education Code*. In addition, the Report must include information on the total academic cost for resident undergraduates enrolled for 15 semester credit hours derived from actual fee bills for the 2004 Fall Semester and the 2003 Spring Semester and must reflect actual charges for statutory tuition, designated tuition, mandatory fees, and average college and course fees. Upon completion, the Report will be provided to members of the Board for comment prior to delivery to the appropriate oversight bodies on or before January 1, 2006.

5. **U. T. System: Discussion and appropriate action related to System-wide initiative to improve graduation rates**

PURPOSE

Executive Vice Chancellor Sullivan will lead a discussion on the U. T. System-wide initiative to improve graduation rates for academic institutions following the report set forth on Pages 6.1 – 6.11.

BACKGROUND INFORMATION

Each fall approximately 50,000 to 60,000 students enter Texas public universities for the first time. Of these students, approximately 43,000 enroll in at least 12 semester credit hours (SCH) and are considered to be full-time students. The Texas Higher Education Coordinating Board estimates that of those enrolled full-time, 52.6% had graduated with a baccalaureate degree six years after first enrolling. Moreover, the Coordinating Board studies estimate that 33% of those 43,000 students were no longer enrolled and had not graduated.

U.T. SYSTEM GRADUATION RATES INITIATIVE

Teresa A. Sullivan
Executive Vice Chancellor for Academic Affairs[*]

Improving graduation rates within the U.T. System is not an option, but an imperative if the "Closing the Gaps" program is to be successful. "Closing the Gaps" correctly identifies student success as one of its four pillars. U.T. System institutions have rightly put a great deal of emphasis on access to higher education, which is necessary because of Texas' demographic characteristics: growing numbers of young people in a state that has traditionally had rather low rates of college attendance. Access to higher education, however, is not sufficient: unless the students are also able to graduate, they will realize disappointingly few of the economic benefits of a college education.

Not only does Texas need to have more students graduate, Texas also needs to have more students graduate within four or five years of initial matriculation. The federal government requires institutions of higher education to publish their six-year graduation rates, and so this is an indicator with which U.T. institutions can benchmark themselves across the country.[1] The 2001 national graduation rate, which was about 58%, can be interpreted as meaning that of all the first-time, full-time, degree-seeking freshman students in 1995-1996, only 58% of them had completed a baccalaureate degree by 2004.[2] The national rate is low, but the rates in most of the academic institutions within the U.T. System are even lower, with five institutions recording six-year graduation rates below 37% for 2001 and 2002.[3] (See Appendix I for more detail.)

The costs of low graduation rates are borne by everyone. Students extend their time in school, spending more tuition, perhaps borrowing more money, and losing the additional income they could have been earning as graduates. Students who take many years to graduate are likely to forego the benefit of cumulative courses (including foreign languages, mathematics, and science) because they have a greater likelihood of forgetting what they have learned in earlier courses. Low graduation rates also hurt either younger students of students, who have less access, or the taxpayers, who must pay for unnecessarily large enrollments. By reducing university throughput, low graduation rates potentially reduce the number of students who can be served. Given the growing demand for college access, low graduation rates represent a cost passed on to younger students. If instead the institutions enlarge their student bodies, the costs of low graduation rates are passed on to taxpayers to provide more buildings and higher operating costs.

Previous Work

An interest in addressing low graduation rates has been building within the System for some time. A few examples will illustrate this point. President Larry R. Faulkner made raising the graduation rate a public goal when he embarked upon his presidency, and

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[*] I appreciate useful comments from Chancellor Mark Yudof, Dr. Gary Hanson, Dr. Geri Malandra, and Dr. Pedro Reyes.

U.T.-Austin has seen a small but steady improvement every year since then. U.T.-Arlington's annual conference on academic advising was devoted in spring, 2005, to the role of advising in graduation rates. Both U.T.-Austin and U.T.-Arlington have produced task force reports on graduation rates and related issues (see Appendix II) . UTSA has identified a series of specific steps they wish to take, and UTEP has featured raising graduation rates as a goal within its compact. UTEP will also make student success the focus of its Quality Enhancement Plan for its next regional accreditation study.

