

**UT Southwestern Medical Center at Dallas
Compact for FY 08 – FY 09**

Mission: The mission of UT Southwestern Medical Center is to improve the health care in our community, Texas, our nation, and the world through innovation and education. We will educate the next generation of leaders in patient care, biomedical science, and disease prevention; conduct high-impact, internationally recognized biomedical research; and deliver patient care that brings UT Southwestern's scientific advances to the bedside -- focusing on quality, safety, and service.

Top 5 Priorities for FY 08 – FY 09:

1. Provide necessary campus infrastructure to allow for continued, steady growth in the research and clinical missions consistent with past growth.
2. Advance the university's position as a leading institution of biomedical research.
3. Develop the clinical practice capabilities necessary to be recognized nationally as a top academic medical center.
4. Add new infrastructure support in information technology with reliable, secure systems that meet the needs of students, faculty, staff, and patients.
5. Develop the resources necessary to insure the long-term financial health of the university.

I. Performance Summary Table and Analysis

Indicator	Past		Current	Goal	Explanation
	2002	2005	2006	2010	
Enrollment Growth (graduate) Fall					
Allied Health	134	186	172	195	Closing the Gaps target
Biomedical Sciences	472	1,067	1,110	1145	Closing the Gaps target
Medical	838	899	925	910	Closing the Gaps target
All Sponsored Research Expenditures	\$263,958,410 (2002) \$320,801,884 (2005)		\$333,256,162 (2006)	\$420,728,226	6% growth of all sponsored research, based on 2008 budget projections, will exceed Closing the Gaps target
Federal Sponsored Research Expenditures	\$155,257,992 (2002) \$202,057,099 (2005)		\$196,622,021 (2006)	\$250,952,321	Growth of 7%, based on 2008 budget projections, even with flat NIH budget, will exceed Closing the Gaps targets
Administrative Costs		4.3%	4.1%	<= 5%	LBB target maintain 5% or less
Patient Satisfaction in Hospitals		N/A	95%	95%	Maintain 95% patient satisfaction in hospitals
United States Medical Licensing Examination Licensure Passage Rate for Medical Students		96.7% (2005)	97.6%	=> 95%	Maintain 95% or greater passage rate
Number of Clinical Residents Completing Residency to Become Board Eligible		374	375	375	Continue to successfully train Board eligible clinical residents
Referral Clinical Visits		494,501 (2005)	502,802	588,207	Successfully expand clinical practice

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II. Update Strategic Initiatives from the 2006 Compact for FY 07 – FY 08

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Consolidate the operations of Zale Lipshy University Hospital and St. Paul University Hospital into the patient care mission of the university	Improved operational efficiency	Key management positions including new Vice President for Health Systems in place	Integrate university and hospital operations	Success of consolidation has achieved financial stability for university hospitals and clinics
2. Add new infrastructure support in information technology -- Disaster Recovery Strategy	Allow for recovery of vital software systems.	Completion of UT Recovery site will allow for successful continuation of vital operations	Ability for electronic disaster recovery	Successful collaboration with other UT System institutions for a joint disaster recovery site.
3. Add new infrastructure support in information technology: Electronic Medical Record (EMR) in Ambulatory Clinics Strategy	Improved electronic collection of patient data	Clinic implementation of EMR and training were successful.	Complete clinic implementation	Improvement of patient records and access to records by necessary clinic personnel achieved
4. Provide campus infrastructure for continued growth: Expand clinical practice space Outpatient Building Strategy	Completion of outpatient building has provided add new outpatient clinical space	Continue success in growth of clinical practice	Continue success in growth of clinical practice	Successful relocation of plastic surgery, orthopaedic surgery, and addition of radiology and internal medicine clinic space.
5. Advance the university's position as a leading institution of biomedical research: Advanced Imaging Center	Improved collaboration with UTD and UTA	Enhancement of advanced imaging abilities through successful collaboration	Develop cognitive neuroscience research	Advanced Imaging Center is a successful collaboration

b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Develop financial resources, both internal and external, to support clinical and research expansion	Ensure and achieve continued growth	Continued success in philanthropic gifts	Raise \$500 million by December 2007	After surpassing \$500 million philanthropic campaign goal, continue to raise funds to fully fund all university components
2. Completion of Electronic Medical Record in University Hospitals	Improved electronic collection of patient data	Progress in implementation and training have been successful.	Complete in 18-24 months and improve records	Continue implementation and training for hospital personnel
3. Implement the processes necessary to achieve the goals of the clinical transformation project	Improved patient satisfaction scores	Competency testing for all clinical staff assistants	Improve and enhance patient-oriented program	Complete IR Health System strategic plan and integrated phone plan
4. Enhancement of existing, and development of new, clinical product lines	Success of new product lines	Perform more transplants with more organs	Continue successful product lines	Complete recruitment of transplant team, begin liver transplant program
5. Complete Phase One of Enterprise Resource Planning (ERP)	Improve institutional capabilities	Completed due diligence and research of ERP software	Consolidate organizational software	Decision on, and development of implementation phase for, new software for ERP

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III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
Complete planning for Phase 2 of the University Hospital St. Paul master plan and future use of Sprague Building, Aston Building, and University Hospital-Zale Lipshy	Programmed use of space	Finalized plan for reprogramming of space	Complete plan based on recommendations of committee and administration
Plan program space use of North Campus Phase 5 building including Children's Medical Center Research Institute	Addition of 331,400 gross square foot of academic space will relieve crowding of research space	Develop optimal modular plan and space assignment	07-08 lab floor and shell design; occupant selection 08-09 detailed end user planning
Initiation of Computational Biology Institute	Establish and identify funding for trans-institutional research institute	Functional trans-institutional research institute	Identify funding; faculty recruitment; interactions with other UT System institutions

IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

Cancer: Lung cancer, neuro-oncology, hematopoietic malignancies/BMT, and GI oncology targeted for substantial new development in FY2008-2010.

Heart, Lung, and Vascular Disease: New programs in ablative electrophysiology and endovascular stenting initiated in FY2007. They will be developed over the next two years. Heart and lung transplant, already among the best programs in America, will be expanded through growth of feeder programs in pulmonary hypertension and heart failure.

Neurosciences: Major priority is the establishment of an ischemic stroke program to complete preeminence in hemorrhagic stroke (aneurysm). More recruitment required.

Digestive Diseases: Further expansion of medical and surgical bariatrics program to complement growing research expertise in metabolic syndrome as well as a new program in inflammatory bowel disease.

Solid Organ Transplantation: Liver transplant program planned for FY2008 to complement new 2007 kidney/pancreas program.

b. Financial Management Plan

Financial models, formal business plans, debt management plans, cash flow projections, and source analysis solutions are used to identify funding for short and long term capital and program initiatives. Input from these disciplines are provided during all stages of planning beginning with the development of the faculty driven Six Year Plan. Annually, final financial plans for new initiatives for the coming year are brought forward during the operating and capital budgeting process.

c. Information Security Plan

In accordance with the UT System 2006 Information Security Action Plan, the university has designated a chief information security officer, created the Information Security and Privacy Steering Committee and is in full compliance with the plan. The university's action plan includes information security: 1) risk management, 2) policy and standards development, 3) monitoring and testing, 4) incident response management, 5) information security management support, and 6) awareness and training. Reporting guidance, metrics, and timelines are established and published. The institutional compliance officer monitors the plan through inspections and verification of reported information.

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V. Summary of STARS and special PUF investments

	\$ Amount, FY 05	\$ Amount, FY 06	Description / Metrics of Impact
STARS Program	\$1,500,000	\$1,000,000	Enabled recruitment/retention of outstanding faculty scientist

VI. New Faculty Positions Projected to 2010

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 – FY 10
Medical/Health	7	80	80	80	80	327

Comments: 2006 had unusually high turn-over and lower than usual recruitment for a net gain of 7 new faculty added.

VII. Status of Campus Strategic/Long-Range Plan: The Six Year Plan, strategic planning document, is updated every two years with an update in odd number years. The next Six-Year Plan cycle (2008-2014) will begin in September 2007, when committees begin meeting, and will be completed in April 2008. The last Mid-term review was in February 2007.

VIII. Campus Consultation to Develop Compact: The Six-Year Plan is a rolling strategic plan updated every two years by broad-based committees composed of faculty, staff and student committees appointed by the president. The committees review and offer input to the Compact as they make recommendations on institutional priorities.

