

VIDEO TRANSCRIPT

University of Houston System Chancellor and UH President Renu Khator
Texas Tribune CEO Evan Smith
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Evan Smith

0:00:00 Please join me in welcoming Chancellor Renu Khator. (Applause) Thank you. Great.

Evan Smith

So just curious, inquiring minds want to know: did you have coffee with Tom Herman this morning, before you came over here? (Audience laughing)

Renu Khator

No, I—

Evan Smith

Too soon? Is it too soon to make that joke?

Renu Khator

I actually don't drink coffee, so sorry. (Audience laughing)

Evan Smith

0:00:33 That's your answer. OK. None of us is going to be—nobody in this room is really—Hance has been in this position, but just Hance—no one is going to ever get to be in the position that you're in, to be in that situation. Is it terrible? I mean, is it an honor among thieves thing? Like, you know, it's all—speaking of *The Godfather*, you know, it's business, it's not personal; or is it, I'm going to go to McRaven's house and put a horse's head in his bed. In a case like that, which is it?

Renu Khator

No. I mean, I'm a chancellor, and I understand the pros and cons. I understand the business. And it's OK. I mean, I have done this for nine years. In three more days, it will be nine years that I started my term.

Renu Khator

And all I have done is—all I have learned in my life—is to stay focused on your goal, stay focused on where you're getting. And you know I'm a bridge player also, which tells me—has taught me a very important lesson, and that is don't complain about the hand that has been dealt to you. Just play your very best game. And that's what I keep doing.

Evan Smith

Right. And you play your game, and you don't play somebody else's game.

Renu Khator

I don't do that. And I am staying absolutely focused. The same commitment I brought to the table nine years ago, I am staying focused on that. We are building an absolutely nationally competitive, nationally relevant program, whether it is athletic or academic, and I'll continue to do whatever it takes.

Evan Smith

And that's all your concerned about. So whether it's on the question of the football coach or in a sort of more mundane fashion, UT's desire to, like Hitler invading Poland, come to Houston. You don't worry about that stuff. I mean, you're actually—UT and A&M, they'll do them, and you'll do you. Nobody worries about—you just worry about yourself.

Renu Khator

0:02:26 I don't say I don't worry about them, because you need to know your environment. You need to know your changing landscape. And you need to know what the challenges are that could come upon you— some that are known, some that may not be known. But then within that environment, you make your best judgment and stay focused on where your goal is, and continue to push your organization forward. And I think that's what gives me the best gratification, and that's what I have been doing and will continue to do.

Evan Smith

So you've come to Austin—I mean, I know you came because we asked, but I know that you'll come to Austin a number of times over the course of the session, because part of being the chancellor of the system—you are the lobbyist in chief, in essence.

Renu Khator

I'm here every week.

Evan Smith

Right. So when you come, are you coming on behalf of the University of Houston, or are you coming on behalf of higher ed in a general sense? Are there areas of—I mean, surely there are areas of alignment between yourself and your colleagues as chancellors?

Renu Khator

Oh, absolutely. I mean, last year, I was chairman of American Council on Education, which is the largest body. So I have been a spokesperson for higher education in the federal level and at the state

level, too. You know, I think I bring a perspective that is very global, that is very different. And it would not do anybody any service if I didn't bring that perspective to the table.

Evan Smith

Right. And the fact is, you can help the UT and A&M systems. For instance...thinking about the world going forward.

Renu Khator

Well, I think I can provide the feedback to the state, to the legislators, on a dimension that is larger than the state. There's a whole national landscape. There's a whole global environment in which we operate. And I keep my eyes on all of that, just because I'm a product of two different countries' education systems. That's one. We at the University of Houston serve students from 140-plus countries.

Evan Smith

Exceedingly diverse student body.

Renu Khator

Exactly. And Houston is such an incredibly international city to begin with. So it makes sense and it's very logical for me to have focused there. So do I speak for higher education? Of course. That's my passion. University of Houston, that's my passion, too. So I speak on both. But if anybody ever wants me to talk about Houston—you know, I've been now nine years invested in Houston. I didn't think that when I came to Houston. But now I feel pretty much Houstonian. So I will speak on behalf of Houston's issues, if asked about the feedback.

Evan Smith

Well, so let's speak on behalf of Houston and University of Houston as it relates—again, heading into a legislative session—we have a not very good budget.

Renu Khator

Yes.

Evan Smith

We have been told this repeatedly over the last couple days. And the reality of a not very good budget in the state of Texas is that most of the dollars that are in the budget, even if it's not very good, are spoken for, going in the door. There aren't many places to cut. Higher ed, as part of the overall education budget, is actually a place where they can take some cuts out. And if it's six billion or more in this next session—aren't you expecting to be disappointed, from an appropriations standpoint?

Renu Khator

Well, see, this is my fifth session here. And we have gone through a session where we've had a very tight budget as well. And from that experience, and even knowing now—because I keep meeting with several members of the legislature frequently, and I think they do—they have a really strong challenge, no doubt. When the budget is tight, there's a totally different kind of challenge that you face. But they do understand the value of higher education. And it's not for today. It's for tomorrow.

Evan Smith

0:05:53 Let me stop you. You said you think they understand the value of higher education. Can you give me evidence of that?

Renu Khator

Yes, I can.

Evan Smith

Because what I've seen over the years, Chancellor, is I've seen the state share of funding of higher education decline significantly. Every time you all step up and say, "We'd like to ask for a modest increase in tuition," everybody over there barks at you like a pit bull. You're being told all the time that, "You don't spend the money you're getting now, officially. Why should we give you more? You're admitting people you shouldn't admit. Your graduation rates stink." What are they telling you that gives you a reason to think they think you're doing a good job?

