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AUSTIN LETTER

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Dear Client:

In addition to funding and control of tuition, the most important battle being waged at the Texas Legislature on behalf of UTAustin is the law that dictates who can, and cannot, be admitted to the university.

The Top 10% Law was passed in 1997 and went into effect in 1998. The Legislature passed the law after a federal court prohibited public universities from using a student's racial or ethnic background as a consideration in admissions decision. Backers felt that **guaranteeing admission to those who graduated in the Top 10% of their high school class – regardless of the size or quality of the school – would help ensure racial and geographic diversity.**

This is where that overused phrase “unintended consequences” has special significance. With ten years of data to analyze, UTAustin officials are able to project **what will soon happen if the Top 10% Law is not amended.** Start with the fact that more students apply to UTAustin than can be accommodated – with or without the Top 10% Law. In fall 2008, there were more than 29,500 applications for a freshman class with a capacity of about 6,800.

UTAustin projects that if current trends persist, in 2009 all Texas students enrolling in the fall will be Top 10% graduates and some of those will be forced to enroll in the summer. **By 2013, UTAustin will be forced to reject all graduates of Texas high schools who are not in the Top 10%.**

And by 2015, because of the fast population growth in Texas, there will be more than 30,000 Texas Top 10% graduates and all will be guaranteed admission to a UTAustin freshman class than can accommodate about 6,800.

There will be no room in the freshman class for any out-of-state or international students. The situation will soon be out of control.

Well, if only the “best” students are admitted, how bad can that be? This depends upon how you define “best.” **Is a grade-point average the sole determinant of the “best” student?** More about that in a moment. Beyond that, the growth of Texas is outstripping the plan. So, a full-court press to modify the Top 10% Law is underway during this session of the legislature, which ends in less than 3 months. But what shape the modification will take is yet to be determined. A bill that proposed **limiting the percentage of students granted automatic admission was killed** in the waning hours of the last legislative session two years ago.

The Top 10% Law will soon deny UTAustin admission to 90% of Texas high school graduates, regardless of the strength of their application.

This is part of the argument being put forth by UTAustin to try to convince the Texas Legislature to modify the Top 10% Law that has been in effect for ten years. Well, you ask, doesn't this mean that only the best and brightest can be admitted to UTAustin? Um, yes and no. **Of course class rank is one of the predictors of college success. But it is not the only factor that goes into a top-notch student body,** UTAustin argues.

A student's record of leadership, awards, community service, extracurricular activities – **those experiences that make a well-rounded individual** – are rapidly becoming irrelevant to the UTAustin admissions process.

From an early age, children are encouraged to pursue a healthy range of activities. **They are led to believe that debate, orchestra, athletics, theater, and community involvement are important.** But increasingly, high school seniors who wish to attend UTAustin are discovering that only one criterion, high school class rank, will play a significant role in the admissions process.

One of the modifications being discussed is to permit a higher percentage of the freshman class to be admitted by a process that **considers a student's high school curriculum, college entrance exams, essays, leadership, awards, work experience, community service and special socio-economic and family circumstances** – in addition to class rank. This raises another question: Are the Top 10% graduates that much better than the rest of the seniors – especially those graduating from exemplary high schools?

Interestingly, after reviewing data of the last 10 years, UTAustin discovered that beyond the *Top 5%*, it levels out. It found those students in the 6th through the 10th percentile of their high school graduating class earn on average a grade point average equal to students in the 11th through 20th percentile. **So, the Top 5% are on one tier, and the next 15% are roughly equal in performance in the 2nd tier.**

Another argument made for the Top 10% Law was that **students from smaller "rural" or "non-metropolitan" schools would have a better chance for admission** to UTAustin (this appealed to a number of rural legislators when the vote was taken). But 10-years of data revealed there has been no significant change in the percentage of UTAustin students drawn from those districts.

This all started 11 years ago when racial diversity at universities was argued in the courts. Affirmative action quotas were ruled illegal, so Texas legislators cast about for ways to ensure diversity and thus was born the Top 10% Law. Where does UTAustin stand today? This is the current freshman class composition: **52.3% White ... 19.9% Hispanic ... 18.6% Asian American ... 5.6% African American ... 3.1% International and .3% Native American.**

The information was released midweek that seven states posted an unemployment percentage above 10%. Texas was *not* in the group of seven. In fact, it was among the best overall.