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IX. Budget

The University of Texas Southwestern Medical Center at Dallas
Operating Budget
Fiscal Year Ending August 31, 2007

	FY 2005 Actual	FY 2006 Adjusted Budget	FY 2007 Operating Budget	Budget Increases (Decreases) From 2006 to 2007	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 10,957,534	11,710,718	12,802,062	1,091,344	9.3%
Federal Sponsored Programs	208,901,197	234,765,865	227,205,220	(7,560,645)	-3.2%
State Sponsored Programs	6,497,242	7,573,278	6,795,056	(778,222)	-10.3%
Local and Private Sponsored Programs	170,834,564	180,334,113	165,425,721	(14,908,392)	-8.3%
Net Sales and Services of Educational Activities	13,677,519	15,682,628	10,023,222	(5,659,406)	-36.1%
Net Sales and Services of Hospital and Clinics	190,050,873	279,192,234	302,009,052	22,816,818	8.2%
Net Professional Fees	239,144,742	256,440,114	279,854,318	23,414,204	9.1%
Net Auxiliary Enterprises	16,197,578	20,288,684	19,595,154	(693,530)	-3.4%
Other Operating Revenues	20,142,176	7,832,832	25,941,571	18,108,739	231.2%
Total Operating Revenues	876,403,425	1,013,820,466	1,049,651,376	35,830,910	3.5%
Operating Expenses:					
Instruction	361,939,902	415,240,517	445,961,052	30,720,535	7.4%
Academic Support	18,810,437	24,688,996	26,873,666	2,184,670	8.8%
Research	247,784,008	278,182,312	277,731,451	(450,861)	-0.2%
Public Service	72,260,661	76,638,136	73,243,194	(3,394,942)	-4.4%
Hospitals and Clinics	185,863,528	267,651,879	283,979,336	16,327,457	6.1%
Institutional Support	47,308,670	48,690,597	50,537,538	1,846,941	3.8%
Student Services	2,514,692	2,408,053	2,704,493	296,440	12.3%
Operations and Maintenance of Plant	50,491,547	56,905,295	59,910,355	3,005,060	5.3%
Scholarships and Fellowships	454,797	387,139	485,346	98,207	25.4%
Auxiliary Enterprises	14,021,597	20,024,922	18,538,744	(1,486,178)	-7.4%
Depreciation and Amortization	47,565,931	52,631,916	62,435,967	9,804,051	18.6%
Total Operating Expenses	1,049,015,770	1,243,449,762	1,302,401,142	58,951,380	4.7%
Operating Surplus/Deficit	(172,612,345)	(229,629,296)	(252,749,766)	(23,120,470)	10.1%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF	108,296,550	146,557,091	147,828,687	1,271,596	0.9%
Gifts in Support of Operations	61,661,393	41,345,911	69,007,909	27,661,998	66.9%
Net Investment Income	67,661,378	55,772,080	72,201,327	16,429,247	29.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	237,619,321	243,675,082	289,037,923	45,362,841	18.6%
Transfers and Other:					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(13,743,595)	(22,160,353)	(23,663,333)	(1,502,980)	6.8%
Total Transfers and Other	(13,743,595)	(22,160,353)	(23,663,333)	(1,502,980)	6.8%
Budget Margin (Deficit)	51,263,381	(8,114,567)	12,624,824	20,739,391	-255.6%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	7,194,257	1,455,373	(5,738,884)	-79.8%
Net Inc./(Dec.) in Fair Value of Investments	76,338,841	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	7,337,203	7,410,575	7,484,681	74,106	1.0%
Additions to Permanent Endowments	8,458,121	8,627,283	8,799,829	172,546	2.0%
Transfers for Debt Service - Principal	(14,971,448)	(17,852,000)	(30,245,290)	(12,393,290)	69.4%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	146,159,001	122,000,000	91,900,000	(30,100,000)	-24.7%
SRECNA Change in Net Assets	\$ 274,585,099	119,265,548	92,019,417	(27,246,132)	-22.8%
Total Revenues and AUF Transfers	\$ 1,114,022,746	1,257,495,548	1,338,689,299	81,193,751	6.5%
Total Expenses (Including Transfers for Interest)	(1,062,759,365)	(1,265,610,115)	(1,326,064,475)	(60,454,360)	4.8%
Budget Margin (Deficit)	\$ 51,263,381	(8,114,567)	12,624,824	20,739,391	
Reconciliation to Use of Prior Year Balances					
Depreciation		52,631,916	62,435,967		
Capital Outlay		(26,315,958)	(31,217,984)		
Transfers for Debt Service - Principal		(17,852,000)	(30,245,290)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		349,391	13,597,517		

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X. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Undergraduate enrollment							
Allied Health	239	215	169	146	134	121	116
Biomedical Sciences	2	6	24	38	57	77	73
Graduate/professional enrollment							
Allied Health	65	100	134	173	185	186	172
Biomedical Sciences	375	420	472	525	1,049	1,067	1,110
Medical School	824	813	838	867	848	899	925
Total enrollment	1,505	1,554	1,637	1,749	2,273	2,350	2,396

<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Undergraduate degrees							
Certificates: Allied Health	5	9	5	0	5	0	0
Bacc-level Certs: Allied Health	0	0	0	0	0	4	7
Baccalaureate: Allied Health	103	106	104	70	61	50	49
Graduate/professional degrees							
Allied Health	29	33	32	31	66	68	74
Biomedical Sciences	73	65	63	59	77	93	92
Medical	184	203	201	189	204	211	217
Total grad/prof degrees	286	301	296	279	347	372	383

<i>academic year</i>				02-03	03-04	04-05	05-06*
Accredited resident programs				78	79	77	77
Residents in accredited programs				1,149	1,210	1,234	1,177

* Decrease in residents because of closure of the John Peter Smith Residency Program

<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Federal research expenditures	\$109,165,343	\$131,820,109	\$155,257,992	\$177,133,099	\$200,887,545	\$202,057,099	\$196,622,021

<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Faculty	1,425	1,475	1,526	1,588	1,695	1,730	1,790
Administrative		124	132	145	187	327	331
Other, Non-Faculty		3,697	3,883	4,051	4,568	6,752	6,902

<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Hospital Admissions	n/a	n/a	n/a	n/a	n/a	n/a	7,832*
Hospital days	370,942	379,770	399,136	411,288	407,991	418,638	429,146
Outpatient visits	1,752,510	1,528,751	1,775,500	2,064,987	1,959,288	2,132,792	2,163,809
Unsponsored charity care - physicians only	\$194,564,381	\$211,953,613	\$234,938,900	\$256,968,945	\$281,998,363	\$312,465,011	\$324,443,991

* Hospital admissions data is for January 2005 - August 2005.

<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005	8/31/2006
Endowment total value	\$713,253,000	\$644,909,000	\$608,888,000	\$656,221,000	\$804,305,000	\$980,022,000	\$1,143,426,000

UT Medical Branch - Galveston Compact for FY 08 – FY 09

Mission: The mission of The University of Texas Medical Branch at Galveston is to provide scholarly teaching, innovative scientific investigation, and state-of-the-art patient care in a learning environment to better the health of society.

UTMB's education programs enable the state's talented individuals to become outstanding practitioners, teachers, and investigators in the health care sciences, thereby meeting the needs of the people of Texas and its national and international neighbors.

UTMB's comprehensive primary, specialty, and sub-specialty care clinical programs support the educational mission and are committed to the health and well-being of all Texans through the delivery of state-of-the-art preventive, diagnostic, and treatment services.

UTMB's research programs are committed to the discovery of new innovative biomedical and health services knowledge leading to increasingly effective and accessible health care for the citizens of Texas.

Top 5 Priorities for FY 08 – FY 09:

1. Improve financial performance to ensure the financial health of the university and support the education, health care, and research missions.
2. Establish comprehensive interdisciplinary team training that matches healthcare professionals' roles in patient care with clinical and scientific expertise.
3. Develop collaborative educational, research, and outreach programs in the Austin area.
4. Enhance the clinical enterprise to improve the customer experience and increase off-island visibility and the referral network.
5. Expand infrastructure support for web-based and distant education, research, and clinical practice.