Renu Khator

Well, so here you have put me in a very interesting position, where I'm actually defending the other side. When the time comes, of course, I am going to complain about it.

Evan Smith

I think this is the old Bum Phillips line: you can take their guys and beat your guys, right? Or something. So go ahead and do that.

Renu Khator

I do believe they understand, because they are products of higher education, their children are going to institutions—I think they do understand the challenge. But the cause or the goal that we share is very common, which is how do we provide affordable access to the next generation? Because without that, we have no future. They understand that. We understand that. Now, you ask for evidence. Well, I can give you from 2009—that was my first session for the Tier One legislation to the Texas grants, to now the governor's—GURI, which is the governor's initiative to hire more members of the National Academy.

Evan Smith

Research initiative. Indeed.

Renu Khator

And also, what legislature did the last session. There were so many projects funded. I'm very grateful for every single cent and penny.

Evan Smith

You feel positive about it.

Renu Khator

0:07:25 I absolutely do. I do understand. They have challenges. I mean, we all want quality of life. Education is a very important piece of that quality of life, but it's not everything. So I understand and appreciate the challenges that legislators feel. But I feel very good and very confident, very optimistic that they will make the choices based on all of the information they have and based on what are the case we make and the information we give them. And if you compare Texas against all other states in the country, our tuition is low and our contribution from the state is at a pretty decent level.

Evan Smith

You believe, Chancellor, that our tuition is low? I understand that you're making a fact-based comparison. But do you think the perception of the affordability of higher ed in Texas aligns with what you just said? Because in fact, again, if you go up the street, you ask the lieutenant governor who has been very loud on the subject, or if you ask either Chairman Seliger or Chairman Zerwas, I'm not sure that they think that higher ed in Texas is such a bargain.

Renu Khator

Well, I hear it all the time too, from our students who can't afford it, which is a true thing. So affordability is one thing, and how you do in comparison to the national field, that's another thing. If you look nationally, we are definitely in the bottom part in terms of affordability.

Evan Smith

In the positive sense.

Renu Khator

Right. So we do offer a \$10,000 degree, for instance. There are some students who are enrolled in it. So it's not that we don't. We also have Cougar Promise. All systems have it. I mean, we all, all of our systems—

Evan Smith

Where you can lock in your tuition?

Renu Khator

Well, no. That's a different one. The program Cougar Promise is where if your family income is below a certain threshold, then we don't charge actually any tuition. We have about 1200 students who are going through that program right now. Now—so the perception of affordability, absolutely. I understand. And there are a lot of people. I mean, yesterday's news, they said in Houston the poverty level really is stark in some areas. So I totally understand that higher education is out of reach for people. So we —the higher education community – has to do whatever it can to try to control the cost, bring it down. But if you look at it in the overall scheme—because we hire our professors. We hire our staff. We hire everybody from the same national market. You're not hiring from within Texas or within market, because that's your environment.

Evan Smith

Yeah. And you've got to pay competitively if you want good people.

Renu Khator

Otherwise you're going to lose talent.

Evan Smith

As in any industry, right?

Renu Khator

So if you look at it from that angle, Texas's tuition—that of course is not the cheapest, but it's not really all that much. But I often, sometimes—jokingly, though—I try to say to people, you try to see the value of public education, a degree from public education, and see what the average cost is. And then you try to see what the average cost of a wedding is. I mean, the education of a four-year degree was still cheaper than the average cost of weddings.

Evan Smith

If you do a decent wedding, right?

Renu Khator

This is going to last you a lifetime, the degree, right? You don't know about the wedding, right?

Evan Smith

Right. Wedding—eh, not so much. (Audience laughing)

Renu Khator

I mean, you just never know. So my point here is what I feel—that yes, affordability is very important. It's very important for us, especially knowing the kind of students who are coming to UH. I mean, a lot of them just absolutely cannot afford it.

Evan Smith

0:10:51 And at the same time, Chancellor, you say that it costs something—not inconsiderable amount—to do this job properly. So do you go up the street and say with a straight face and a song in your step to the lieutenant governor, “Yes, we need to increase tuition.”

Renu Khator

No, because we haven't increased tuition that much. At least, we don't think we can, even for a market—

Evan Smith

But even a modest increase is objected to, right?

Renu Khator

It is objected to. I think questions should be asked, and that's where they are asked, and we are supposed to explain. After all, we are in public service, and we are accountable to the public, and we should explain, even if it's 1%, 2%, whatever, why you are raising, what you're going to do with that money. So I totally get that. And our market—I mean, even if there were no regulations, and if you ask about, given the market, can we, the institution, really keep increasing the way it was raised several years ago? We just can't, because our students can't afford it.

Evan Smith

Right. Even in an era of deregulated tuition, you understand there have to be some limits on what you do.

Renu Khator

We just cannot raise, because otherwise you're going to lose your market and you're going to lose your product. And what worries me a little bit, Evan, is—there's the sticker price, of course. Then we have a lot of these programs and scholarships that go to students and all that. We try to make it very affordable. We, right now, next week, we are going to kick off a billion dollar campaign, capital campaign for the University of Houston this next week. Why? Because we know the state will do what it can, but we have to do what we can and tap into the generosity—

Evan Smith

Well, you can't help but go raise money privately to augment, right? So what's the billion dollars going to go to?

Renu Khator

0:12:25 A lot of scholarships, lots of endowments, better facilities—just all around from sciences to arts to athletics. I mean, everything. Because I believe in comprehensive overall even excellence. But I was just telling you what I worry about. I worry about rhetoric, rhetoric that higher education is not important, rhetoric that you can do without higher education. Sometimes rhetoric can be worse than the reality.

