

February 12, 2015

MEMORANDUM

TO: Board of Regents, The University of Texas System
Chairman Paul Foster
Vice Chairman Gene Powell
Vice Chairman Steve Hicks
Regent Ernest Aliseda
Regent Alex Cranberg
Regent Wallace Hall
Regent Jeffrey Hildebrand
Regent Brenda Pejovich
Regent Robert L. Stillwell
Regent Max Richards

FROM: William H. McRaven

SUBJECT: The Kroll Report: “University of Texas at Austin –
Investigation of Admissions Practices and Allegations of
Undue Influence” dated February 6, 2015

Members of the Board, I have reviewed in detail the Kroll report regarding admissions practices and allegations of undue influence. As you know, this is the second review that was conducted into these allegations; the first was an internal inquiry by the U. T. System General Counsel and the Associate Vice Chancellor for Student Affairs, for which a report was issued in May 2014.

1. I support the findings of the Kroll report and will convene a committee to look at Kroll’s recommendations offered in Section 8. Most importantly, for all future admissions processes, I will work with all the academic and health institutions to ensure full and open transparency with respect to how admissions decisions are made.
2. Clearly, as the report indicates, President Powers’ managerial style could have been less intrusive and his decisions more apparent. Additionally, the level of cooperation and the degree of professional courtesy between U. T. Austin, U. T. System and others left much to be desired and must be corrected as we move forward – and I will ensure that this happens!

3. However, I found nothing in the report that rises to the level of willful misconduct or criminal activity and therefore, as it is my responsibility to adjudicate the findings, I conclude that no disciplinary action is warranted against President Powers or other administration officials at the School of Law, the McCombs Graduate School of Business or the University writ large. Consequently, I will not recommend any additional actions regarding this issue.
4. The Kroll findings bearing on my decision are as follows:
 - a. Kroll reported that everyone at the U. T. System and U. T. Austin provided “their full and complete cooperation” and during the interviews spoke “candidly and forthrightly.”
 - b. Kroll found “no evidence that the Dean [of the Law School] or others at the Law School acted improperly or in any way compromised the integrity of the admissions process.”
 - c. The Dean of the McCombs School of Business indicated that “attempts to influence the process externally do occur.” However, the Dean told Kroll that officials at the school have “never felt pressured by external forces...” Moreover, everyone on the Admissions Committee “confirmed that there is little if any pressure to admit a candidate that does not meet the MBA program’s academic criteria or objectives.”
 - d. With respect to admissions generally, Section 4 of Regents’ Rule 20201 states that “the President [of the University of Texas] has general authority and responsibility for the administration of that institution.”
 - e. Section 1.1 of Regents’ Rule 10501 implicitly delegates authority over admissions to the President.
 - f. Therefore, the ultimate decision, within appropriate laws, rules and policies, for the admission of students rests with the President.
 - g. The existing process, whereby the President oversees admissions, has been in existence for quite some time, with varying degrees of involvement from the previous Presidents. There are now approximately 23,000 to 24,000 non-automatic admissions files reviewed every year, of which only 3,000 to 4,000 can be admitted. Ten years ago the “the level of selectivity was not nearly as high.” Therefore there is added pressure on the President to make admissions decisions.
 - h. The use of “holds,” Letters of Recommendation (LRECs) and end-of-cycle meetings -- while not inherently wrong-- clearly created an environment of tension between the Office of the President and the Admissions Office that subsequently undermined a full and open discussion on the merits of certain applicants. At worst, this

resulted in a “relatively small” number of “arguably” less-qualified applicants who benefited from the process.

- i. Kroll found no violations of law, rule or policy. Kroll also found that there was no evidence that any applicants were admitted as a result of any *quid pro quo* and “no evidence that efforts were made to “save spots” for certain applicants.”
- j. Additionally, the top 10% admissions rule, while socially responsible and representing the values of the UT System and the State of Texas, is at best, imperfect.
- k. Consequently, the admissions process must rely on the judgment and experience of the Admissions Office, the Deans and the President to provide a holistic look at the applicants.
- l. The discretionary or non-automatic admissions—referred to as holistic admissions -- are critical to helping select an appropriate group of university applicants. The non-automatic admissions are governed by statute and list 18 factors: the final factor of which allows for “any other consideration the institution considers necessary to accomplish the institution’s stated mission.”
- m. This final 18th factor presents “philosophical differences” between the Admissions Office and administrators with respect to how admissions decisions should be made. But these are differences of opinion, not violations of law, rule or policy.

While I have elected to not take any disciplinary action, there are clearly steps we must take to ensure that we are administering the admissions process with fairness, integrity and transparency.

Very respectfully,

William H. McRaven
Chancellor

WHM/jbp