I. Performance Summary Table and Analysis

Indicator	Past		Current	Goal	Explanation
	2002	2005	2006	2010*	
Enrollment Growth Fall					
Allied Health	334	428	464	518	SAHS programs are expanding capacity and increasing retention efforts, coupled with enhanced outreach and recruitment activities directed towards feeder schools and targeted regional institutions.
Biomedical Sciences	294	304	305	305	Enrollment peaked at 361 in 2004. Due to NIH reductions and foreign student visa restrictions, there may be a downward trend in the future that could reduce the number of biomedical students.
Medical	813	830	861	880	The goal will be 920 for the 2009-10 academic year assuming continuation of the present level of qualified applicants.
Nursing	564	611	625	575	Will continue to exceed 2010 goal by increasing prelicensure enrollment by 25% in each of the next 2 years. Growth is limited by the number of nursing faculty and clinical placement sites for students.
* = 2010 "Closing the Gaps" enrollment goals.					
All Sponsored Research Expenditures	\$109,139,538 (2002) \$149,957,462 (2005)		\$155,036,202 (2006)	\$165,000,000	2006 actual was 6% short of goal. Due to the slow down in growth of NIH funded research, UTMB experienced a similar slow down in its research growth.
Federal Sponsored Research Expenditures	\$78,100,188 (2002) \$117,235,448 (2005)		\$120,407,805 (2006)	Goal not set	Increased NIH competition due to flattening budget (FY 2006 shrank by .12%) and applications increase (5.9% growth in FY 2007). Our 3.4% growth is a sign of the competitiveness of our faculty and programs.
Uncompensated Health Care According to the State Definition – Facilities & Physician components combined	\$328,808,733 (2002) \$481,019,635 (2005)		\$445,110,382 (2006)	Combined goal not set	For facilities component, actual within ± 5% of goal. Goal not set for physician component

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Indicator	Past	Current	Goal	Explanation
Percent of BSN graduates passing the national licensing exam on the first attempt in Texas	87% (2002) 93.81% (2005)	97.60%	93.00%	Actual exceeded 2006 goal
Percent of allied health graduates passing the certification/licensure examination on the first attempt	91% (2002) 83.78% (2005)	87.64%	90.00%	Actual within 5% of goal
Percent of medical school students passing part 1 or part 2 of the National Licensing Exam on the first attempt	90% (2002) 97.10% (2005)	98.85%	90.00%	The USMLE passage rate has incrementally increased over the past several years and is expected to remain at about 99%.
Administrative cost as a percent of total expenditures	3.82% (2002) 1.96% (2005)	1.90%	4.00%	Cost allocation has been consistently lower than 4% of total institutional cost due to process reengineering and information systems improvements in administrative departments.

Note: New Patient Care Products are explained in Section V.

II. Update Strategic Initiatives from 2006 Compact for FY 07 – FY 08

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Complete the five-year comprehensive campaign in order to support areas of excellence at UTMB that are critical to achieving institutional priorities.	Total philanthropic dollars raised	As of June 13 UTMB has exceeded the \$250,000,000 goal and secured \$250,520,361.	\$150M private philanthropy; \$100M Sealy & Smith Foundation	With nearly \$13 million in proposals submitted to prospective contributors, we are certain to meet this fundraising goal by the end of FY 2007.
2. Continue facility development to improve our clinical facilities and support our expanding research opportunities.	Improved traffic flow and additional parking spaces.	Completed construction of the University Plaza parking garage and re-routing of associated roadways.	Increased parking spots, improved traffic flow.	Traffic flow to future patient centered buildings (hospitals, outpatient clinics, translational research) is convenient and will be improved with each new building constructed.
	Patient & employee satisfaction; market share.	New endoscopy facility improves convenience, incorporates latest technology. Currently developing evaluation tools.	Improved patient satisfaction	Patient preparation and recovery area privacy, as well as family waiting areas have been improved. Expanded number of diagnostic rooms decreases patient turn-around time and improves efficiency.
3. Advance the educational environment by creating structures and innovative programs to enhance teaching and learning for faculty and students.	Student learning outcomes and faculty development.	Opened the Academy of Master Teachers.	Opening of the academy in 2007.	The Academy opened in 2007. Success will be demonstrated and results will be measured over time.
	Development of a common Academic Calendar	Standardized for nursing, allied health (except physician assistant program), medicine (yrs 1 & 2), and graduate school.	Implement common academic calendar	Common calendar initiated in the spring semester 2007. Common calendar improves utilization of facilities, conservation of utilities, increased student collaboration, and enhanced student services.

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b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Improve financial performance to ensure the financial health of the university and support the education, health care, and research missions.	Operating margin	FY 2007 YTD performance improved by \$26.6M over FY 2006. Revenues slightly decreased.	\$140M positive operating margin	In 2006 efficiencies were identified by the Navigant consulting firm and a three-year implementation plan was initiated addressing revenue enhancement, cost reduction strategies and labor productivity. FY 2007 is year one of the three year plan.
	Case mix index	Continue to improve the case mix index by performing more complex tertiary & quaternary care.	Case mix improvement by 10%	Develop the centers of excellence in the clinical enterprise focused on improving the case mix index.
	Sponsored patient payor mix	Increase volume and change payor mix by increasing the percentage of sponsored patients.	Increase sponsored patient volume by 2%	Open additional primary care sites in Friendswood and League City and add specialty services on the mainland where services are under provided.
	Research funding	Increase sponsored research by using strengths in emerging infectious diseases and biodefense.	Increase funding by 3% a year from 2006 baseline	Promote the Galveston National Laboratory to recruit new faculty and secure new research funding.
	Patient outcomes; cost per day; length of stay	At 75th percentile cost per day for teaching hospitals. Reduced length of stay to 3.8 days (75th percentile is 2.8).	Operate at the 63rd percentile	Benchmark successful academic health centers operating at or above the 62.5 percentile and implement recommendations.
2. Develop inpatient and outpatient infrastructure to support increased commercial patient volume and the development of new patient care product lines.	Patient satisfaction survey scores	FY 2005-07, 1st quarter improved scores for ED (73.7% to 80%); inpatient (83% to 83.6%); outpatient stayed at 88.2%.	Improve scores for service and convenience by 0.10 above mean score.	Focus on providing the ideal patient experience by implementing Patient Centered Care. Create and implement a service excellence plan for hospitals, ER, and clinics.
3. Use information technology to improve access to health care, improve patient safety, expand educational programs, and support the research enterprise.	Physician order entry, primary care pavilion, pharmacy	Inpatient physician order entry and pharmacy systems, electronic medical record in primary care clinics.	Complete Clinical Documentation and Specialty Clinics	Implement clinical documentation functions for physicians and nursing in the inpatient areas. Implement Electronic Medical Record in specialty clinics Children's Hospital and Primary Care Pavilion.
	Increase bandwidth between Galveston and Houston	Provide access to high-speed state network (LEARN). OC12 implemented. This is a leased service.	Implement dedicated optic fiber.	Acquire optic fiber. Continue to utilize the advances in network technology to advance student access to education.
	Number of new telemedicine customers	Increase clinical telemedicine services with revenue streams to enable growth. Six new programs in past year.	Three (3) new telemedicine programs per year.	Continue marketing and promotion efforts.
	Number of Index-Medicus publications from AT&T Center	Four new telemedicine articles published by UTMB faculty in past year.	Three (3) new telemedicine articles per year.	Develop data to encourage policy makers and insurers to reimburse telehealth consults. Continue marketing and promotion efforts.

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	Software upgrades	New software integrated into educational process: upgrades to WebCT CE6 (90% complete), Breeze, and Wimba.	Complete software upgrades (Breeze & Wimba in fall 2008)	Keep abreast of the new software developments in delivering educational programs.
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III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
1. Clinical Strategic Plan - Developed a joint strategic plan for hospitals, clinics, and faculty group practice to expand patient base, broaden the referral network, and increase revenue.	Sponsored patient payor mix	Increase prior year sponsored admissions by 1.5%	FY 07-08: Continue implementation of strategic plan objectives. Open additional clinic sites and add specialty services on the mainland where services are under provided.
2. Service Excellence (Studer Program) - To improve patient satisfaction resulting in increased patient use of UTMB clinical services, a comprehensive service excellence program will be implemented using the Studer Group.	Patient satisfaction survey scores	Improve scores for service and convenience by .10 above mean.	FY 07-08: Create and implement the service excellence plan for all clinical components
3. Interprofessional Learning (QEP) - This initiative, which will be the focus of our SACS Quality Enhancement Plan, will provide students with interprofessional teamwork experiences in clinical and community settings.	Understanding of professional roles, teamwork skills, knowledge of factors affecting team function.	Working effectively in inter-professional teams.	FY 07-08: 1. Develop instructional activity plans. 2. Develop experiential activity sites. 3. Develop outcome measures. 4. Develop multi-year budget. 5. Collect baseline data. 6. Incorporate SACS feedback.

IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

In order to grow our patient base, UTMB will develop facilities, primary and tertiary services that will expand our referral network:

- 1) UTMB has identified five areas of focus for tertiary care services that leverages UTMB's strengths and expertise in cutting-edge technology: comprehensive transplant center; neurosurgery program; the Center for Weight Management; high-risk obstetrics and neonatal ICU program; and diabetes, mellitus, metabolic syndrome, and obesity.
- 2) UTMB has been exploring delivery models that provide quick and convenient access to primary care with the support of specialty care. The focus is to cater to an employer's needs to have employees "get back to work that day."
- 3) Building a much needed specialty tower supporting UTMB's areas of clinical strength would serve as a cornerstone for supporting the initiatives to expand our patient base.

b. Financial Management Plan

UTMB will continue to implement strategies (identified by the Navigant Consulting Group in 2006) to address revenue enhancement, cost reduction, and labor productivity. Goals for increasing our clinical case mix index, sponsored patient volume, and research funding will be emphasized. Strategies to improve efficiency, reduce utility consumption, improve clinical revenue recovery, and optimize the delivery of shared services will be continued.

c. Information Security Plan

The distributed information security model described in UTS 165 is led by UTMB's information security officer, which has two new task forces: 1) social security number compliance and management and 2) information security. The information security training program is delivered via formal classroom, online training sessions, technology forums, the information security officer's web page, and published articles in the campus newspaper. Information services will start providing information awareness bulletins for distribution by executive leadership on a semiannual basis. The focus of this year's information security awareness is securing portable devices such as laptops, Blackberry's, and portable memory devices. A third party review of the IR security technical and/or administrative controls is conducted annually. For disaster recovery and business continuity, information services has a three year plan to establish failover processing capabilities.

**UT Medical Branch - Galveston
Compact for FY 08 – FY 09**

V. Summary of STARS and special PUF investments

	\$ Amount, FY 05	\$ Amount, FY 06	Description / Metrics of Impact
STARS Program	--	\$1,250,000	Drs. Miriam Alter and James LeDuc from the Centers for Disease Control were recruited to UTMB and Dr. David Walker, chair of pathology, was provided a retention package with support from the STARS program.
ENTER Program	--	\$ 500,000	Funding used by the school of nursing to support recruitment and retention of research faculty, as well as the renovation of research facilities (completed March 2007)

VI. Number of New Faculty Positions Projected to 2010

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 – FY 10
STEM	9	16	21	23	8	77
Medical/Health	22	37	35	30	25	149
Other	0	1	4	2	1	8
Total	31	54	60	55	34	234

Comments: FY2007 numbers include 7 positions in the School of Nursing that are currently unfilled.

VII. Status of Campus Strategic/Long-Range Plan: Institutional entities other administrative support offices have completed entity level planning processes. The entity plans will be used to develop mission specific plans which will serve as the institutional strategic plan. The new campus strategic plan will be developed under the direction of the new president during fall 2007. The institutional strategic plan will be the foundation for updates to the UTMB Compact.

VIII. Campus Consultation to Develop Compact: A multi-disciplinary group was convened to review the current Compact, evaluate performance, analyze impact and evaluate success of the existing Compact priorities, and identify new priorities. Presentations were made to institutional constituents. A Compact website was created to solicit feedback. The draft was reviewed and approved by the Council of Deans, the Strategic Executive Council, and the President and when finalized will be further communicated within the institution.

**UT Medical Branch - Galveston
Compact for FY 08 – FY 09**

IX. Budget

**The University of Texas Medical Branch at Galveston
Operating Budget
Fiscal Year Ending August 31, 2007**

	FY 2005 Actual	FY 2006 Adjusted Budget	FY 2007 Operating Budget	Budget Increases (Decreases) From 2006 to 2007	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 11,489,801	7,525,630	9,903,755	2,378,125	31.6%
Federal Sponsored Programs	121,697,277	119,327,204	129,215,856	9,888,652	8.3%
State Sponsored Programs	31,519,075	21,177,355	33,672,686	12,495,331	59.0%
Local and Private Sponsored Programs	46,375,756	45,923,003	50,175,269	4,252,266	9.3%
Net Sales and Services of Educational Activities	1,919,148	1,510,022	1,324,800	(185,222)	-12.3%
Net Sales and Services of Hospital and Clinics	710,214,051	705,244,153	698,314,385	(6,929,768)	-1.0%
Net Professional Fees	106,828,990	110,638,189	111,600,000	961,811	0.9%
Net Auxiliary Enterprises	8,956,080	8,358,740	9,378,554	1,019,814	12.2%
Other Operating Revenues	15,694,022	17,089,418	30,776,465	13,687,047	80.1%
Total Operating Revenues	1,054,694,200	1,036,793,714	1,074,361,770	37,568,056	3.6%
Operating Expenses:					
Instruction	278,859,662	231,005,469	235,279,693	4,274,224	1.9%
Academic Support	10,942,597	12,371,412	12,863,601	492,189	4.0%
Research	106,728,706	109,828,419	117,256,468	7,428,049	6.8%
Public Service	2,328,361	7,599,144	7,949,004	349,860	4.6%
Hospitals and Clinics	880,896,755	808,097,139	820,619,388	12,522,249	1.5%
Institutional Support	33,157,039	88,235,005	96,212,440	7,977,435	9.0%
Student Services	1,240,155	3,265,108	3,341,717	76,609	2.3%
Operations and Maintenance of Plant	24,860,807	49,517,479	58,367,444	8,849,965	17.9%
Scholarships and Fellowships	2,273,941	1,816,877	1,909,896	93,019	5.1%
Auxiliary Enterprises	8,704,083	5,407,176	6,312,035	904,859	16.7%
Depreciation and Amortization	50,451,389	51,898,628	53,455,587	1,556,959	3.0%
Total Operating Expenses	1,400,443,495	1,369,041,856	1,413,567,273	44,525,417	3.3%
Operating Surplus/Deficit	(345,749,295)	(332,248,142)	(339,205,503)	(6,957,361)	2.1%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF	269,683,780	288,425,114	291,834,614	3,409,500	1.2%
Gifts in Support of Operations	11,720,040	4,187,477	4,464,451	276,974	6.6%
Net Investment Income	29,124,327	27,781,614	30,410,566	2,628,952	9.5%
Other Non-Operating Revenue	298,115	-	-	-	-
Other Non-Operating (Expenses)	(27,184)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	310,799,078	320,394,205	326,709,631	6,315,426	2.0%
Transfers and Other:					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(3,293,333)	(7,102,298)	(7,048,653)	53,645	-0.8%
Total Transfers and Other	(3,293,333)	(7,102,298)	(7,048,653)	53,645	-0.8%
Budget Margin (Deficit)	(38,243,550)	(18,956,235)	(19,544,525)	(588,290)	3.1%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	39,367,147	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	23,897,256	25,876,595	41,606,000	15,729,405	60.8%
Additions to Permanent Endowments	3,382,723	7,586,862	6,000,000	(1,586,862)	-20.9%
Transfers for Debt Service - Principal	(8,184,771)	(9,782,600)	(12,009,423)	(2,226,823)	22.8%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	80,413,401	51,051,591	51,051,591	-	0.0%
SRECNA Change in Net Assets	\$ 100,632,206	55,776,213	67,103,643	11,327,430	20.3%
Total Revenues and AUF Transfers	\$ 1,365,520,462	1,357,187,919	1,401,071,401	43,883,482	3.2%
Total Expenses (Including Transfers for Interest)	(1,403,764,012)	(1,376,144,154)	(1,420,615,926)	(44,471,772)	3.2%
Budget Margin (Deficit)	\$ (38,243,550)	(18,956,235)	(19,544,525)	(588,290)	
Reconciliation to Use of Prior Year Balances					
Depreciation		51,898,628	53,455,587		
Capital Outlay		(22,611,746)	(22,000,000)		
Transfers for Debt Service - Principal		(9,782,600)	(12,009,423)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		548,047	(98,361)		