Evan Smith

Whose rhetoric? Call out the people who are saying that.

Renu Khator

I mean in general. There are a lot of blogs, a lot of—

Evan Smith

Up here (in Austin)?

Renu Khator

No, no. I'm not saying up here. I'm talking nationally, not necessarily in Texas. But people question, is a college degree worth it? And what I say is people, those elite who are going to send their kids, who know the value of college education, they're going to send their kids anyway. Those kids are going. So who is going to get impacted from that kind of rhetoric? These are the kids who are sitting on the fence, thinking, "Should I go to college? Should I not?" And they are the ones who will benefit the most from higher—from a degree.

Evan Smith

And yet they're being given permission not to go.

Renu Khator

They are—rhetoric is giving them that information. So I worry a little bit about that rhetoric, because that's not what I hear when I go to other countries. I mean, I'm from India. When I go to India, I don't hear that, that a college degree's not important. People are ready to sacrifice, they're ready to do whatever it takes.

Evan Smith

That's the default, right? That's the default.

Renu Khator

That's the default.

Evan Smith

Right. So let me come back to the budget. So you're going to, again, find yourself—higher ed institutionally is going to find itself—in a situation in which you are competing with other priorities for the few dollars available. Can you make an argument to the state of Texas that you ought to prioritize spending on higher ed over spending on public ed?

Renu Khator

0:14:04 Well, see, again, I don't have to really make an argument that way, this versus that. My job is as a person, a leader in higher education, to give the value, what we bring to the table. I have never believed in putting anybody down. I have never believed in erasing anybody's line, because for the overall prosperity of our state, we're going to need strong public education, and we need a strong higher education. We need strong health, you know?

Evan Smith

It's both, right?

Renu Khator

Exactly.

Evan Smith

Well, in fact, the lieutenant governor yesterday, when he was here, was talking about the A through F ratings of the public schools. And he made a proactive statement to anybody in the room hiring lobbyists who were intending to come to the Capitol and try to get us to undo the A through F ratings, we're going to keep it, don't bother spending the money. And what he said was—and there are higher ed people in the room, and those higher ed people in the room ought to be happy about that, because higher ed has been bearing the cost of a public ed system that doesn't work. And then those people show up at your doorstep not prepared to be educated. So his point was that public ed and higher ed actually are linked as priorities in that respect, and that maybe there isn't any advocating against public ed and for higher ed because it's all the same.

Renu Khator

Right. It's not just linked in terms of priority. We are linked in terms of responsibility and obligation. I mean, these are our teachers. We graduated those teachers who are part of the public education system,

teaching. So the question that I always pose to my college of education is what is it that we can do better to really help the public education, because it's all a pipeline.

Evan Smith

Right. And again, you're helping yourself.

Renu Khator

Yes, exactly.

Evan Smith

0:15:40 So you're going to go up the street and you're going to have a set of priorities—I mean, your government affairs folks and people in the system who are smart about this stuff, and you're smart about this stuff, will craft essentially a bulleted list of these are the things that matter to us. What are your top three in this session?

Renu Khator

Well, we definitely want to make sure that higher education does not lose its focus. We want to make sure that we have had enrollment growth throughout the state, in all the 39 public institutions.

Evan Smith

Right. The population is exploding.

Renu Khator

Right. And I want to make sure that that new growth is funded, because if you don't fund that, that means the existing students and their tuition is bearing the cost of the students who we have enrolled.

Evan Smith

And when you talk about funding new growth—I mean, it's a little bit more straight line if you're talking about funding enrollment growth in the public education system. In the case of higher ed, are you talking about facilities? Are you talking about—what? I mean, what does funding growth mean?

Renu Khator

Well, funding growth is—there's a funding formula, right?

Evan Smith

Right.

Renu Khator

So we are basically asking for that funding formula.

Evan Smith

So this is formulaic. We're just talking about the formula, nothing else.

Renu Khator

Yes, we're talking about the formula, but then in terms of the construction—which used to be called TRB. Now it's capital construction—

Evan Smith

0:16:45 Right. Which they finally acted on last time.

Renu Khator

Exactly. I mean, periodically, that also comes to the table, because you're not going to be able to take thousands more students without additional space, because regardless of however we talk about the online education, students come to the campus and they want that engagement. And we realize that the distractions are getting too much, and as a result, we need to make sure that we have support systems that available on campus to students, to make sure that they don't leave, they don't drop out. See, I'm coming here from UH, OK? When I came there, the college completion rate was not even 40% for six-year graduation rate.

Evan Smith

I looked up those numbers last night. So it's about 30%, little under 30% right now for four-year?

Renu Khator

Yes.

Evan Smith

And it's about 50%--is it about—

Renu Khator

It's 51% today.

Evan Smith

Today, for six-year.

Renu Khator

For six-year. But we have a program that we started which is called UHin4, and legislature—actually a lot of conversation here. And we decided to take that to the heart and just do a very strong

implementation of UHin4. So four years, your tuition is set, you have guaranteed seats, you have every kind of support that's possible.

Evan Smith

You're trying to get them in and out in four years.

Renu Khator

In and out in four years. And now we have over 60% of the freshman class that is enrolled. And the students that I want to focus a little bit more on are those that are at risk, who may not graduate because they don't have the environment back home. So those students are actually disproportionately higher from the low-income families in our UHin4 program.

Evan Smith

0:18:24 So what's your goal for that, and how quickly can you accomplish it?

Renu Khator

Two more years.

Evan Smith

So go from 30% to what?

Renu Khator

It's probably going to blow past 40% for sure.

