

Chancellor Milliken Remarks
Texas Business Leadership Council Luncheon
San Antonio, Texas
October 8, 2019

It's an honor to be in the presence of some exceptional leaders, who've been champions of higher education in Texas for many years. I applaud all of you for being here, and for recognizing that in the years and decades to come, Texas is going to go exactly as far as our people can take us.

We have the second largest, and third youngest population in the country – and it's growing fast. About 1000 people each day, half births outnumbering deaths, and half people moving here. According to the state demographer, Lloyd Potter, a faculty member at UTSA, we may even double in the next thirty years.

This puts an exclamation point on something we've always known in Texas; our people have been and in the future can be our ultimate competitive advantage. Emphasis on “can.”

For that to happen, we have to make sure every Texan has a chance to learn, build a productive, fulfilling career and lead a healthy, prosperous life. If we do this, we will create the kind of workforce our state will need to compete and win in the global knowledge-based economy.

It's not a foregone conclusion that we will – but that's a challenge we must all embrace. We need to start by acknowledging two realities.

The first reality is that we can't, and won't, reach our goal if we simply do more of what we've done in the past. The World Economic Forum estimates that two thirds of children entering primary school today will work in jobs that don't yet exist.

And a 100 year-old education model – or in the case of colleges, a 1000 year-old model – isn't going to suffice in a century where almost every new job requires education beyond high school, graduates change careers 4 times by the time they're 32 and AI and machine learning will impact the future of work dramatically.

Yes, Texas needs more higher education, a lot more. But it can't just be more of the same.

The second reality we need to accept is that the process of equipping someone to thrive in the workforce has to begin at birth, and never ends. Is our organizational model optimal? Probably not. But we're not going to change wholesale. We can't let the perfect be the enemy of the good. But we do need to think of lifelong education.

First, I'm a big believer in early childhood education. While all education is important, the greatest return on investment in education occurs in the first few years of life – a seven to one payback, according to Nobel-winning economist Jim Heckman.

If we do it well, we have an opportunity to turn our state's dramatic population and demographic changes into a competitive advantage. But it won't just happen. You can't get the return without the investment – and while progress is being made in Texas, it's not happening fast enough.

In 2002, 6% of our state's three year olds, and 39% of the four year olds were enrolled in pre-K programs. In 2018, it was 8% and 49%. And that's just 3 and 4 year olds, not the younger children with their brains developing at amazing speed.

According to the National Institute for Early Education Research, in the 2017-18 school year, 231,000 Texas children were enrolled in preschool – 3 percent more than the year before. But Texas spent 8 percent – or \$419 – less per child than the previous year. And \$1,600 per child less than the national average. The result – in 2017-18, we ranked rank 35th in the country for spending on pre-K, seven spots worse than the year before.

Today's three and four-year olds are the college students we will enroll and the workers we'll be relying on before we know it.

Second, higher education needs to form deeper and more effective partnerships with early childhood education, K through 12 and our state's community colleges, to make sure that by the time they get to us, students are ready to succeed.

We need to double down on early college, dual credit, Advanced Placement, high school programs that give degree seekers a running start. It costs less for students and families, and research demonstrates that with an early start, students have better retention and graduation rates. In fact, we have found that high school students who successfully complete at least one dual credit or AP course are three times more likely to graduate college in four years than students with no early college experience.

Roughly half of America's – and Texas's – college students are in community colleges. In the 2015-2016 school year, 75 percent of the students who earned a bachelor's degree in Texas had taken at least one of their courses from a community college – the highest percentage in the nation!

There is universal recognition that we must do a better job making it seamless to move from community college to a four-year institution. This year, Senate Bill 25 took some positive steps

in removing the friction and frustrations that students and families experience. We need to build on the momentum the new law has created. I'm excited about our new Commissioner of the state coordinating board, Harrison Keller.

We aren't competing with community colleges; we're essential partners.

Do we need more capacity to deal with our growth, our opportunity? We do if we want Texans to build their careers, raise their families and everything else here.

Today, Texas is *fourth in the country* when it comes to net migration of college-bound high school graduates. We are sending far more smart, ambitious young men and women out of Texas than we are bringing in. In the last year we have data for, more than 21,000 high school graduates – some of them future doctors, teachers, engineers – left Texas to attend colleges and universities elsewhere.

This is a brain drain Texas cannot afford.

