

THE

*Real Speech*

# AUSTIN LETTER

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Dear Client:

**Now that the football competition between UTAustin and TexasA&M has ended for a year, it is time for the two colleges to collaborate to secure higher education funding during the very difficult session of the Texas Legislature that begins next month.**

Set aside the heated sports rivalry between the “Longhorns” and the “Aggies,” the only “Tier One” public universities in Texas. Working together to **pitch for funds will likely achieve greater results** than carrying over the sports competition into the legislative arena. And cooperation has already started.

UTAustin president **Bill Powers** and TexasA&M president **Bowen Loftin** have **teamed up to make joint presentations to legislators and alumni**. They’ve traveled to key cities around the state prior to the opening of the financially-strapped legislative session that will begin in Austin 1/11/11. And they have a strong pitch.

**UTAustin and TexasA&M educate more than 100-thousand students every year.** This is nearly one of every five public university students in Texas. And these two universities have the **lowest administrative costs in Texas – about half the state average.**

The two leaders maintain that their institutions have already stepped up to the budget-cutting plate. They point out that in the budget cut earlier this year, higher education in Texas was treated disproportionately compared to other state agencies. **Higher education in Texas, they argue, represents only 12.5% of the state budget, but it bore 41% of the budget reductions.** As Powers put it: “We want to do our share, but **continuing with disproportionate reductions will erode our state’s universities.**”

Even as he travels the state with Loftin churning up budget support, Powers recognizes “**we will need to find new ways, large and small, to do more with fewer resources.**”

He says “**It will require thinking about strategy and policy, not just about budgets and bookkeeping.** We won’t be able to do this alone. It will require work by our System and Board, our elected officials and our alumni and friends.”

**If you think UTAustin and TexasA&M have sizable budget considerations, thank your lucky stars it is nothing like the University of California that, incidentally, is headed by former UTSystem Chancellor Mark Yudof.**

The enormity of California's budget woes (including higher education) has been well-chronicled in this newsletter and other media outlets for some time now. But the **scope of the financial problems** facing the University of California came into clear focus in a recent report.

Set aside for the moment the revenue problems impacting the UC System's operations – even though they are considerable. Drill deeper and **examine only the retirement and pension fund**, you will find some jaw-dropping information.

**The UC System has a \$21 billion deficit in its retirement and pension fund – and that could double in only five years.** You want perspective? How about this: a projected **\$40 billion shortfall in five years would be twice the entire UC System budget.**

Let this sink in for a minute. For instance, think what this means when you factor faculty recruitment and retention. California has long been a leader in higher education and has been quite proud of what has been called a world-class faculty. **The time is right for ambitious institutions such as UTAustin and TexasA&M to recruit some of the best faculty who, in the past, would have placed California's higher ed institutions at the top of their list.**

Two high profile local examples illustrate this point. The aforementioned Yudof, as we pointed out, left the UT System Chancellor's job to accept a similar position for California. Ditto **Bob Berdahl**, who left the presidency of UTAustin for a similar post at University of California-Berkeley.

That trend can now be reversed – IF ... (and you'll notice this is a big "IF") ... **IF UTAustin and TexasA&M emerge not only unscathed, but enhanced, in their quest for a two-year budget** from the Texas Legislature. All of this comes back to the references made in the previous story. State leaders will face some really tough budget decisions during their 140-day session that begins here in Austin in about a month.

**All those who have a stake in a good economy in the Austin area should have an intense interest in seeing that these two economic engines can perform their mission** in a way that will move them toward even greater prominence among their academic competitors.

You may say you can understand the emphasis on UTAustin, but why TexasA&M? Remember, as we have reported earlier, **TexasA&M has now moved into the Austin metro with ambitious growth plans for its medical enterprises.** More and more, the state's top two public institutions are becoming even greater drivers of the Austin area economy.

**Where's the water? Is it going to rain anytime soon? What are the prospects for rain during the winter season in Central Texas? The dreaded word "drought" may raise its ugly head.**

The month of November ended with precipitation well below normal across all of Central and South Texas. In fact, **some spots across the Hill Country to the west of the Austin area recorded no precipitation for the month.** Others received less than 5% of normal rainfall.

All this occurred in spite of the fact the **Atlantic hurricane season that ended this past week was the 3<sup>rd</sup> most active on record** with 19 named storms, 12 hurricanes and five intense hurricanes. But the entire US was spared.

Only one tropical storm made landfall. Very unusual. **Central Texas was lucky because Tropical Storm Hermine came across the area and dumped a significant amount of rain.** But since then, nada.

Looking ahead, what is likely to happen? The Chief Meteorologist for the Lower Colorado River Authority (LCRA), **Bob Rose**, keeps a trained eye on weather patterns for this Central Texas area. And he is usually right-on, even when he looks out for several months. So, what does he see? Any rain heading our way anytime soon, Bob?

"Unfortunately," he says, "we are seeing the dry influence from El Nino, with the storm track staying well to the north. **Our region is seeing frequent dry cold fronts with most of the rain developing to our north and east.** I don't see much change in this pattern during December and for the rest of winter."

Uh-oh! Did he just indicate it will be dry and cold for the winter? This doesn't bode well. He predicts, **"drought conditions will likely grow worse over the winter."**

In fact, drought conditions are already showing up. For instance, **burn bans have been instituted** or several LCRA park areas. And the weather bureau is starting to issue **warnings of potential fire danger** due to the dry, low humidity, conditions in Central Texas.

Water concerns always get close attention from the LCRA – and this holds true for long-range planning. Besides controlling rivers and reservoirs, **the LCRA is in the business of selling water.** **And, it is concerned it may be running out of product** when it looks at long-range population growth forecasts.

So, just a couple of months ago, it adopted a plan to **explore potential acquisition of additional surface water rights** and also acquisition of *ground* water – even though it said demand for LCRA's water will not outstrip its supply for another 60-70 years. The plan will look at other options, such as conservation, importing water, desalination of Gulf water for downstream users – even dredging Lake Travis to add more capacity for storage.

**It's not widely known that the UTAustin freshman class, returning to the campus following the Thanksgiving Day break, holds a unique distinction in the history of the University, and it will likely be a portent of things to come.**

The freshman class that enrolled in September is the first in UTAustin's history to have **more minority students than white students**. There is a large group of alumni still living who remember when UTAustin had an all-white student body. As a result, you can understand the magnitude of such a change in a relatively short period of time.

This enrollment result has been part of a long-time, publicly-stated effort by UTAustin to increase diversity on the Austin campus. And it will more than likely continue. The official enrollment is 51,233. **The overall student population is 52.1% white, while the freshman class is 47.6% white.**

The non-white make-up of the freshmen class is quite interesting. Categorizing the population by race/ethnicity, the **Hispanic population is 23.1%**. Last fall, 2009, it was 20.8%. The #2 category is **Asian, making up 17.3%** of the freshman class. The Asian category actually declined. **Blacks comprise 5.2%** of the freshman class and this was greater than 2009. These three total 45.6% of the freshmen.

**The remaining students fall into various categories**, such as American Indian, Native Hawaiian, foreign or a combined category where students claim heritage from "two or more (not Hispanic or Black)" categories.

The categories are established following federal and state guidelines. **Each first-time freshman self-identifies the category he or she feels is appropriate for them.** This year there were two new categories – native Hawaiian or Pacific Islander and "two or more." This was the first year students could identify with more than one category.

**Dr. Louis Overholster** points out there are some things you just can't learn in college. One example: Never slap a man who's chewing tobacco!

Sincerely



Editor/Publisher