The totals, as well as some major shifts, provide an interesting comparison. Let's start with a few of the best states. Wyoming was the only state, at 4.8% unemployment, that came in under the 5% mark. **Texas was one of the best, at 6.8%, ahead of New York at 7.6%.** But the states that have the highest unemployment provide an interesting story.

Michigan had the nation's highest percentage of those without a job in January 2009, a staggering 12.5%. This was not too surprising as Michigan was the only state above 10% during December 2008. The other states that have the highest percentage of those looking for work: **Rhode Island, 11.4% ... Oregon, 10.9% ... South Carolina, 10.9% ... California, 10.6% ... North Carolina, 10.3% and Nevada, 10.2%.**

The jobless rates for all 50 states were at least one percentage point higher in January 2009 than in the same month a year earlier. No state, obviously, is immune from the cutbacks and layoffs during the current national economic crisis.

But some of the hardest-hit states appear to be reeling because of the *suddenness* of the impact. For instance, **North Carolina (a state many consider competitive to Texas because of its technology industry centered in the Research Triangle) suffered the worst upswing in unemployment.** At the beginning of 2008, its unemployment was a very reasonable 5.3% then, wham!, it hit 10.3% at the start of this year. **A swing of five full percentage points!** The number of workers looking for a job almost doubled. This is how you define "impact."

While North Carolina suffered the worst uptick in unemployed workers, **Oregon and South Carolina** also recorded 4.9 percentage point increases. **Michigan and Indiana** unemployed numbers zoomed up by 4.6 percentage points. And **Nevada** recorded a 4.3 percentage point jump in unemployment in just one year. **Iowa and Wyoming** had the *least* impact with a 1.1 percentage point increase in unemployment.

There's no question Texas is feeling the effects of the shrinking employee base and will probably continue to do so for several months. But, while it is no consolation for those who are seeking a job, **The Lone Star State – as it has for some time now – is the best among the big states.** After all, Iowa and Wyoming are nowhere on a par with Texas and the other biggies.

So what about the other big states? How do they compare to Texas January 2009 total of 6.8%. In addition to those mentioned above, **Florida** recorded 8.8% unemployment, **Illinois** notched 8.5% unemployment, **Massachusetts** tallied 8.1%, **Ohio** nudged near the 10% mark with 9.7%, and **Pennsylvania** came in at 7.7%. It's pretty clear that **Texas still stands out among the states that matter for future leadership and growth.** We'll keep an eye on this for you.

Following our report last week about the violence and kidnapping in Mexico, we noted that national attention is being devoted to related violence and kidnapping in Phoenix. And this may be a warning for the Austin area.

This is not meant to be a scare story. But you rely upon us to keep you aware of trends and possibilities. And the violence from Mexico has moved into the US. As we reported, **much of the violence in Mexico has occurred just a few hundred miles from Austin.** But the biggest “exportation” of Mexican violence is occurring in Phoenix. While Mexico is the kidnapping capital of the world, Phoenix is the kidnapping-for-ransom capital of the US.

Admittedly the heavily-armed violence in Mexico and Phoenix is **almost entirely related to drug cartels and human smuggling and mostly involves citizens of Mexico.** But the Austin-based Global Security and Intelligence company, Stratfor, warns that “professional kidnapping gangs from Phoenix might **migrate to other locations** with large communities of Latin American illegal immigrants to victimize. Such a migration of ethnic criminals would not be unprecedented.”

Though not necessarily related to movement of these Mexican gangs, Stratfor reports that last **November 6th in Austin “a police officer used his service pistol to kill a cartel gunman who fired on the officer with an AK-47.”**

As we reported last week, travel by Austinites to Mexico should be undertaken only after careful consideration, if then. **Now, it appears residents of the Austin area need to be aware of the possibility that Mexican criminal activity could expand here.** As Stratfor puts it: “The issue of Mexican drug-traffic organizations kidnapping in the United States merits careful attention, especially since criminal gangs in other areas of the country could start imitating the tactics of the Phoenix gangs.”

Dr. Louis Overholster analyzed a new scientific phenomenon called “The Bozone Layer.” He says this is the substance surrounding stupid people that stops bright ideas from penetrating. And he said the Bozone Layer, unfortunately, shows little sign of breaking down in the near future.

Sincerely



Editor/Publisher