El Paso Regional Overview

Prepared for:

Greater Texas Foundation
Communities Foundation of Texas
Houston Endowment Inc.
A Philanthropy Endowed by Mr. and Mrs. Jesse H. Jones
The Meadows Foundation

February 2011
Executive Summary – El Paso

- El Paso is a geographically isolated, self-contained region. El Paso residents have a lower income than the Texas average and are mainly Hispanic (82%). The student population will grow by 18% in the next 20 years, fueled mainly by Hispanic student growth.

- El Paso has been successful in raising the persistence and success rates of its Hispanic population above Texas average. However, graduation rates are still woefully low for all ethnicities (13%).

- Despite significant progress in education attainment, El Paso still faces serious challenge in college readiness. Half of students who enroll in its four-year university require developmental coursework – a very high number. Among its community college students, almost two-thirds require developmental coursework, but their completion is only slightly lower than those who enter college-ready, indicating that additional challenges beyond academic readiness need to be addressed if the region is to improve its postsecondary outcomes.

- Recent large-scale immigration from troubled Juarez, just across the border, will also stretch El Paso’s capacities.

- El Paso is aware of the challenges facing the region and the urgent need for reform. The region has a more than twenty-year long tradition of innovation and collaboration around student success which it can leverage to continue to improve student outcomes. The region’s key assets include:
  - A tightly-knit community with a strong sense of urgency about improving education opportunities.
  - Group of committed leaders with a long-established willingness and ability to collaborate among its single two and four year IHEs, large high school districts and municipal government.
  - Its ability to attract significant philanthropic resources through its commitment to education reform and innovation.
El Paso Is a Geographically Isolated, Self-Contained Region With a Population That Is Over 80% Hispanic

The nearest Texas IHE outside of El Paso is located more than 213 miles away, which highlights the isolation of the area.

Total Population = .8 M (~3% of Texas population)

At 82%, the Hispanic population in El Paso is more than double the Texas average.

Note: Left Graph: Projected Distribution in Number of Total Texas and El Paso Residents, 2010 (in millions)
Source: Texas Data Center, 2008 Population Projections, Migration Scenario 0.5; FSG analysis
Regional Context

Hispanic Students Make Up 85% of El Paso’s Student Population and Will Account for Almost 100% of Student Growth in the Next 20 Years

The El Paso student population has the same makeup as the total population

96% of total positive student growth in the next 20 years will come from Hispanics

Note: Left Graph: Projected Distribution in Number of Total Texas and El Paso Residents, 2010 (in millions)
Source: Texas Data Center, 2008 Population Projections, Migration Scenario 0.5; FSG analysis
Both the White and Hispanic Population in El Paso Earn Less Than the Texas Average for Their Demographic Group

Median Household Income by Ethnicity (in thousands) 2008

- El Paso
  - White: $56
  - Hispanic: $31
  - African-American: $37

- Texas Avg
  - White: $61
  - Hispanic: $45
  - African-American: $35

Notes: (1) Federal poverty level for a 3 person household was $17,600 for 2008, (2) Median Household Income by Ethnicity calculated using the median household income per county and weighting by 2008 county population
Source: Left chart, Texas Data Center, 2008 Population Projections, Migration Scenario 0.5; Right chart, 2008 American Community Survey, Texas Data Center; FSG analysis

“The median income 25 years ago was highest in the state because El Paso was a manufacturing hub and that created a huge middle class. Now all those jobs have gone across the border, causing income to drop, and as more immigrants come in, racial poverty increases.”

– Regional Education Service Center

El Paso’s income ($35,637) is the lowest income among all major Texas regions
El Paso Has Experienced Steady Job Growth With the Highest Growth Industries Requiring a Postsecondary Degree

_upper rio grande region industrial employment indices, 2002-2012_

Note: The Industry Employment Indices Graph includes all counties in the Upper Rio Grande region, not just El Paso.
Sources: Economic Modeling Specialists Inc. and Texas Comptroller of Public Accounts.
The El Paso Economy Will Require An Increase in Workers With Post Secondary Degrees

Occupations Adding the Most New Jobs or Growing the Fastest, 2006-2016, El Paso (in thousands)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2006 Existing Jobs</th>
<th>2016 Additional Jobs created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten &amp; Elementary Teachers</td>
<td>6.1</td>
<td>7.8</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>1.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Middle &amp; Secondary Teachers</td>
<td>6.5</td>
<td>7.9</td>
</tr>
<tr>
<td>Business Operations Specialists, All Other</td>
<td>1.8</td>
<td>2.3</td>
</tr>
<tr>
<td>Construction Mgrs</td>
<td>1.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Computer Software Engineers</td>
<td>0.4</td>
<td>1.2</td>
</tr>
</tbody>
</table>

The demand for degrees, combined with lagging educational outcomes, presents both a challenge and an incentive for El Paso to continue to innovate in educational reform

Source: Texas Workforce Commission as reported in the THECB’s 2010 Regional Plan for Texas Higher Education
The Large Proportion of Hispanic Students in El Paso Has Helped to Create an Environment Where They Can Succeed Above Texas's Averages