In addition, when the 78th legislature granted Regents the authority to set designated tuition, improving graduation rates became an integral objective of the new tuition proposals. Both UTPB and UTT offer senior-year incentives to students who have taken full loads in their underclass years. U.T.-Austin, UTD, and UTPA offer versions of flat-rate tuition, which has usually been associated with higher graduation rates. UTB used its additional designated tuition to hire more academic advisers, so that students have greater access to accurate advice concerning their degree plans.

U.T. System administration has also shown a continuing interest in improving student retention and graduation. The U.T. System *Accountability Report* has included several variants on graduation rates. The Board of Regents was briefed on graduation rates at its meeting in May, 2005. This report represents a continuation of this interest.

Most studies of graduation rates have identified low graduation rates as stemming from two sources: the characteristics of the *students* and the characteristics of the *institutions.* Student characteristics that are known to reduce graduation rates include poor preparation for college, low income, family responsibilities, part-time or intermittent attendance, and illness or injury (either the student's or a family member's). Students who are the first in their family to attend college and students who have limited incomes are at higher statistical risk of low graduation rates.[4] By contrast, more selective institutions, as measured by such indicators as SAT or ACT scores and high school grades, tend to have much higher graduation rates.

Institutions with low graduation rates tend to be metropolitan or urban, to have diverse student bodies, and to have missions consistent with open access.[5] But the potential institutional contributions to low graduation rates are believed to go far beyond such characteristics and to include poor placement and orientation, poor or nonexistent retention programs, poor academic advising, confusing curriculum, overly lengthy curriculum, overly restrictive policies concerning transfer of credit, low levels of financial aid, and faculty indifference.[6]

To emphasize the characteristics of students seems to blame the victims, and most institutions have little control over many of the student characteristics known to contribute to low retention and low graduation rates. By the same token, institutions cannot easily change their location and mission. But the foundational issues of advising, curriculum, and institutional culture are amenable to interventions. It is here that we would like to concentrate our resources, recognizing that such issues do not address every

aspect of the problem, and that even the best reforms will take, by definition, six years to show improved results.

A Framework for Intervention[7]

Studies of campuses that have been successful in raising graduation rates have found that the following practices have been useful:
- a statement of policy that higher graduation rates are a goal for the campus
- a faculty review of curriculum, including major requirements, prerequisites, the frequency and timing of course offerings
- a review of campus policies for probation, suspension, and entrance to upper division majors
- a review of academic advising practices
- a faculty review of "gateway courses," such as calculus and introductory chemistry, that often have high failure rates and may prevent students from entering their major of choice
- administrative review of scheduling practices, including such practices as scheduling two required courses at the same hour or scheduling prerequisite courses on an unpredictable basis
- faculty development programs that stress effective teaching practices
- automated degree checking programs that are easily available to students
- alignment of financial aid practices, including discussion of the appropriate course load that qualifies as "full-time"
- review of transfer credit policies
- review of admission policies
- review of the process by which students are placed into courses, including remedial courses
- review of freshman year practices, including orientation and retention programs
- "soft" cultural practices that encourage graduation, including the design of the graduation ceremony itself, the celebration of landmarks on the way to graduation (such as class rings), and the labeling of the freshman class with expected date of graduation (e.g., Class of '09 for students entering as freshman in Fall of 2005)

Some successful practices may not seem self-evident. Studies have shown, for example, that work-study as a form of financial aid leads to improved student retention, possibly because the student spends more time on the campus and is more immersed in the academic enterprise. By the same token, students who live in residence halls tend to have higher graduation rates than students who live off-campus. In both of these examples, there appears to be a connection between the amount of time focused on campus activities and success in academic programs. Thus, a campus with many commuter students may look to recreation centers, student unions, and student activities as potential ways to increase student commitment.

In raising graduation rates, successful campuses have had the buy-in of many constituent groups, and the project is often tackled at many points within the institution. Regents,

administrators, faculty, advisers, student affairs staff, student groups, and alumni will realize improved results when they collaborate and reinforce one another's efforts.

Knowing What Works

Although some best practices are well documented, it appears that many different innovations may have at least some benefit on graduation rates. It is very important, therefore, that campuses develop some metrics to gauge how well their innovations are working. In particular, shorter-term measures will be needed, because the graduation rate will show effects only after a number of years. Efforts to improve graduation rates have typically measured year-to-year retention rates, especially the freshman retention rate. In addition to retention rates, campuses may also wish to track the average course load of full-time students and changes in the production of semester credit hours over time.