Evan Smith

But Chancellor, it's so hard. I remember when Bill Powers was the president of UT Austin, and he gave in his state of the university speech—this is a couple years before he departed—I think UT's four-year rate at that point was in the low fifties—one of the best in the state, but still in the low fifties. And he put a flag in the ground and said, "I want to get to 70% in five years." And I thought, ha ha ha! You can't get to 70% in five years. The institutional obstacles—I mean, that's just an unrealistic—to my mind. Now, UT has made great progress in that respect—not to 70%. But I remember thinking at the time, all you're doing is setting this up to fail, because there's no way you can increase from 50% to 70% in a five-year period. There are too many institutional impediments to that. You can go up by 33% in just a couple years?

Renu Khator

It will go up, just because we have two years of retention on data to see, because these people who started enrolling in UHin4 program, they're completing 30 credit hours, and they are in a locked-in

program where they are not going to be taking excessive credit hours. So with that, just looking at those trend lines, I can see the six-year and four-year graduation rate is definitely going to improve.

Evan Smith

0:19:39 Optimistic. So I'm looking at Bill Hammond, because he's sitting right there, and I know that if Bill Hammond were up here, what he would ask is, "Yeah, but is even that good enough?" Is it a victory to only get to 40% in four-year? Is it a victory to be at 50% or even 60% in six-year? Shouldn't we be asking more and expecting more?

Renu Khator

Right. And so that's a very good question. Now, I come from a system where it's 99%, from India. However, there are costs to be paid for that, which is that you are in a locked-in a system, you are in a covered system. Every student is taking exactly the same classes. There's no such shifting of majors. The thing is, if we are going to have choices, if we are going to allow people to explore themselves while they are in college—"Well, I don't like this field, actually. I actually like *this* field." And that's what we value. If we are going to value people coming in midlife or having left and decided, "College is not for me," four years later deciding you want to come back—you couldn't do that in those other systems that produce 99% graduation rate. So the question is, let's make up our mind. What is the goal? Providing opportunity at any point in time in your life, at any phase, at any time, or flexibility? Well, then there is going to be a cost associated with it.

Now, you talked about UT. I don't even like to compare UH with UH-Downtown. Why? Because the two have such different missions. I cannot tell UH-Downtown, "I want you to admit every student. Forget about what the admissions requirements are, whether they are prepared or not, what their calculus score is or reading score is. Giving them remedial education and let them work while they are going to the college," and then ask them, "Wait a minute, what is your graduation rate?" Well, that's not what their mission is.

Evan Smith

This is—so I know you say you don't want to compare anybody to anybody else, but I want to cite my friend Diana Natalicio, the president of UTEP, who years ago said to me, when I asked her about the four-year, six-year thing, she said—because UTEP's graduation rate is pretty low—she said this is like taking the train. There's a local train and there's an express train. Not every kid can be on the express train. You described situations—the person goes back to school later in life. They've got jobs to pay their way through school. They've got a kid at an age earlier than they expected to, and that's a complication in their life. You should value the destination more than the journey, and so you should actually forgive us graduation rates that may take longer, simply because not every kid is going to be able to go through in four years or even six years. You're suggesting a version of that.

Renu Khator

0:22:10 Just like you said just now, express train versus local train. My point is, for UH not everybody comes there as freshmen, right? So taking the freshmen graduation rate as a complete indicator of the entire university's performance is probably not right, because only half the students coming to the University of Houston come as freshmen. The other half—

Evan Smith

You get a lot of transfers.

Renu Khator

Yeah. The other half are coming in as transfers. So your six-year graduation or four-year graduation doesn't tell you anything what you are doing with your transfers. However, what I keep telling them is I don't want that to be an excuse for UH, because what you are doing with your freshman in four and six years tells you pretty much as to what the culture in the institution is. Are you really taking care of your students? So when I came nine years ago, I heard, "Well, we are a commuter campus." Fine. That's good. I mean, if we are in Houston, we are going to be a metropolitan area, we should have opportunities for students who want to stay at home and come to the university. It's a great thing. However, your culture, your mindset, your paradigm should not be a commuter, which is, "I don't really care." You come in here and you leave in three hours. Our mindset should be even if you step on our campus for two hours, you should feel special. You should feel you're cared for. You should feel you're focused. So that took quite a bit.

I mean, if you asked me what, after nine years at UH, is the biggest achievement, the proudest achievement, I'd say it's getting the chapter of the Phi Beta Kappa. The reason I say that is you never can get the chapter of Phi Beta Kappa at your institution if your culture for your undergraduate students is not very supportive, if it is not a student-oriented center. It is just a signal. And when we got that, I said, OK, now I understand. All the work that we have been doing for nine years, trying to shift everything toward the students, is actually paying off and is succeeding. So I was very proud of that, and not because of the chapter itself, but because of what it indicates.

Evan Smith

What it says about the university. Now, you mentioned—we were talking about affordability earlier, and the reality is that affordability and getting kids in and out in a timely fashion is actually linked. In some ways, one of the best ways to get a handle on affordability is to get kids in and out in four, ideally, right? So there's a goal in terms of linking the economics of this and the excellence, or the success and completion, right?

Renu Khator

0:24:48 That's true. So every fall, when freshmen come—and we get 4,400 freshmen when they come—I can of course call them all in a big stadium and tell them, “Welcome to the University of Houston. We're so glad to have you.” But that doesn't serve the purpose. So I go visit, in the first week, during the first week alone, 25 to 28 classes to cover every freshman in a much smaller setting. And what I go and tell them, “OK, just tell me—raise your hand—if you have come to the University of Houston to drop out.” Not a single hand gets raised, right?

Evan Smith

No one's going to—right.

