

Senate Finance Committee Testimony

Wednesday, January 25, 2017

Interim UHD President Michael A. Olivas

Before addressing UH-Downtown's needs for the 2018/19 biennium, let me take just a moment to express my sincere gratitude for the support provided for this current 2016/17 biennium. The additional general revenue we received for 16/17 has enabled us to hire additional faculty and support staff needed to enhance student success. The increase in HEAF is enabling UHD to maintain library and technology resources to a high standard, and to adequately address the maintenance and upkeep needs of our current facilities. And this summer UHD will break ground on a much-needed Science & Technology Building, made possible by the capital construction bonds authorized by the 84th Legislature. On behalf of the faculty and staff of UHD – and most importantly, the students –thank you.

The chancellor has already addressed a number of items that this session are going to be legislative priorities for the presidents of all Texas public universities. We are all hopeful that the weighted SCH rate that drives the *Instruction & Operations* (I&O) formula can be brought to at least the level provided for the 2010/11 biennium, which was the high-water mark for I&O. Recognizing the challenge's today's students face in funding their education, we ask for continued, or increased, funding for the state's TEXAS Grant program. Respecting the service rendered by our veterans but also faced with the challenge of the rapidly expanding cost of providing the Hazlewood exemption to those veterans and their families, we ask for more financial support in that area.

We realize that the state has many needs and that resources are less abundant this session, but hope that this legislature agrees that these are important priorities.

Regarding the just released SB1, my obvious concern is the elimination of funding for existing special items. More specifically, the elimination of *the Institutional Enhancement* (I/E) item. This is a legacy item that all institutions receive, and it is a poorly kept secret that for the vast majority of Texas public universities the I/E special item funds are used to support core operations. Eliminating this \$4.6 million I/E appropriation is tantamount to reducing UHD's *Instruction & Operations* (I&O) formula amount by \$4.6 million. As currently written, SB1 will also eliminate funding for UHD's *Community Development Project* special item. This \$795K biennial appropriation supports community development agencies in the UHD service area, providing invaluable service learning opportunities for UHD Students.

The elimination of UHD's special items, leading to a net \$3.1 million general revenue reduction over the biennium, would have a devastating impact, reaching across the university. Faculty lines would be reduced, as would staff support. While every effort would be made to limit the impact on students, it is inevitable that the students, and student success, would suffer.

UHD Performance Update

As we came before this committee two years ago, UHD had just implemented modest admission standards for FTIC students. Prior to this time UHD had always existed as an 'open admissions' university. While proud of that history, UHD realized that more needed to be done to address its

persistently low 6-year graduation rate. One year after implementing admission standards for FTIC students, UHD raised the requirements for incoming Transfer students. As a result of these actions, the university has seen a slight decrease in undergraduate enrollments (-3.1%) over the past two years. Fortunately, as this was happening UHD's graduate enrollments were on the rise (+36.3%), led by an innovative MBA program.

Since 2007 the UH System has systematically tracked performance indicators that hold its universities accountable to the public. When viewed over the long term, UHD's performance with regard to student access, diversity, and success have improved measurably.

UHD Commitment to Student Access for a Diverse Population

UHD serves one of the most diverse student populations in Texas. In FY 2016, the student population was 46% Hispanic, 23% African-American, 17% White, 10% Asian-American, and 2% international. The table below highlights UHD's continued commitment to providing college access to diverse student populations:

Measure	2016	Increase from 2007-08	Percentage Change
Total enrollment ¹	14,251	+2458	+21%
Number of minority students enrolled ¹	9641	+2409	+33%
Percent of Pell Grant Recipients ¹	49.7%	+13.2 percentage points	

UHD Commitment to Student Success for a Diverse Population

UHD is not only committed to student access for diverse populations, but also to improving student success. In FY 2017, the University will exceed a 20% six-year graduation, an increase over the current graduation rate of 15.9%. Since 2007 UHD has directed significant resources toward initiatives that have improved student success rates. The Advising function was expanded and redesigned with intrusive intervention programs; cohort-based learning communities in the major were formed; barrier courses were redesigned; the FTIC orientation program was expanded to a full week; and more funds were identified for scholarship support.

Measure	2016	Increase from 2007-08	Percentage Change
Total degrees awarded	2,664	+682	+34%
Freshman first-year retention rate	66.08%	+10.08 percentage points	
Course completion rate	94.39%	+1.75 percentage points	

A key indicator of whether your student success initiatives are having an impact is the improvement in the percentage of students making grades of A, B or C in key barrier courses such as Biology, English

Composition, American History, and College Algebra. UHD faculty have utilized evidence-based redesign practices to impact student learning in these courses.

Measure	2016	Increase from 2007-08
ABC rate for INTRO TO BIOLOGY course	65%	+22 percentage points
ABC rate for ENGLISH COMPOSITION I course	74%	+18 percentage points
ABC rate for AMERICAN HISTORY course	71%	+13 percentage points
ABC rate for COLLEGE ALGEBRA course	64%	+16 percentage points

As I begin to wrap up, I would like to address an issue that is on the minds of all these days, which is college affordability. Given the students served by UHD, many of whom are the first in the families to have attended a university, and who work while attending school, we are particularly sensitive to the issue of affordability.

While work and family obligations also come into play, financial challenges are often the primary obstacle to UHD students completing their degree in a timely manner. Therefore, when the B-on-Time set-aside was eliminated last session, UHD redirected the entire \$1.5M fund towards institutional scholarship support for students making timely progress towards degree. The **UHD Be-On-Time Retention Scholarship** awards \$2,000 to students who maintain their eligibility by earning 24 credit hours annually and maintaining good academic standing.

In the first year of the program, UHD Be-On-Time students significantly out-performed Non-Be-On-Time students with respect to the number of credit hours earned toward the degree, which in time will lead to improved 6-year graduation rate:

Measure	Be-On-Time recipients	Non- Be-On-Time students
Average Hours earned	23.51	18.69
Number of students	996	664

The University has also extended its Guaranteed/Fixed Tuition program to 5 years, the only university in the state currently doing so. Keeping tuition and fees low, and holding them constant for an extended period of time, increases the probability that UHD students will earn the minimum 24 hours per year necessary to graduate within 5 years.

While providing scholarship support and price certainty is helpful, the best thing a university can do to ensure affordability is to keep tuition and fees at a reasonable level. In looking at UHD's peer group of Texas state universities – the Masters-level institutions – you will find that UHD is the third-most affordable of the group, with a *Cost-of-30-Hours* of \$6,614. This is 8 percent below the average for UHD peer institutions, which is \$7,154. Remarkably, this is done despite a very low level of state support. UHD receives an *Appropriations-per-FTSE* of \$3,532, which is just 45 percent of the \$7,798 average for its peer group, (*THECB State Accountability System*).

In combination, these affordability initiatives have enabled UHD to keep its average student debt well below the national average.

Serving a diverse students body that looks like the Texas of tomorrow, working to develop new and innovative programs to drive student success, and doing so while remaining firmly committed to college affordability, is the UHD story. We appreciate the confidence that the legislature has shown in us over the years through the appropriation process, and ask for a continuation of that support in the 2018/19 biennium.