We need to make sure there is no reason to leave the Lone Star State for college and opportunity. So we need to have the capacity to educate all our college goers. We have to prove to every student and parent that not only do they have an array of excellent options for pursuing a degree right here in Texas...

But, importantly, when they show up at our doors, they will receive the kind of support they need to earn that degree, and do so in a timely manner so they can get on with the rest of their lives.

I have been in higher education for more than thirty years, and for just about all of that time, there has been a tremendous focus on access. And there has been an admirable amount of growth in Pell grants and other financial aid programs creating more and better opportunities for students to be able to enter college. It's only more recently that the focus has shifted from just access to completion. Both are essential

There is almost nothing more important than increasing graduation rates. It saves money, reduces debt loads and default rates, and provides the economic benefits of a degree to more people. Across all eight of our UT academic institutions, our presidents, faculty, and staff are highly focused on improving graduation rates. And you can bet our Board of Regents is.

We believe there are three essential pillars to student success.

The first pillar, perhaps the most obvious, is finances. A large portion of our student population comes from low-income backgrounds – 4 in 10 are eligible for Pell grants. We don't want any

student to drop out because of financial hardship – that means their tuition, food, clothes, transportation, and a place to live.

The second pillar is advising. Many of our students are the first in their family to pursue an education beyond high school. Their first goal was to go *to* college, and through hard work and talent – and likely with some good guidance and wise counsel – they have done it. To get *through* college, they need just as much – if not more – guidance and counsel. Every student needs good advising to understand a clear pathway to timely degree completion and beyond.

The third pillar is belonging. It's hard to thrive on a campus where you don't feel welcome, don't feel engaged with the community around you, don't feel like you belong. All the research demonstrates that among the biggest contributors to a student's ability earn a degree in a timely manner are peer support, peer mentoring, structure, and progress as a cohort.

Focusing on these three pillars – finance, advising, and belonging – will help us build a culture of completion across all 8 of our academic institutions.

It's happening already, across the UT System – most notably, at UT Austin, which has dramatically increased its 4 year graduation rate, and also at UT San Antonio. Right now there are nearly 33,000 Roadrunners chasing their dreams, the most ever, including 900 doctoral students. More than half the students are Hispanic, and nearly half are first-generation college-goers. I like their chances, because in the last five years, the four- and six-year graduation rates have jumped by 14 and 10 points, respectively.

We're not there yet, but we're focused on completion and making progress.

This is about programs, and high touch, but it's also about better, smarter use of technology ... including predictive analytics to help us help students stay on track to graduate.

I am an unapologetic believer in education for education's sake. I don't believe every student need draw a direct line from their field of study to their ultimate career – or careers, more than likely. But I also believe we have a responsibility – to students and to the employers of this state – to provide education in fields that are most relevant and most in demand.

It's hard to think of a better example than UTSA's cyber efforts. Enrollment in the university's online bachelor's program in Cyber Security is up nearly 27% this fall – assuring there will be a steady local supply of well-credentialed professionals, ready to launch rewarding careers and tackle some of our nation's most important challenges in the near future. That's good for students, good for the region, and good for the country.

Too often, many of our best and brightest don't have the networks, the family or alma mater connections that are valuable in getting their post-college lives off the ground. So we need to deepen our relationships with the private sector – with leaders like you – to ensure that a) our graduates have the skills and attributes you value, but also b) they have access to networks that can help sustain them through a long career.

On the last point, we need more experiential learning opportunities for many reasons, and not just the ones that come first to mind. Yes, internships are great ways for employers to assess talent and for students to learn about work they may want to do. But it also improves educational performance and outcomes, such as timely graduation. In this and many other ways, our interests are completely aligned.

At a time when graduates change careers many times, we need to be part of the retooling, part of cradle to grave learning. Much of this will be online, and we will continue to get better at it.

I said at the beginning of my remarks that to build the competitive workforce of tomorrow we had to first acknowledge two realities. “More of the same” isn't going to get the job done. And the job of training our workforce has to start at birth and never end.

I'll close by adding a third reality – perhaps even more important than the first two – which is it has to be a team effort.

We in higher education must partner, with great energy and enthusiasm – with early educators, K through 12, community colleges, civic and business leaders, our political leaders, you! – to create a system of lifelong learning.

That's what we intend to do at the UT System – and needless to say we want to work with all of you. We all have a stake, and we all have a role to play.

Thank you.