Renu Khator

I said, “But now let me tell you, take a look to your right.” And they'll take a look. I said, “Now tell me, between two of you, only one is going to graduate in six years.” And they just—jaws drop. And I say, “Yes. Unless you do something and I do something differently, we are going to be where we are, which is only half of you are going to graduate in six years. And that's not what we want.” And that's not just UH. I mean, that's the state. I mean, maybe—the state may be 52%, 53%. I don't know exactly.

Evan Smith

Well, the fact is, the best university systems are only doing 50% in four years, or 70% or 60% in six years. A lot of people are not graduating, not just in your place.

Renu Khator

And so one of the things that I tell them is, “And the reason for that is because you're going to take a lot more credit hours than you need.” You need 120 credit hours. Why are you going to take 130 or 35, 36? Whatever you take. I say, “If you really like UH so much, I would love for you to stay here. But think about planning it out so you can take 36 more credit hours and get a bachelor's and master's for the same amount of time.” I say, “You don't want to struggle for parking. You don't want to have to take those quizzes. Why are you doing this? Because you're wasting money, you're wasting your time, you're getting more frustrated, and I want to help you get out of here on time.”

Evan Smith

And by the way, selfishly, Chancellor, they're also taking up a slot that you could give to another kid.

Renu Khator

That's true.

Evan Smith

0:26:37 Because that's the other part of this. And again, we alluded to this earlier. The population of the state is growing very quickly, 27 million—we're a little bit more than 27 million today. It'll be 54 million by 2050. And it is not only growing quickly but changing dynamically. And as you say, you are in what may be the most diverse big city in the entire country, certainly one of them. So I wonder, how does the demographic inevitability piece of this factor into what we're talking about? Educating this student population in Texas at UH is different than it might have been 10 or 15 or 20 years ago.

Renu Khator

Oh, absolutely. We are the most ethnically balanced research university in the country.

Evan Smith

Is there a greater challenge educating a student population that is so heavily weighted in favor of students of color in the state of Texas?

Renu Khator

See, students of color have just different challenges. Can they be helped to succeed? Absolutely. If I didn't believe that, I wouldn't be in this position. We all know that it takes a little bit more hard work and a little more intensive intrusion in order to get them to succeed. However, the funding formula is all constant. It does not differentiate into that you might take a little more time, a little more effort, to graduate this student. I mean, if we think there's a premium, and we understand that that is to—why don't you add a premium to graduating a student who is at risk? But it's not just race. It's really the socioeconomic factor.

Evan Smith

It's as much about economics as it is about race, yeah.

Renu Khator

Absolutely. But it's not just financial either. I think if we think it's just the finances that make a student drop out or don't come to college, I think that we are kidding ourselves.

Evan Smith

It's more cultural, is it not?

Renu Khator

Oh, there are lots of different reasons. And definitely there's a cultural reason. And one of the reasons I say is about expectations. I mean, I alluded to it earlier on, saying we've got to have expectations that the students are going to go to college. College is important. We are going to help you graduate. Because you think about me. I mean, I came to this country, 18 years old, 19, barely, and no functional

knowledge of English. If somebody would have drawn a box around me at that time and would have said that that's all your abilities are, whether somebody from outside or somebody from me—I mean, there were times. I am 19 years old, sitting in a master's class at Purdue University. There were times when I said, "Gosh, it's too hard. I can't do it." And my husband said, "No, you're going to do it. You started it. You're not going to quit." People have to believe in you. So there are things that are financial, but there are also things that are cultural, but there are also things that are societal expectations. I don't want us to be a society of excuses. I mean, you go and see in some of these countries, people are sitting there under tin roofs, their knees joining, and they are studying very hard. Why? Because they have a dream that they are going to come to America, and that's how they're going to build their future. We have kids here. How can we inspire them? How can we motivate them? And if I didn't believe that it's possible to inspire and possible to motivate and possible to help them succeed, I just don't think that I should be in my position.

Evan Smith

0:29:47 Right, but you understand, you're painting a picture that makes me depressed, because the reality is, yes, I will acknowledge that all over the world, there are kids under tin roofs, and here in America we have kids who are complaining that they're out of data minutes. (Audience laughing) Right? I mean, the challenge of persuading kids to lose their sense of privilege and entitlement and to kind of get with the—that's a big challenge, right?

Renu Khator

But you know, what doesn't get done prior to coming to university, universities have to take that upon themselves. It might be harder work, but we have to do it, because our future depends on it. So right now, in our UHin4, the four-year fixed program, we have more students who are from lower socioeconomic conditions who are enrolled in the program.

Evan Smith

Right. You said 60%?

Renu Khator

Right. We know that in the first year, if we can get some of those kids who don't have good study habits, if we can get them from just the first year and keep them and get them on the right path, we can get them to succeed and we could get them to graduate as well. Now, there are many other things, and that's what I keep challenging my staff, the faculty with—and I'm personally out there. I give my email to every freshman, simply saying that if you run into the bureaucracy, I don't want you to get frustrated about it. This is a big university.

Evan Smith

0:30:59 Just come to me directly.

Renu Khator

You just send me an email, and within three days, I will solve your problem. I mean, that is a promise. And they write. Hundreds of emails come to me. I've got a whole system set up. I say don't get disappointed if you're not getting directly from me—

Evan Smith

You ever regret doing that? (Laughing)

Renu Khator

No, I don't.

Evan Smith

The problem with an open door policy is people walk through the open door. (Audience laughing)

Renu Khator

They do.

Evan Smith

I mean, if you've ever been a boss, you know that.

Renu Khator

No, actually, sometimes it just makes me feel like—you know, what kinds of challenges they have, because I always talk about—my favorite email in all of those things was when somebody wrote to me saying, "President, you said that you can solve my problem in three days. Can you please ask my girlfriend to come back?" (Audience laughing)

Evan Smith

I didn't mean that kind of problem, right?