**UT Medical Branch - Galveston
Compact for FY 08 – FY 09**

X. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Undergraduate enrollment							
Allied Health	268	165	136	134	111	129	145
Biomedical Sciences	20	27	38	47	38	21	13
Nursing	423	430	450	417	432	397	378
Graduate/professional enrollment							
Allied Health	73	154	198	222	258	299	319
Biomedical Sciences	233	234	256	274	321	283	292
Medical School	810	823	813	820	824	830	861
Nursing	100	94	114	145	137	213	247
Total enrollment	1,927	1,927	2,005	2,059	2,121	2,172	2,255
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Undergraduate degrees							
Baccalaureate: Allied Health	212	141	95	38	53	39	51
Baccalaureate: Nursing	156	171	201	163	187	184	193
Graduate/professional degrees							
Allied Health	35	36	37	74	61	81	97
Biomedical Sciences	49	51	59	52	57	52	54
Medical	184	183	194	181	190	201	183
Nursing	31	46	21	37	34	45	50
Total grad/prof degrees	299	316	311	344	342	379	384
<i>academic year</i>				02-03	03-04	04-05	05-06
Accredited resident programs				52	54	54	54
Residents in accredited programs				543	551	553	549
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Federal research expenditures	\$61,356,467	\$63,274,494	\$78,100,188	\$93,039,583	\$102,490,775	\$117,235,448	\$120,407,805
<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Faculty	1,209	1,240	1,255	1,258	1,279	1,304	1,276
Administrative		609	518	863	892	909	872
Other, Non-Faculty		11,534	11,821	10,803	11,250	11,285	10,821
Student employees		245	400	416	421	442	450
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Hospital admissions	33,073	32,505	32,927	35,099	37,190	40,452	42,294
Hospital days	173,136	170,797	175,956	186,975	194,642	199,862	202,544
Outpatient visits	813,296	754,538	760,765	819,560	852,759	845,210	851,310
Un-sponsored charity care - physicians only	\$68,702,958	\$61,596,586	\$66,908,903	\$85,982,833	\$97,724,989	\$108,498,329	\$114,686,522
<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005	8/31/2006
Endowment total value	\$342,602,000	\$316,291,000	\$295,898,000	\$306,674,000	\$352,268,000	\$397,054,000	\$432,172,000

**UT Health Science Center - Houston
Compact for FY 08 – FY 09**

Mission: The University of Texas Health Science Center at Houston (UT HSC Houston) is a comprehensive health science university composed of six schools: medicine, dentistry, nursing, biomedical sciences, public health, and health information sciences; an Institute of Molecular Medicine for the Prevention of Human Diseases; the education and research merger with the Texas Institute for Research and Rehabilitation; and the Harris County Psychiatric Center (HCPC). The UT HSC Houston's mission is to treat, cure, and prevent disease now and in the future by educating health science professionals; discovering and translating advances in social and biomedical sciences; and modeling the best practices in clinical care.

Top 5 Priorities for FY 08 – FY 09:

1. Stabilize and develop executive leadership
2. Increase faculty and student numbers; improve faculty and staff retention
3. Enhance opportunities for internal and external collaborative endeavors
4. Align current and future infrastructure investment (buildings/technology) with strategic plan
5. Achieve positive operating margin

I. Performance Summary Table and Analysis

Indicator	Pas		Current	Goal	Explanation	
	Fall	2002	2005	2006		2008
Biomedical Sciences		465	539	544	554	Growth represents a planned increase of 5% in the entering class (approximately 5 students each year).
Dental (undergrad + grad)		413	390	439	496	Growth represents a planned increase in total DDS enrollment (from 250 in fall 2005 to 300 in fall 2008).
Health Information Sciences		62	55	73	94	Growth represents a planned increase in degree-seeking students (approximately 11 per year).
Medical		825	869	912	901	Growth represents a planned increase in entering MD class sizes (from 200 in fall 2005 to 230 in fall 2008).
Nursing (undergrad + grad)		683	809	753	852	Decrease from fall 2005 to fall 2006 is attributable to non-degree students; planned growth in degree-seeking enrollment as shown here is on target.
Public Health		886	925	930	1,045	Growth represents an on-target planned increase of approximately 60 students per year, some of which is attributable to the new Austin regional campus.
All Sponsored Research Expenditures		\$140,827,726 (2002) \$156,519,695 (2005)	\$175,153,808 (2006)	\$193,000,000		Goal aligns with UTHSC-H's six-year forecast; 5% annual growth and stable indirect cost recovery.
Federal Sponsored Research Expenditures		\$101,738,767 (2002) \$116,397,631 (2005)	\$122,870,079 (2006)	\$132,000,000		Maintains current proportion of federal expenditures for research (68.4% of total).
Uncompensated Health Care According to the State Definition – physicians only		\$103,279,853 (2002) \$172,229,739 (2005)	\$185,910,119	\$197,000,000		Based on the LBB definition, goal projects growth at 3% per year in accordance with the UT System strategic plan.

**UT Health Science Center - Houston
Compact for FY 08 – FY 09**

Student diversity (% underrepresented minority)	18.5% (2002) 25.5% (2005)	26%	28%	Goal projects a conservative 1% annual increase.
Faculty PIs as a percent of total CBM-008 certified faculty	31% (2002) 33% (2005)	34%	36%	Goal projects a conservative 1% annual increase.
MSRDP net patient revenues	\$88,878,250 (2002) \$99,820,240 (2005)	\$102,923,209	\$107,000,000	Goal projects roughly 2% annual growth.
Medical School outpatient visits	692,609 (2002) 834,987 (2005)	840,831	875,000	Goal projects roughly 2% annual growth.
Total Endowments and Similar - other than State	\$66,638,813 (2002) \$112,841,523 (2005)	\$127,055,407	\$133,000,000	Actuals reconcile with Annual Financial Report (AFR) schedule B6a. Annual growth initially projected at a conservative 2.5%; will revisit prior to final submission.

II. Update Strategic Initiatives from the 2006 Compact for FY 07 – FY 08

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Establish a Center for Clinical and Translational Sciences as called for in the institution's recently-submitted CTSA grant to the NIH	29 faculty and \$1.6M faculty and staff salaries on the grant	UTHSCH was awarded one of only 12 inaugural CTSA grants by the NIH.	Succeed in winning grant	Receipt of NIH grant. Additional grants (including Stem Cell Center) leveraged from CTSA success.
2. Operate a university-wide bridging grants program that will provide temporary support for investigators who experience a hiatus in funded research	Research expenditures grew 13% from FY 2005 to FY 2006	Initial investment of \$400,000 leveraged more than \$2M in extramural funding.	Identify funds for and begin program operations	Success in leveraging bridge funds.
3. Complete construction of the Fayez S. Sarofim Research Building of the Brown Foundation Institute of Molecular Medicine	IMM research expenditures: up 11% from 2005 to 2006	Surpassed fund raising target; successfully recruited internationally renown scientists.	Move into new space; recruit faculty	Building is occupied and has 84,607 assignable square ft. of new research space. Newly-recruited Director/CEO is a member of both the IOM and NAS.
4. Establish a research center to address healthy lifestyles in Austin in collaboration with UT Austin	# new faculty; success in extramural research	Dell Center created at SPH's Austin Regional Campus. Faculty in SPH's Human Nutrition Center added.	n/a	3 new faculty added; 9 total faculty are funded on \$9.97M from 14 contracts and grants with 14 additional proposals underway. CATCH program garnered a prestigious U.S. Dept of HHS award.
5. Upgrade classrooms, teaching laboratories, patient care operatories, and simulation clinic at the Dental Branch (DB)	14 class/conference rooms and labs upgraded	Upgrades will allow the Dental Branch to become one of the most technologically advanced nationally.	Bring DB facilities in line with available technology	Elevated status among peers; 1 st in Texas to fully implement EPR; mean entering GPAs increased for entering DDS classes from 3.59 in fall 2006 to 3.656 in fall 2007 (preliminary).