El Paso lags Texas in high school and postsecondary graduation rates but outperforms in enrollment

When looked at by ethnicity, educational outcomes vary, with Hispanics in El Paso outperforming the Texas Hispanic averages

Note: \( n \) indicates the size of the 7th grade cohort for each ethnicity. Data above is for the Upper Rio Grande Region, of which El Paso county makes up 97% of total population. Source: Texas Higher Education Data, Regional Data for Seventh Grade Cohort and High School to College
The Large Group of Students Enrolling in Postsecondary Education in El Paso Have Only Two Post Secondary Institutions to Attend, Both of Which Graduate Fewer Than 35% of Their Students

<table>
<thead>
<tr>
<th></th>
<th>Four-year Institutions (6-year Graduation Rates)</th>
<th>% Hispanic</th>
<th>Fall '09 Total UG Enroll.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Average</td>
<td>50%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>UT El Paso</td>
<td>35%</td>
<td>80%</td>
<td>17,202</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Two-year Institutions (6-year Graduation Rates)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Average</td>
<td>30%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>El Paso Community College</td>
<td>25%</td>
<td>86%</td>
<td>26,068</td>
</tr>
</tbody>
</table>

Although graduation rates at both institutions are lower than Texas averages, El Paso overall has been able to increase graduation rates by 5% in the past 6 years

Note: Data from THECB for Fall enrollment — credit students
Source: THECB, FSG analysis
**El Paso Still Faces Several Critical Challenges Including Academic Readiness, Immigration Patterns and Limited Resources**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Description</th>
</tr>
</thead>
</table>
| Misalignment in College Readiness between K-12 and Postsecondary          | • High percentage of EPCC students (63%) and UTEP students (49%) require developmental education. In particular, the UTEP rate is much higher than Texas average (22%)  
• College readiness levels in Math are the lowest in the state, in particular at EPCC, where only 5% of students were deemed college ready in Math  
• Few resources to fund collaboration on curriculum design                  |
| Recent influx of English Language Learners                                  | • There is a large influx of recent immigrants from Juarez (40,000 families) out of which will come a large group of ESL learners                   |
| Limited systemic and financial resources to support student persistence and success | • 60% of EPCC students have Pell Grants. This funding does not suffice to cover UTEP tuition after transferring  
• 42% of UTEP students have household income less than $20,000; almost all postsecondary dropouts cite financial burden as a cause of their leaving school  
• The low differential (2%) in graduation rates between dev ed and non dev ed students points to challenges in student persistence overall |

---

"Greater awareness of challenges young people face is important, as I don’t think most people have a clue about how difficult it is to be poor in America today, and to have to get a higher education." – Four-Year Institution

Source: THECB and Institutional Data, FSG analysis and interviews
El Paso Has Many Assets That Can Be Built Upon to Address the Challenges It Faces

**Key Regional Assets**

- **Community Wide Collaboration**
  - A close community of educators and administrators from K12 and PSE, community activists, and business leaders have worked together in a P16 Collaborative to improve education outcomes over the past 20 years
  - El Paso Community College and UTEP believe themselves to not just be educational institutions but leaders responsible for engaging the community

- **Committed Education Leaders**
  - Committed leadership at the one community college system, one 4-year university along with high schools, has allowed alignment of pathways between high school, community college and university

- **Philanthropic Involvement**
  - Strong national and state funder presence in El Paso
    - Gates, Lumina, Texas High School Project, Greater Texas Foundation and the Texas Education Agency have funded College Readiness Initiatives, Early College High Schools, Dual Credit
  - Results and learnings from both EPCC and ECHSs in El Paso have been highly publicized nationally, providing El Paso with a spotlight to help attract additional dollars

- **Tight Knit Community**
  - Efforts to improve the education of teachers at UTEP benefited local high schools as UTEP graduates remain in El Paso and become teachers
  - Because El Paso is isolated there is a sense of community involvement and pride which fosters a sense of urgency for improving education outcomes
  - Tracking data and seeing results of interventions is easier given the small size of the education system

Source: FSG analysis and interviews
**A Public Private Partnership Could Help El Paso Better Direct Its Existing Assets to Address Its Critical Gaps**

### Preliminary Opportunities for the Region

**Continue to Address College Readiness**
- Focus on shortening the time spent in developmental education; scale up modular developmental education course systems to all subjects
- Alignment between K-12 and PSE
  - Direct additional resources towards teacher, faculty and leadership release time to focus on curriculum design and alignment

**Scale Up and Sharing of Knowledge from Successful Programs**
- Provide additional funding to scale up “Catch-Up” programs to improve the college readiness levels of high school graduates before they start college
- Translate effective practices and learnings from Early College High Schools into the traditional high schools

**Restructure Financial Support**
- Provide momentum funding for students and schools who are able to achieve “momentum points” such as developmental education and gatekeeper course completion, 15 and 30 hour completion, and graduation
- Offer work-study opportunities, especially to immigrant students from Juarez (international students) who are not able to work off-campus

Source: FSG analysis and interviews