Renu Khator

But those kinds of problems can be there.

Evan Smith

That's funny.

Renu Khator

So my point is this. You have advisers. One thing you can have is to tell the advisers you're sitting in your class, in your office from eight to five, advising students. I say I don't care about any of that, how

long you were in your office and how many applications or how many cases you processed. What I want to see is if you have been given 300 students to advise, what is their GPA? What's their retention rate? I'm looking at the outcome.

Evan Smith

0:32:14 Those are your metrics.

Renu Khator

Those are my metrics.

Evan Smith

All right. So two, three quick questions before we go to our questions from the audience. So on the notion of outcome and metrics, should we be tying higher ed funding to performance? This has been a conversation in the legislature forever. And in some ways, you would think it makes perfect sense. You pay for performance. So should we be tying higher ed funding in the legislature purely to outcome?

Renu Khator

So I have believed in that and I have supported it since 2009, my very first session. I totally believe in it. There's performance-related funding for colleges at UH. We do that. You just have to be careful about two things. And that's what I keep saying, because if you're not careful about doing those two things, you might end up getting consequences that you do not want, actually very negative. First, you need to make sure that the mission is aligned with what you're expecting institutions to do. In other words, do not think that UH-Downtown's performance and UH's performance—I'm just staying within my own system—are going to be the same. We have given them different missions. So you need to figure out what is the next level of excellence *for both institutions* and get them inspired to get up there. That's one.

Evan Smith

And then fund on that basis, right. OK. .

Renu Khator

The second point is: do not make it a redistributive policy where you're taking from have-nots and giving it haves.

Evan Smith

Robin Hood.

Renu Khator

0:33:36 Because that will not work. I would not support any kind of program that takes money from UH-Downtown and gives it to UH. The reason for that is if you have your metrics right, you're going to reward them for the things that you want them to do.

Evan Smith

Well, the fact is, what if everybody takes you at your word as an administrative system in which outcomes-based funding is the ideal, and everyone's outcomes go up. Naturally, everybody's spending is going to have to go up. You can't redistribute in a system like that. You're actually having a hope for people who don't succeed in order to fund the ones who do.

Renu Khator

Exactly. So you cannot have a redistributive approach. If we can just award these two things—I mean, I am there. I'm ready. I've done it at UH.

Evan Smith

Julia Garcia, who used to run UT Brownsville, said one of the problems with outcomes-based funding or if you tie funding to graduation rates, for instance, is that if we know that our funding is going to depend upon getting kids in and out, then we're going to get kids in and out. Doesn't mean we're going to get them *educated*. What you end up doing is dumbing down the standards. And so the outcomes end up looking like they're better for the purpose of making certain that the funding stream remains in place. Do you worry that that would happen?

Renu Khator

Well, it's the yardstick. What is your yardstick? Because what are you measuring? And that's what you're going to get, the outcome. Now, when I go to my engineering unit, I'm not telling them things that I am going to tell to, let's say, my college of liberal arts or humanities. It's a different thing. To engineering, I'm also going to hold them accountable for their research as well as for the numbers for the National Academy, because that's what I want them to do. I would reward them appropriately and differently. The thing is, we try to get a cookie-cutter model for everybody, and then it ends up being redistributive. And I just don't think it serves anybody any purpose.

Evan Smith

OK. So we are now in month seven with Campus Carry in effect. How's it going?

Renu Khator

0:35:34 Luckily, touch wood, we haven't had any issues.

Evan Smith

Yeah. Do you feel any differently about it? You were not for it at the beginning.

Renu Khator

Well, my police force, my faculty, we just didn't see any reason for it.

Evan Smith

But were the concerns that you had, do you think, looking back now, legitimate given what you've seen over the last seven months?

Renu Khator

Well, other than dealing with anxiety, we really didn't have to deal with any other issues. So the implementation has gone really quite well. And I really thank the legislature for giving us some flexibilities around it so that we could—

Evan Smith

That's what got—the flexibilities worked out for you.

Renu Khator

Flexibilities did work out for us. And luckily, it has gone—so far, so good.

Evan Smith

What I heard from a lot of people in your position in higher ed was—you talk about local control, generally speaking. This is an instance in which we, as university systems or university campuses, would like to have that same local control that you talk about being so awesome. Don't tell us what to do. Let us determine it campus by campus. They let the privates do that in the case of Campus Carry but not the public. So now we have another issue on which this question has come back up, and that's SB 6, where the public universities are going to be lumped under the umbrella of this legislation that will dictate how you treat transgender members of the community and how you regulate access to bathrooms. What is your message to the legislature, Chancellor, on that?

Renu Khator

0:37:05 I think the merits and demerits are going to be debated hotly here.

Evan Smith

I'm aware.

Renu Khator

So when we are asked for feedback, we'll provide the feedback.

Evan Smith

I just asked.

Renu Khator

No. Well, you asked. We are asked in decision-making.

Evan Smith

Do we need to role play? I'll be Dan Patrick, you be you, and I'll ask you what you think.

Renu Khator

No, I don't think you can play that role. (Audience laughing)

Evan Smith

Oh. Oh, you don't know. I'm working on my Dan Patrick right now, in fact.

Renu Khator

No.

Evan Smith

But seriously, do you have a point of view about this? Is this going to be a problem for you?

Renu Khator

No, we really don't have any kind of voice from the community, official voice from the faculty or from anybody that I can bring to the table. But I am totally confident that people are going to debate it hotly, every aspect of it. And at the end of the day—right now there is no such law. We continue to operate as it is. We are a state institution. We are asked to abide by the law. The law comes to pass, then we'll figure it out, how to do it.