Because of the way that the graduation rate is measured – a cohort measure based upon first-time, full-time degree-seeking students – transfer students have been somewhat ignored. Transfer students are, however, a significant portion of the student body at many UT campuses, and the improvement of graduation rates should not overlook the progress made by transfer students.   Nationally, the data indicate that transfer students are less likely to graduate than students who begin full-time at one institution and stay there.[8] At some UT institutions, by contrast, transfer graduation rates are relatively high although unmeasured by the traditional graduation rate.

In addition, there is a group of students who begin their studies on a part-time basis and intend to remain part-time students. For such students, an alternate measure such as credits-toward-the-degree might be developed and monitored.

In a System as diverse as the University of Texas System, not every new practice will be equally successful at every campus. Moreover, a scattershot approach that involves trying every one of these practices is unlikely to be successful. Instead, we propose here a focused, campus-based, and closely monitored approach for each institution.

Immediate Steps.

1. **A strong statement from the Board of Regents.** The Regents should announce their intention to see graduation rates rise by all means that are within the control of campus administrators. This statement should recognize that student characteristics, and many campus characteristics, are not under the control of administrators, and that even with hard work, uniformly high graduation rates are unlikely. Moreover, this statement should recognize that even immediate reforms will necessarily not show measurable results for several years.

2. **A campus-wide implementation group.** If it does not already have one, each campus should develop a task force to review the graduation rates on its own campus and identify the changes that can be undertaken immediately, within a

few years, or within a longer term. Where such a task force has already reported, an implementation group should be empowered to review progress. These groups should broadly include all relevant campus constituencies, including faculty, advisers, students, administrators, and staff. Depending upon the campus, the use of student focus groups may be helpful in identifying obstacles and opportunities.[9]

3. **A long-term target.** Each campus should set a target graduation rate for 2015, based on its own circumstances, and subject to Regental approval.

Middle-range Steps

1. **An annual program of graduation rates activities.** Many organizational sub-units should be expected each year to include the improvement of graduation rates in their annual goals. The admissions office, for example, could examine freshman retention rates as a form of post-mortem for the previous year's admissions. Faculty groups could monitor the success or failure of students in key gateway courses. College deans could examine the progress of students through majors to identify patterns of majors with slow progress to graduation. The provost's office could examine how often required courses are offered, and at what time of day.

2. **A statement of action steps.** Each year, the president and provost should review the graduation rates activities, looking for the most promising proposed changes to implement. The campus should be kept informed on the decisions made and the rationales. Three well-designed steps each year are a possible goal. Compacts, strategic plans, and accreditation self-studies are logical places to include statements of action and to evaluate results.

Long-range Steps

1. **Develop longer-range efforts to affect graduation rates.** Longer-range issues could include purchase or design of student information modules that allow students to review their own progress toward a degree; the redesign of majors or of general education curriculum; and the development of more focused requirements for admission. These long-range steps should enter the campus' planning activities with a high priority.

System Actions

There are specific ways in which the U.T. System Administration could add value to the process of improving retention and graduation rates. On September 30, 2005, the Office of Academic Affairs convened a System-wide conference on graduation rates at UTD. Each institution and the FAC have been invited to send delegations of up to five people to attend the conference.   OAA will also consult during FY 06 with the Faculty Advisory Council and the Student Advisory Council concerning the graduation rates initiative.

Some campuses do not yet have self-administered, automated degree checking. The Office of Academic Affairs, in conjunction with the Office of Business Affairs and the Chief Information Officer, has surveyed campuses concerning their current software capabilities, and they stand ready to assist campuses in assessing software for purchase.

There is already a project underway at the System to investigate additional measures to supplement the graduation rate to take into account the statistical "noise" in the measure, such as the high level of mobility among students.[10]

The Office of Academic Affairs should also investigate developing a website directed at parents to discuss graduation and help parents assess the progress that their children are making as students. For example, the website could explain that the usual definition of "full-time," which is twelve semester credit hours, implies that a minimum of ten semesters, or five years, would be needed to complete the conventional 120-hour bachelor's degree plan. It is otherwise paradoxical to parents that a student could be full-time and still not finish within four years.