**UT Health Science Center - Houston
Compact for FY 08 – FY 09**

b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Complete the Replacement Research Facility (RRF) and Vivarium	Recruit new faculty/staff (30/70 respective goals)	Estimated move in date is early spring 2008.	3 new faculty on board in FY 2008	Identify start-up funding.
2. Finance and plan for a replacement Dental Branch Building	Gains in faculty and student recruitment	\$78 million committed (TRBs, PUF). Planning began at start of FY07. Programming is approx. 30% done.	Achieve \$12 million philanthropic goal	Complete programming of the new building in late summer 2007, with design to occur in the fall/winter 2007-08.
3. Finance and plan for the UT Research Park Building complex	Increase research dollars	BREF and Neurosciences building in research park complex currently in design phase.	Scheduled completion in May 2009	Solicit design approval from the UT Board of Regents at their August 2007 meeting; solicit THECB approval in October 2007. Break ground shortly thereafter.
4. Continue plans to expand the School of Public Health (SPH) building in Houston	Increase space/enrollment/faculty/research	1 SPH division housed in temp. space; add'n would consolidate operations & allow for planned growth.	Obtain funding for building by 2010	Develop financing and program plans.
5. Recruit leaders to key academic and research leadership positions	# of vacant/interim positions	Several key positions held by interim leaders: COO, VP Institutional Advancement, MS Dean.	Fill 3 executive-level positions now held in interim	Appoint search committees; identify candidates

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
1. Stabilize Medical School leadership and strengthen relationship with the Memorial Hermann Healthcare System and the Harris County Hospital District	Decrease faculty turnover; more predictable contract revenues.	Minimize the number of vacant or interim positions	Appoint permanent dean in or before FY 2008. Appoint permanent holders of vacant or interim department chair positions.
2. Enhance financial performance of the physician practice plan	Increase number of outpatient visits; improve third party reimbursement for services/payor mix.	At least break even without UPL payments or PLI rebates	Recruit key clinical leaders, including chairs in internal medicine, otolaryngology, and other departments.
3. Grow research enterprise through faculty recruitment	Increase in both faculty numbers and research dollars.	100 new faculty in IMM; 30 new faculty in RRF	Activate necessary search committees; identify start-up funds; provide adequate sponsored projects support.

IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

At its April 11, 2007 meeting, the Strategic Planning Leadership Team identified -- on a preliminary basis -- three cross-cutting priorities with product line potential: clinical and translational research, neurosciences, and diabetes and obesity. The team will further explore these opportunities as part of the institution's long-range planning process.

**UT Health Science Center - Houston
Compact for FY 08 – FY 09**

b. Financial Management Plan

To be determined, pending receipt of additional information from UT System regarding its expectations of this new plan.

c. Information Security Plan

UTHSC Houston administration recognizes the critical importance of maintaining a secure infrastructure. UTHSC-H's information security team, via the institutional Information Security Program, specifies a series of current and proposed IT initiatives designed to provide and enforce IT Security policies, network security (firewalls, IPS/IDS, VPN, wireless), provide security awareness training, disaster recovery planning and testing, as well as security incident response.

V. Summary of STARS and Special PUF Investments

	\$ Amount, FY 05	\$ Amount, FY 06	Description / Metrics of Impact
ENTER Program	--	\$ 34,438 \$500,000 \$ 95,990	Three School of Nursing awards allowed the school to successfully 1) recruit a DNP-trained clinical director for UTHSCH Health Services, 2) build out the Pre-Clinical Critical Care Lab and recruit research faculty, and 3) implement a wireless network.

VI. New Faculty Positions Projected to 2010

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 – FY 10
STEM	2	5	5	5	5	22
Medical/Health	9	15	38	41	28	131
Total	11	20	43	46	33	153

Comments: Reflects net new faculty (headcount). STEM = School of Health Information Sciences; Medicine/Health = Medicine, Dentistry, Nursing, and Public Health. The Graduate School of Biomedical Sciences does not have faculty; rather, GSBS faculty are counted in the school of their primary appointment.

VII. Status of Campus Strategic/Long-Range Plan: In February 2007, HSC Houston leaders embarked on an effort to enhance the institutional planning process and develop necessary links between planning, financial decision-making, and outcomes assessment. Updates to the current plan through FY 2013 will occur during summer and early fall 2007 with budget alignment to follow. Once complete, the plan will serve as a springboard for future Compacts and will include an institutional "report card" designed to measure and assess progress.

VIII. Campus Consultation to Develop Compact: The HSC-Houston's long-standing Strategic Planning Leadership Team continues to meet quarterly and was instrumental in developing and refining the priorities and metrics found in this Compact. The institutional Compact is published online and offers an area for faculty, staff, and students to provide comments, offer suggestions, and pose questions.

**UT Health Science Center - Houston
Compact for FY 08 – FY 09**

IX. Budget

Operating Budget - Fiscal Year Ending August 31, 2007					
	FY 2005	FY 2006	FY 2007	Increases (Decreases)	
	Actual	Adjusted Budget	Operating Budget	From 2006 to 2007	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 16,824,252	17,968,739	21,488,151	3,519,412	19.6%
Federal Sponsored Programs	140,784,348	130,274,206	141,675,151	11,400,945	8.8%
State Sponsored Programs	9,451,190	9,414,023	10,140,002	725,979	7.7%
Local and Private Sponsored Programs	90,210,772	120,915,069	120,032,562	(882,507)	-0.7%
Net Sales and Services of Educational Activities	36,455,410	31,744,520	31,961,217	216,697	0.7%
Net Sales and Services of Hospital and Clinics	27,043,686	29,243,725	28,596,631	(647,094)	-2.2%
Net Professional Fees	107,090,411	109,162,963	112,601,562	3,438,599	3.1%
Net Auxiliary Enterprises	20,689,997	21,080,949	22,264,840	1,183,891	5.6%
Other Operating Revenues	6,659,221	6,470,043	6,524,944	54,901	0.8%
Total Operating Revenues	455,209,287	476,274,237	495,285,060	19,010,823	4.0%
Operating Expenses:					
Instruction	258,987,746	281,719,921	292,884,133	11,164,212	4.0%
Academic Support	22,398,524	23,925,584	24,654,379	728,795	3.0%
Research	120,223,612	123,882,945	131,173,731	7,290,786	5.9%
Public Service	17,136,575	17,182,129	17,556,263	374,134	2.2%
Hospitals and Clinics	64,797,568	73,361,262	74,144,498	783,236	1.1%
Institutional Support	59,806,253	63,861,186	67,300,597	3,439,411	5.4%
Student Services	3,958,109	5,045,771	5,128,288	82,517	1.6%
Operations and Maintenance of Plant	16,908,420	18,199,825	21,763,027	3,563,202	19.6%
Scholarships and Fellowships	3,412,551	3,304,089	3,341,582	37,493	1.1%
Auxiliary Enterprises	13,793,354	18,219,242	20,798,841	2,579,599	14.2%
Depreciation and Amortization	19,864,784	25,374,192	30,135,891	4,761,699	18.8%
Total Operating Expenses	601,287,496	654,076,146	688,881,230	34,805,084	5.3%
Operating Surplus/Deficit	(146,078,209)	(177,801,909)	(193,596,170)	(15,794,261)	8.9%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF	138,459,057	152,856,071	153,793,655	937,584	0.6%
Gifts in Support of Operations	17,921,758	8,395,493	12,294,000	3,898,507	46.4%
Net Investment Income	16,646,293	6,701,249	11,967,815	5,266,566	78.6%
Other Non-Operating Revenue	-	2,837,655	5,337,655	2,500,000	88.1%
Other Non-Operating (Expenses)	(111,670)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	172,915,438	170,790,468	183,393,125	12,602,657	7.4%
Transfers and Other:					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(7,851,739)	(10,308,994)	(7,780,967)	2,528,027	-24.5%
Total Transfers and Other	(7,851,739)	(10,308,994)	(7,780,967)	2,528,027	-24.5%
Budget Margin (Deficit)	18,985,490	(17,320,435)	(17,984,012)	(663,577)	3.8%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	1,000,000	1,000,000	-	0.0%
Net Inc./(Dec.) in Fair Value of Investments	14,138,950	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	2,369,500	2,000,000	3,000,000	1,000,000	50.0%
Additions to Permanent Endowments	13,363,329	12,000,000	12,500,000	500,000	4.2%
Transfers for Debt Service - Principal	(5,599,503)	(4,130,491)	(6,401,890)	(2,271,399)	55.0%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	93,870,629	23,661,169	55,277,474	31,616,305	133.6%
SRECNA Change in Net Assets	\$ 137,128,395	17,210,243	47,391,572	30,181,329	175.4%
Total Revenues and AUF Transfers	\$ 628,236,395	647,064,705	678,678,185	31,613,480	4.9%
Total Expenses (Including Transfers for Interest)	(609,250,905)	(664,385,140)	(696,662,197)	(32,277,057)	4.9%
Budget Margin (Deficit)	\$ 18,985,490	(17,320,435)	(17,984,012)	(663,577)	
Reconciliation to Use of Prior Year Balances					
Depreciation		25,374,192	30,135,891		
Capital Outlay		(10,602,286)	(8,140,617)		
Transfers for Debt Service - Principal		(4,130,491)	(6,401,890)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		(6,679,020)	(2,390,628)		

