

**UNIVERSITY OF HOUSTON-DOWNTOWN  
LEGISLATIVE BUDGET BOARD TESTIMONY**

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**EXECUTIVE SUMMARY**

**University Overview**

Basic Institutional Attributes

- Free-standing university, one of four institutions in the University of Houston System.
- Mid-sized, urban, commuter university, with an enrollment approaching 12,000 students.
- Traditional liberal arts programs and career programs specifically designed to meet the educational needs of the Houston area.
- Current offerings, a total of 39 undergraduate majors and 7 master's level programs.

Institutional Mission and Core Values

- Quality academic programs responding to a multicultural metropolitan region.
- Class scheduling and instructional delivery systems designed to meet the needs of students restricted by time and place in how they can pursue their education.
- Special responsibility to promote student success among those segments of the population that have been underserved in the past
- A “New Generation University” – committed to identifying and addressing the challenges of the future.

**UHD Support of the State's Educational Goals**

Increasing Enrollments

- Growing student body is evidence of UHD's success in meeting the educational needs of the Houston region.
  - This year's preliminary Fall 2006 enrollment of 11,453 students was a 28% increase over Fall 2000.
  - During this same period, semester credit hours increased 31% from 88,078 in Fall 2000 to 115,262 in Fall 2006.
  - Over the past five years on-line enrollments have more than doubled, and now account for approximately 5% of UHD's total SCHs.

### Expanding Access to Previously Underserved Populations

- “Closing the Gaps” goals require enrolling more Hispanics and African-Americans in higher education
  - UHD is the most ethnically diverse university in Texas: Fall 2006 enrollment was 38% Hispanic, 25% African-American, 24% white, and 10%, Asian.

### Increasing Number of Graduates

- UHD’s best measure of success
  - The 1,719 undergraduates who earned a degree from UHD in 2004-2005 represented a 32% increase over the number who graduated in 2000-2001.
  - Minority graduates have increased at an even higher rate - about 62% for the same time frame.
  - Our total alumni now numbers 20,854.

## **Significant Changes**

### Programs and Organizational Structure

- Successful implementation of two additional graduate programs – the Master of Arts in Professional Writing and the Master of Security Management
- Introduction of a new type of baccalaureate degree – the Bachelor of Applied Arts and Sciences (BAAS) with a major in Safety Management. This innovative degree was developed in response to the Texas Higher Education Coordinating Board's goal of "Closing the Gaps” and is to be linked with Associate of Applied Sciences degree programs through articulation plans with every community college in the area.

### New Strategies for Expanding Access

- Efforts to minimize financial barriers to higher educations
  - The Financial Aid Office was reorganized to streamline the award process
  - Like other state universities, UHD has had little choice but to increase its tuition and fees this past biennium, but it remains one of the lowest priced of Texas’ public universities. According to a THECB report on college costs for 2005-2006, UHD ranked 30<sup>th</sup> of the 34 state universities listed when it came to tuition and fees costs.
- UHD continues to expand its existing joint admissions program with North Harris Montgomery Community College District and is in the process of implementing a similar program with the Houston Community College System.
- Alternative instructional delivery systems expand choices and enable students to complete their education more quickly.

- New facilities to serve a growing student population
  - UHD's new Shea Street Building, will add approximately 132,000 gross square feet of classroom, lab and office space to the university's inventory. The \$35.1 million project, for which ground was broken in January 2006, will house the AACSB-accredited College of Business.
  - Additional building will be needed to address UHD's continuing space deficit.
- To respond to the growing needs of our transfer students and to facilitate many of them through the growing number of agreements with area community colleges, in 2005 the UHD Transfer Center was created.
  - In Fall 2006, 225 course sections are offered via distance education with total enrollment of 3,521.
  - Courses are offered at teaching centers strategically located in fast-growing areas throughout the Houston metropolitan region.
- Two undergraduate programs are being offered in the Cypress-Fairbanks area of the North Harris/Montgomery County College District.
  - The Early Childhood Program is offered in respond to the Cy-Fair Independent School District's request for a teacher education program.
  - The General Business program facilitates completion of the associate degree with easy transition into UHD.

## **Statewide Funding Concerns**

### General Higher Education Concerns

- Increase the state's investment in public higher education to ensure that Texas remains economically competitive with other regions. Specific recommendations include:
  - Fully fund the Texas Grant program — The National Center for Public Policy and Higher Education earlier this month released a "report card" that gave Texas an "F" in affordability, noting that while the state has increased its commitment to financially needy students, its investment remains very low when compared with other states. It appears UHD will receive significantly less Texas Grant funding in FY2007 than in FY2006, despite growing need. The state needs to make good on the promises it made to students when this program was initiated. One reason for the "F" Texas received in affordability is that, even with financial aid, the share of family income needed to pay for college expenses at public four-year institutions has increased from 22% to 30% over the past several years.
  - Increase formula funding – Over the past several decades, UHD has gone from being a state-supported university to a state-assisted one. In 1981, two-thirds of our funding came from the state. Twenty-five years later, that number is down to 40%.

- Provide supplemental funding for pay raises – Universities could once count on such funding to help them recruit and retain high quality staff and faculty, but the assumption in recent years has been that universities could keep up with rising personnel costs through increases in designated tuition. This only serves to shift more of the cost on to the student. The state has not provided supplemental funds for employee pay raises since FY2003.
- Make a clear commitment to fund future debt service on all TRB's – Institutions should not have to face the uncertainty of requesting continued funding for TRB obligations on a biennium to biennium basis.

### **UHD's Specific Funding Needs**

#### Debt Service funding for the TRBs authorized by the legislature during the most recent special session

- \$31.6 million authorized in the 2006 Special Session for the construction of the Shea Street Building – which will house the College of Business
- The cost of servicing this debt will be \$4,923,371 for the coming biennium.

#### Restoration of 10% Cut in Baseline Budget (\$354,737 in FY08 & 09)

- To comply with the LAR instructions distributed in June that baseline funding not exceed 90% of 2006-2007 funding, the university reduced funding for the following two items and is now asking that these funds be restored:
  - \$642,974 for its existing institutional enhancement item to support both basic operations and mission-specific initiatives.
  - \$66,500 for its existing community development item to support community-based revitalization efforts in two separate economically depressed north side neighborhoods.

#### Undergraduate Education in Biotechnology: (\$350,000 in FY08 & \$450,000 in FY09)

- To help Texas meet its Closing the Gaps goals for more minority graduates in areas critical to the Texas economy.
  - Already established and with a proven record of producing skilled graduates – building on the success of the award-winning UHD Scholars Academy.
  - Innovative curriculum providing students with unique project-based learning experiences.
  - With additional funding, the program can become a model for other universities throughout the state.

## **Conclusion**

- UHD is a new generation university uniquely positioned to address the educational needs and challenges of the 21<sup>st</sup> century.
- UHD is playing a significant role in helping the state “Close the Gaps” in educational participation and success.
- With appropriate support, UHD can make an even greater contribution to these important state goals than it has in the past.