If this general framework is adopted, then the Office of Academic Affairs plans to visit each campus to discuss its approach to graduation rates and to look for ways that campus best practices can be shared with one another.

Conclusion

The Board of Regents should not expect quick results. The variables involved in graduation rates are numerous and not all of them are within the control of the institution. In addition, it will take years to see the effect of the measures that we begin now. Progress will necessarily be incremental. On the other hand, it is critical that the U.T. System institutions continue a long-term trajectory to improve the outcomes for tens of thousands of students.

NOTES

[1] Six-year graduation rate information is collected through the Graduation Rate Survey, which is required by the federal Student Right to Know Act. This survey began with the entering class of 1992. Institutions report their data classified by gender and race/ethnicity, but not by family income, academic major, or other variables of potential interest. Lutz Berkner, Shirley He, and Emily Forrest Cataldi, *Descriptive Summary of 1995-1996 Beginning Postsecondary Students: Six Years Later*, U.S. Department of Education, National Center for Education Statistics, 2002.

[2] See http://nces.ed.gov/programs/digest/d03/ch_3.asp . The 2001 rate for students who began at a 4-year institution with the intention of gaining a bachelor's degree was 62.7%. The overall rate since 2001 has declined to about 55%.

[3] University of Texas System, *Accountability Report,* annual.

[4] Alexander W. Astin and Leticia Oseeguera, "Degree Attainment Rates at American Colleges and Universities," rev. ed. University of California, Los Angeles-Higher Education Research Institute (January 2005).

[5] Lana Muraskin, John Lee, with Abigail Wilner and Watson Scott Swail, *Raising the Graduation Rates of Low-Income College Students*, Pell Institute for the Study of Opportunity in Higher Education (December 2004).

[6] Vincent Tinto, *Leaving College: Rethinking the Causes and Cures of Student Attrition*. Chicago: The University of Chicago Press, 1987.

[7] For further detail, see Kevin Carey, "A Matter of Degrees: Improving Graduation Rates in Four-Year Colleges and Universities," A Report by the Education Trust (May 2004);

[8] Carey, citing Berkner et al.

[9] On the use of student focus groups, see Henry M. Codjoe and Marilyn M. Helms, "A Retention Assessment Process: Utilizing Total Quality Management Principles and Focus Groups," *Planning for Higher Education* 33,3 (March-May 2005): 31-42.

[10] Elizabeth F. Farrell, "Most Students Attend More Than One College on the Path to a Bachelor's Degree, Report Says," *The Chronicle of Higher Education* (June 1, 2005).

APPENDICES

Appendix I: Graduation Rate Information for U.T. System Academic Institutions

Appendix II: Task Force Reports

Graduation rates are low by national standards at several UT System institutions. However, six-year graduation rates have steadily increased at all U. T. System academic institutions for students matriculating between 1995 and 1997. For example: up 6.2 percentage points at U. T. Arlington; up 3.3 percentage points at U. T. Pan American, and up 5.5 percentage points at U. T. Permian Basin. This appendix presents recent data for the U.T. academic institutions.

Table I-25, taken from the most recent U.T. System *Accountability Report* and based on data published by the Texas Higher Education Coordinating Board, presents detail on 4- year graduation rates from same institution.   Tables I-26 and I-27 present similar data on 5-year and 6-year graduation rates.

Table I-25

Undergraduates Graduating in Four Years or Less from the Same U.T. Academic Institution, Total						
Enrolled Fall		1995	1996	1997	1998	1999
Arlington		9.6%	13.2%	12.7%	12.3%	14.5%
Austin		35.6	39.2	36.5	38.9	41.3
Dallas		32.0	30.3	31.7	37.7	29.6
El Paso		2.1	2.9	2.5	3.6	4.5
Pan American		5.3	5.9	6.2	7.8	8.4
Permian Basin		10.0	9.3	15.2	17.0	15.5
San Antonio		5.2	5.5	6.3	6.3	6.1
Tyler*		--	--	--	26.3	49.7
*Tyler did not admit freshmen under Summer/Fall 1998						
Source: Texas Higher Education Coordinating Board						

- Because students at U. T. Brownsville/Texas Southmost College typically start at TSC, accurate graduation rates cannot be calculated. These data issues will be addressed in future studies.