**UT Health Science Center - Houston
Compact for FY 08 – FY 09**

X. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Enrollment							
Biomedical Sciences	416	443	465	490	514	539	544
Dental (undergrad + grad)	374	414	413	398	377	390	439
Health Information Sciences	45	64	62	74	64	55	73
Medical	817	829	825	837	847	869	912
Nursing (undergrad + grad)	581	646	683	698	760	809	753
Public Health	910	890	886	908	837	925	930
Total enrollment	3,143	3,286	3,334	3,405	3,399	3,587	3,651
<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Enrollment by ethnicity							
White	1,926	1,948	1,950	1,939	1,882	1,954	1,910
African American	173	210	196	189	200	230	254
Hispanic	322	380	392	425	411	447	447
Asian American	425	430	457	448	436	479	471
Native American	16	17	11	16	15	11	21
International	265	276	279	299	401	405	477
Unknown	16	25	49	89	54	61	71
Total enrollment	3,143	3,286	3,334	3,405	3,399	3,587	3,651
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Certificates and degrees awarded							
Biomedical Sciences	74	67	75	86	77	84	96
Dental	146	143	156	132	149	165	142
Health Information Sciences	3	15	12	9	25	18	14
Medical	201	186	214	186	194	188	207
Nursing	213	232	208	233	249	291	282
Public Health	142	147	154	147	213	200	207
Total certificates and degrees	779	790	819	793	907	946	948
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Licensure exam pass rates							
Allied Health	100.0%	97.0%	97.4%	100.0%	100.0%	97.3%	86.5%
Dentistry	95.0%	99.0%	96.5%	96.7%	91.3%	94.1%	96.8%
Medicine	95.0%	91.0%	91.0%	91.0%	91.0%	90.0%	94.0%
Nursing (BSN)	95.0%	91.0%	94.0%	97.0%	94.0%	95.0%	90.3%
Nursing (MSN)	55.0%	62.0%	66.0%	73.0%	68.0%	61.0%	72.0%
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Total research expenditures		\$128,161,248	\$140,827,726	\$152,117,064	\$150,220,206	\$156,519,695	\$175,153,808
Federal research expenditures		\$91,267,003	\$101,738,767	\$111,170,193	\$110,438,174	\$116,397,631	\$122,870,079
Total number of grant proposals	968	956	1,000	1,121	1,345	1,267	1,113
Total NIH awards (\$)	\$79,440,110	\$83,903,275	\$90,452,217	\$89,956,123	\$80,515,380	\$81,548,352	\$88,499,652

**UT Health Science Center – San Antonio
Compact for FY 08 – FY 09**

Mission: The University of Texas Health Science Center at San Antonio's mission is to educate diverse health care providers and scientists; engage in biomedical and clinical research to improve human health; provide state-of-the-art clinical care; enhance community health awareness and practices; and address health disparities.

Top 5 Priorities for FY 08 – FY 09:

1. Education - Active Learning Strategy - Quality Enhancement Plan for SACS Reaffirmation of Accreditation.
2. Research - Programmatic planning for South Texas Research Facility to expand the research capacity of the institution.
3. Clinical Care - Construction of the Medical Arts and Research Center (MARC) and define product line within MARC.
4. Community Service - Establish Dental Health, Public Health and Nutrition education Programs in South Texas.
5. Organizational Effectiveness - Recruitment of Chief Operating Officer (COO).

I. Performance Summary Table and Analysis

Indicator	Past		Current	Goal	Explanation
Enrollment Growth (grad/prof) Fall	2002	2005	2006	2007	
Allied Health	146	278	273		Adjust enrollment as market demands
Biomedical Sciences	320	371	375		Adjust enrollment as market demands
Dental	404	402	407	440	10% increase
Medical	822	827	849	910	10% increase
Nursing	129	220	237		Adjust enrollment based on faculty availability
All Sponsored Research Expenditures	\$112,232,653 (2002) \$134,058,535 (2005)		\$139,778,732 (2006)	\$144,391,430 2007	Increase total sponsored research by an average of 3.3% per year as compared to FY2006
Federal Sponsored Research Expenditures	\$83,760,708 (2002) \$95,125,850 (2005)		\$95,110,395 (2006)	\$97,963,707 2007	Increase federal sponsored research by 2-3% per year
Uncompensated Health Care According to the State Definition – physicians only	\$70,149,189 (2002) \$98,545,392 (2005)		\$101,784,720 (2006)	\$100,000,000 (2007)	Formulate a plan to address uncompensated care over the next five years
Net Clinical Revenue	\$74,175,840 (FY05)		\$79,578,633 (FY06)	\$82,363,885 (FY07)	Increase by at least 3.5% each year over the next 5 years
Primary Investigators (PIs) with external funding over \$1,000,000	42 (FY05)		39 (FY06)	41 (FY07)	Increase a net gain of 2 PIs per year with \$1M extramural funding over the next 5 years
Number of Funded Endowed Chairs and Professorships	66 (FY05)		76 (FY06)	90 (FY07)	Currently have 95 endowed chairs and professorships, plan to fill 95% of positions

**UT Health Science Center – San Antonio
Compact for FY 08 – FY 09**

II. Update Strategic Initiatives from 2006 Compact for FY 07 – FY 08

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Develop 5-Year Strategic Plan for UTHSCSA	Identify goals aligned with UT System Strategic Plan	Engaged planning effort as part of SACS Reaffirmation of Accreditation	Drafted FY 2006, Approved in FY 2007	Strategic Plan developed and approved by UT System
2. Develop & sustain the quality and capacity of faculty and student learning experience by establishing the Academic Center for Excellence in Teaching (ACET).	Strategies for excellence in teaching	Presidential initiative to enhance education as major emphasis	Establish Center with faculty involvement	Director hired, ACET in operation, components established including a website and steering council meets on a regular basis
3. Secure the lead campaign gift or pledge for the capital campaign	Secure lead gift of \$25 million	Funding state-of-the art research labs, recruitment/retention, scholarships, & community outreach	Develop material for major gift and identify donor	Acquired a \$25 M cash gift. Plan to use funds has been developed.
4. Implement the School of Medicine Clinical Skills Center to enhance the pass rates of medical students	Complete construction and hire Director	Liaison Committee on Medical Education (LCME) requirement for new National Board of Medical Examiners' (NBME) Step 2 Clinical Skills Exam	Center operational by spring 2005	Center is in full operation

b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Determine clinical care needs and enhance clinical care systems	Feasibility Study Medical Arts & Research Center	Capital financing plan to fund the construction of the Medical Arts and Research Center (MARC)	Complete design & hold groundbreaking by FY08	Identify final space requirements, final construction estimates, and final equipment requirements
2. Conduct successful capital campaign to secure adequate support for the endowment and construction of the Research Tower	Recognized need for increased research space	As of 3-1-07, \$206 M of campaign received towards \$300 M goal	\$300 M (\$150 M to Endowed & Research Support)	Project space needs, secure funding and begin recruitment of leading scientists
3. Dental School Student Simulation Laboratories	Enhance & modernize student laboratories	Identify funding	Secure funding	Secured \$3.1 M in funding and project is anticipated to be complete end of FY 2007