Evan Smith

0:38:04 Policy changes, that's it. Got it.

Renu Khator

I mean, well—

Evan Smith

I think that's a very pragmatic answer. I would ordinarily say it's a dodge, but actually, I kind of agree with you. I really don't think—you've done just fine. All right. Questions? And actually, Bill Hammond

has sprained his elbow raising his hand. Hammond, do you want to ask a question? Hammond and then Hance.

Bill Hammond

Chancellor, I appreciate what you do. I would point out that actually, the lower-performing campus would be easier to get funds under the schedule, because it's based on growth. But the questions are twofold. Dual credit. What are your thoughts on dual credit? Is it working properly for your institution? And what are the odds on reaching the goal of 60 by 30 by 2030?

Evan Smith

That's a great question. Do the dual credit, and then I want to actually tweak the 60 by 30 thing.

Renu Khator

Yeah, I do believe in dual credit. I mean, they're working out good for us. I believe in that. You can put students on the fast pace. That's good. And probably from personal experience also, I could tell you they do work, because we have two daughters. They both finished their BS/MB in six years.

Evan Smith

They're both eye doctors? Is that right?

Renu Khator

Yes, they're both ophthalmologists, glaucoma. So my point is, I do believe in that, and I think if we continue to do it right, I think it'll be good.

Evan Smith

Yeah. Now, 60 by 30, of course, is the Higher Education Coordinating Board's plan. The 60 refers to 60% of Texans 25 to 34 having some kind of higher ed credential by 2030. That's the 30 part. Hammond is good to ask that question. I want to add onto that. Do you think you can accomplish it without the state putting up something? In other words, where is the state's skin in the game on this? Are they going to give you more money to do this? Are they going to have to do something to give you an ability to get this accomplished?

Renu Khator

Well, if we keep on getting formula funding, and if we get our funding formula to where it was before the cuts of 2011, I am totally convinced it can be done. I applaud the coordinating board for having that kind of vision, because that's going to be important for Texas. I always talk about higher education as having dual goals. And if we lose sight of one, then the second one just gets diluted too. One of them—I look at it as a pyramid. You need to have your base very strong. In other words, you need to have enough college education population to really fuel your economy. But at the same time, you've got to

have the pinnacle of the pyramid, which means you've got to have and aspire to be cutting-edge, the best in innovation and research in the world. So you cannot just simply always just talk about just the college completion, the lowest level. You've got to think about both of those axes, as to how do you fund. And I think Texas has been doing a pretty good job with that. I would just simply say stay on focus with the funding formula and funding of the new growth, and also, if possible, take us back to the previous, before the cuts of 2011. And I think we can accomplish the goal.

Evan Smith

Good. Chancellor? Chancellor Hance? Yes, sir.

Kent Hance

Just a quick statement. There's no one better in higher education than Renu, nationwide. She does a great job. She's good to work with. Houston is a unique university, it's different than any other university, and she really knows that. And she's so positive in working with the rest of us in higher education. And I just wanted to say that. I've got to go to a conference call at nine. But thank you for the job you do for all of higher education in Texas.

Renu Khator

Thank you, Kent. That's—

Evan Smith

0:41:50 Ordinarily what I would say is—(audience applauding) I would say do you have a question, but I'm going to phrase Hance's statement in the form of a question. Are you awesome? That's the question. (Audience laughing) Here we go. Yes.

Male Speaker

Two-part question, from the general to the specific. Do you think that the conversation related to higher education in this state plays excessive deference to the wishes of an institution with delusions of grandeur?

Evan Smith

What are you referring to? I'm not sure I understood your question.

Male Speaker

UT.

Evan Smith

So are you asking is the higher ed conversation unfairly or unnecessarily slanted more heavily in the direction of UT?

Male Speaker

My specific question is do you believe that the permanent university fund should be opened up to all of the public institutions in this—all the public universities in the state?

Evan Smith

So I think actually within this is an interesting question. It's something we alluded to earlier, which is the degree to which the higher ed universe is aligned. I mean, is it fair to say that you could go through an entire lifetime talking about higher ed in Texas, thinking that the only two institutions are UT Austin and Texas A&M.

Renu Khator

0:43:17 I don't think so.

Evan Smith

I know you don't. (Audience laughing) But you understand that that actually is not an unreasonable statement about things. Do you have a hard time getting airtime, in a sense?

Renu Khator

I don't think so. And again, see, I go back to my bridge analogy. Don't complain about the hand that is dealt to you. Just play your very best game. So you ask a very good question, but I sort of come more from a national scene, and if I look at nationally, this is a common phenomenon in every single state. There is a state flagship university. There's always one university that carries the flag of the state, and everybody feels that that gets more attention than everybody else does. I mean, it's just a natural thing. I don't worry about that at all. I don't think the world centers around UT or even, if you want to talk UT and A&M. I think the world centers around University of Houston. My world centers around it. And I'm very proud of what we are doing. I'm proud of the institutions that are access-providing institutions, how important a job they are doing in the state of Texas. I mean, our future depends on thousands of thousands of students who are going to these institutions because if we don't have education for them—people who can graduate from whatever fancy-fancy schools, they are not going to have quality of life. So I don't think that. It doesn't discourage me at all. And if I want to have airtime, or I want to have time, or if I want to have voice, I will get it.

Evan Smith

Now, the PUF funding question is not a kind of fantastical or fanciful notion, because in fact, I alluded in a joking way earlier to the University of Texas's plans respectively to going to Houston, and what came out of that conversation in part was, well, if you're going to come into Houston, then we want some of that PUF money, right? As a make-good. Didn't that come up?