Table I-26

Undergraduates Graduating in Five Years or Less from the Same U.T. Academic Institution, Total				
Enrolled Fall	1995	1996	1997	1998
Arlington	22.4%	29.3%	30.6%	29.5%
Austin	63.2	65.2	63.5	66.9
Dallas	48.3	46.0	51.5	50.9
El Paso	14.4	14.8	14.8	16.0
Pan American	15.3	15.8	17.7	18.0
Permian Basin	20.0	19.5	25.9	26.8
San Antonio	18.7	17.8	18.7	19.6
Tyler*	--	--	--	36.4
*Tyler did not admit freshmen until Summer/Fall 1998.				
Source: Texas Higher Education Coordinating Board				

Table I-27

Undergraduates Graduating in Six Years or Less from the Same U.T. Academic Institution, Total			
Enrolled Fall	1995	1996	1997
Arlington	30.6%	36.4%	36.8%
Austin	69.9	71.9	70.1
Dallas	55.2	51.8	56.2
El Paso	25.1	24.4	25.6
Pan American	22.9	24.6	26.2
Permian Basin	24.0	23.2	29.5
San Antonio	26.6	25.5	27.6
Note: Tyler did not admit freshmen until Summer/Fall 1998			
Source: Texas Higher Education Coordinating Board			

The mix of student characteristics at U.T. System institutions is consistent with low graduation rates; compared with the national norm, U.T. System schools enroll a higher proportion of low-income, first-generation students.

Appendix II: Task Force Reports

The Report of the U.T.-Austin Task Force on Enrollment is available on line at
http://www.utexas.edu/opa/news/04newsreleases/nr_200401/report_enrollment.pdf

Report of the UT Arlington Task Force is available on line at
http://www.uta.edu/provost/GradRateFinalReport.pdf

H.   SPECIAL REPORTS

1.   U. T. System Board of Regents: Historical presentation on Colonel George W. Brackenridge and the Brackenridge Tract

REPORT

Mr. Jim Nicar, Director of the Texas Exes UT Heritage Society at U. T. Austin, will make a historical presentation on Colonel George W. Brackenridge, a former Regent who served on the Board from November 1886 to January 1911, August 1917 to January 1919, and from November 1920 until his death in December 1920. Colonel Brackenridge served as Chairman of the Board from February 1903 to June 1904, and served 25 years on the Board of Regents, the longest term recorded.

Mr. James S. Wilson, Campus Director of Real Estate at U. T. Austin, will make a presentation on the Brackenridge Tract in Austin, Texas.

2.   U. T. System: Report on assessments of institutional development operations

REPORT

Vice Chancellor Safady will report on development operation assessments for the U. T. System institutions and will offer a PowerPoint presentation on Pages 1 - 7 in the Supplemental Materials (Volume 2) of the Agenda Book.

In 2004, Dr. Safady initiated a new, annual review of campus development operations and the preparation of a feedback report to offer each institution a framework for performance measurement and continuous improvement. With demand on U. T. institutions to increase philanthropic support, this new service aims to help each institution achieve its strategic objectives. This annual review is aligned with the goals of the U. T. System's comprehensive Accountability and Performance program.

3.   U. T. Austin: Update on Commission of 125 Recommendations

REPORT

President Faulkner will provide an update on implementation of the recommendations of the Commission of 125.

BACKGROUND INFORMATION

The Commission of 125 was a group of citizens convened during the 2001-2002 academic year, 125 years after the Constitution of 1876 mandated that Texas establish "a university of the first class" to express a vision of how The University of Texas at Austin can best serve Texas and the larger society during the next 25 years. The Commission of 125 published a report titled *A Disciplined Culture of Excellence - Report of the Commission of 125*. Mr. Kenneth M. Jastrow, II, Chairman of the Commission of 125 and Chairman and Chief Executive Officer of Temple-Inland, Austin, Texas, reported on the Commission's recommendations at the February 2005 Board meeting.

I.   ADJOURN