Renu Khator

When I was asked what we'd do with that (PUF) money, I said I would buy some land in Austin and put the University of Houston flag here. (Audience laughing) I mean, it's just all joking. But here's the thing though. That's what the legislators have to decide—if the education for Texas and Texans is important, what is the best use of the PUF? I mean, that conversation is not something that I would have. That conversation is something that the legislators need to have. So all I am concerned about, all my goal is that I have a mission, I have a commitment, I have an obligation. And also, part of that obligation is of serving the students from 6 million people in the Greater Houston area. How do we do the best job? Because if we don't do the best job in Houston, then I think we are not serving the fourth largest city in the United States to the fullest potential possible.

Male Speaker

Can you give us a quick update on the planning for the new medical school, and what you need the legislature to do this session for the medical school?

Renu Khator

Right. The question is not starting with the medical school. It should be starting with what the need is. So we've got the fabulous Texas Medical Center there in Houston. We are about three miles from Texas Medical Center. And yet there are so many communities that have no access to healthcare just adjoining to us, living in the Third Ward. Being there all this time, I see that every day. So the question has started coming actually from the communities around us, can the university do anything? Because we end up in the emergency room. We were not even thinking about it. So we started thinking, can we fill that gap? Can we fill that particular gap, which is a need for primary care physicians in community-based clinics—is it possible? So that's how we started our investigation. That's how we started looking at our research: what can we do, how can we fill that need? If we ever build a program in medical training, it's not going to be a billion-dollar medical college. Absolutely no. This probably might be a \$50 million unit or a college, and that's—four of my colleges right now are more than that. So that's the point I'm constantly keeping my people focused—the staff, faculty—focused on: can you fill that need and that gap? And if you can, then we are going to move forward with it. So right now, we started a doctorate in physical therapy program. We started a doctorate in nursing now at UH. We have consolidated all of our healthcare pieces together. We are starting an outpatient clinic, because we have six clinics already on campus –

Evan Smith

Which the community could not access, but now the community can access.

Renu Khator

Now the community can access.

Evan Smith

Interesting.

Renu Khator

And we'll bring a federally qualified health clinic to the campus so that the community can actually access. So we are looking at those pieces. We're going to have a center for healthy communities, because what we realize is it's not just that care, but it's also a lot of preventive care, a lot of issues, a lot of attention to obesity or drug abuse and those kinds of things where we can start to help immediately. So these are the pieces for us. At UH, health has been my big rock for nine years now. You can look at my inauguration speech, and I talked about three things: energy, health, and the arts. And the fourth one for me was athletics. From day one, I have said it. I do not want a mediocre athletics program.

Evan Smith

0:48:55 So are you asking the legislature for any money in this session specifically dedicated to this?

Renu Khator

I don't believe so. We don't have it in our agenda right now. But that doesn't mean that tomorrow I may not change my mind if I see a spot – you know what I mean?

Evan Smith

Well, you understand, Chancellor, I mean, this is an interesting—I wish we had more time to talk about this specifically, but this is an interesting conversation, because first of all, with repeal and replace-ish changes, whatever they're going to do in Washington, the question of the uninsured population and access to coverage in Texas is going to be upended in some ways. But then the second thing is so many of the counties of the state are designated as health professional shortage areas by the federal government, more than half of the counties in the state, and there are a whole bunch of counties that have no doctors at all. This actually could solve another problem, right up the street.

Renu Khator

Exactly. Well, that is the whole purpose. And any kind of curriculum, any kind of program we come up with, is just going to be exactly catering to that, because this is a huge enterprise. We don't have that kind of funding. This is not something that we would do. But we would do whatever it takes to help the community. Our focus has been very, very strongly with the community. That's how University of Houston started its existence, and that's where we remain very committed. And I'm very proud of our faculty in that sense. I mean, they just stay focused on that. It's not a badge of honor for them. Because we know if you want to build a research-based enterprise in health, it's going to be 30, 40 years by the time you can even think about it. But we know that we can do something today that helps communities immediately.

Evan Smith

Let's make this the last question, please.

Male Speaker

As a Cougar, past and present, I was wondering if you could speak a little bit more about the challenges you face with changing the 'commuter campus' mentality, and what are the successes you've had in making that shift?

Renu Khator

0:50:52 The biggest challenge comes from inside the organization. It's the inertia inside the organization on having settled with a particular kind of paradigm that that's who we are, and that's all we can be. When I came here nine years ago, I heard every excuse in the book why our graduation rate cannot be better—because we serve these kinds of students, we have this, this, this. But you know, honestly speaking, there isn't anything wrong with the students. If there's anything that's wrong, it's with us. We've got to figure it out how to commit to them. So I would say in terms of changing that expectation, a lot of things have helped us, and there are a lot of things that are very substantial, and there are a lot of things people might say they are very soft-side things, like wearing red on Fridays. Why is that so important? Well, it's important for me because it builds pride. And I don't know of anything anybody has accomplished without really feeling proud about it. So I want our students to get that. That's how my athletics fits in the picture, because I want the students to feel they're a part of something special. And that's why I will continue to build a nationally competitive athletics program at the University of Houston. No matter what the challenges are, what the setbacks are, you just pick up the pieces and you go up again. So I think once we settled with that initial internal organizational inertia, I think now I feel really good, because the faculty and staff are leading the way. And once they start leading the way, you just enjoy the ride and just keep applauding. So I feel really very good about it. And this whole billion-dollar capital campaign, when we finish it, is going to really help us.

Evan Smith

Well, good luck. Thanks for coming. Fun to see you here.

Renu Khator

Thank you.

Evan Smith

Appreciate it. We look forward to having Chancellor Khator back again at some point in the future. Thank you all very much. Give her a big hand. (Audience applauding)

0:52:50 (end of video)