**UT Health Science Center – San Antonio
Compact for FY 08 – FY 09**

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
1. Interdisciplinary Education - Development and expansion of interdisciplinary programs for scientists and health care providers in graduate education.	Graduate School is developing thematic curriculum to enhance interdisciplinary education focus.	Development of thematic curriculum over five years	FY 07-08, develop thematic areas of study, FY 08-09, develop and implement thematic interdisciplinary curriculum and programs.
2. Chair of Medicine - The School of Medicine will use its transformation process to search for a new Chair of Medicine	New Chair of Medicine will play critical role in the School of Medicine's transformation process.	Hire new Chair by end of 2007.	FY 07-08 Search Committee and external firm to solicit qualified candidates for Chair of Medicine. Chair hired by end of FY 07-08.
3. Wellness on campus	Enhanced health status of employees and students	Healthier workforce	1. explore the possibility of providing on-site primary care to all eligible faculty/staff 2. research the options to expand a fitness center on campus

IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

Signature product lines are being developed. However, due to confidentiality agreements, UTHSCSA is not able to disclose all of these in the Compact. Other signature programs being promoted that are patient centric, support multidisciplinary care and will be geographically placed in the future Medical Arts and Research Center include the Heart-Lung Vascular, Digestive Diseases, and Primary Care/Genetics.

b. Financial Management Plan

UTHSCSA's current financial condition has enabled the institution to secure debt financing for such strategic initiatives as the expansion of our clinical enterprise through the construction of a new Ambulatory Surgery Facility, the implementation of an Electronic Medical Records and new Patient Management System to enhance clinical efficiency, patient safety and treatment quality, and the purchase of a Cyclotron to enhance our research core.

UTHSCSA has expanded our financial portfolio with significantly enhanced gift revenues. Our Operating Budget plans include investments in competitive compensation for both faculty and staff and the implementation of an "XYZ" Faculty Compensation strategy. We have also developed a financial planning tool that accurately quantifies "investible" net assets.

c. Information Security Plan

UTHSCSA's Information Security Plan (ISPP) has been implemented and its primary focus is implementation of regulatory requirements (including HIPAA, FERPA, and TAC202), as well as compliance with UT System directives. The program provides the structure for strategic solutions to reduce the institution's information security risk. The Chief Information Security Officer reports to the CIO for program guidance. The President is informed by the Chief Information Security Office of critical security issues as they arise and is briefed annually on the program's progress and strategic direction. Key components of the Information Security Program include policy, training, technology based solutions and operations support and monitoring activities.

**UT Health Science Center – San Antonio
Compact for FY 08 – FY 09**

V. System Contributions and Investments

a. Summary of STARS and special PUF investments

	\$ Amount FY 05	\$ Amount FY 06	Description / Metrics of Impact
ENTER Program	--	\$150,000	Funds for recruitment of Nursing Faculty, Associate Professor recruited

b. Other System contributions

The UT System should participate in allocating resources to System members that have a strategic plan in place to meet their institutional mission and goals. There also needs to be support from legislative bodies to fund increased higher education needs in order to close the gap. Tuition Revenue Bonds and Permanent University Funds are essential to address capital needs.

VI. New Faculty Positions Projected to 2010

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 - FY 10
Medical/Health	48	75	75	46	36	280

Comments: Some positions 1) are contingent upon FY 07-08, FY 08-09, and FY 09-10 legislators. 2) may need to be reallocated from existing funding, and 3) are contingent upon increased enrollment

VII. Status of Campus Strategic/Long-Range Plan: The UTHSCSA Strategic Plan was finalized and approved by the Executive Committee in February 2007. The website link to the plan is <http://sacs.uthscsa.edu/docs-univ/STRATEGICPLANFY2006-2011DRA.pdf>

VIII. Campus Consultation to Develop Compact: The Compact was developed with input from all Executive Committee members, their constituents, the Faculty Assemblies of each school, the Student Government Association, and the Faculty Senate at UTHSCSA through the Strategic Plan process. The Compact follows the Strategic Plan developed for UTHSCSA.

**UT Health Science Center – San Antonio
Compact for FY 08 – FY 09**

IX. Budget

**The University of Texas Health Science Center at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2007**

	FY 2005 Actual	FY 2006 Adjusted Budget	FY 2007 Operating Budget	Budget Increases (Decreases) From 2006 to 2007	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 21,512,050	18,756,674	20,053,875	1,297,201	6.9%
Federal Sponsored Programs	112,500,479	111,021,882	118,004,856	6,982,974	6.3%
State Sponsored Programs	2,465,889	3,526,190	3,575,199	49,009	1.4%
Local and Private Sponsored Programs	55,102,436	62,773,297	68,074,118	5,300,821	8.4%
Net Sales and Services of Educational Activities	22,184,250	18,500,000	20,000,000	1,500,000	8.1%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	74,175,840	79,095,315	86,140,620	7,045,305	8.9%
Net Auxiliary Enterprises	3,227,241	2,720,620	3,252,500	531,880	19.5%
Other Operating Revenues	23,421,521	17,601,357	20,408,415	2,807,058	15.9%
Total Operating Revenues	314,589,706	313,995,335	339,509,583	25,514,248	8.1%
Operating Expenses:					
Instruction	218,356,895	223,155,923	236,094,865	12,938,942	5.8%
Academic Support	23,830,647	23,929,073	26,043,234	2,114,161	8.8%
Research	106,219,725	102,870,098	109,136,293	6,266,195	6.1%
Public Service	20,256,093	21,234,129	20,403,923	(830,206)	-3.9%
Hospitals and Clinics	39,463,034	40,549,219	49,030,467	8,481,248	20.9%
Institutional Support	34,058,526	35,648,036	39,081,895	3,433,859	9.6%
Student Services	2,388,609	2,989,964	3,047,174	57,210	1.9%
Operations and Maintenance of Plant	23,239,498	21,362,147	20,709,433	(652,714)	-3.1%
Scholarships and Fellowships	1,627,428	1,763,645	1,775,679	12,034	0.7%
Auxiliary Enterprises	3,777,404	2,968,801	3,654,756	685,955	23.1%
Depreciation and Amortization	21,065,854	18,500,000	21,500,000	3,000,000	16.2%
Total Operating Expenses	494,283,713	494,971,035	530,477,719	35,506,684	7.2%
Operating Surplus/Deficit	(179,694,007)	(180,975,700)	(190,968,136)	(9,992,436)	5.5%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF	131,566,244	152,095,031	151,982,990	(112,041)	-0.1%
Gifts in Support of Operations	17,922,203	16,445,292	17,398,286	952,994	5.8%
Net Investment Income	20,306,304	20,447,352	20,176,267	(271,085)	-1.3%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	169,794,751	188,987,675	189,557,543	569,868	0.3%
Transfers and Other:					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(5,046,058)	(7,037,928)	(5,522,510)	1,515,418	-21.5%
Total Transfers and Other	(5,046,058)	(7,037,928)	(5,522,510)	1,515,418	-21.5%
Budget Margin (Deficit)	(14,945,314)	974,047	(6,933,103)	(7,907,150)	-811.8%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	36,697,957	-	-	-	-
Interest Expense on Capital Asset Financings	(5,046,058)	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	3,991,343	3,000,000	4,000,000	1,000,000	33.3%
Additions to Permanent Endowments	5,973,004	6,000,000	7,000,000	1,000,000	16.7%
Transfers for Debt Service - Principal	(5,963,203)	(3,931,000)	(5,258,306)	(1,327,306)	33.8%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	46,722,979	93,600,000	69,500,000	(24,100,000)	-25.7%
SRECNA Change in Net Assets	\$ 67,430,708	99,643,047	68,308,591	(31,334,456)	-31.4%
Total Revenues and AUF Transfers	\$ 484,384,457	502,983,010	529,067,126	26,084,116	5.2%
Total Expenses (Including Transfers for Interest)	(499,329,771)	(502,008,963)	(536,000,229)	(33,991,266)	6.8%
Budget Margin (Deficit)	\$ (14,945,314)	974,047	(6,933,103)	(7,907,150)	
Reconciliation to Use of Prior Year Balances					
Depreciation		18,500,000	21,500,000		
Capital Outlay		(9,500,000)	(10,000,000)		
Transfers for Debt Service - Principal		(3,931,000)	(5,258,306)		
Budgeted Transfers		1,045,000	1,080,000		
Use of Prior Year Balances		7,088,047	388,591		

**UT Health Science Center – San Antonio
Compact for FY 08 – FY 09**

X. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Undergraduate enrollment							
Allied Health	341	418	379	347	328	285	266
Nursing	421	485	528	547	471	392	418
Graduate/professional enrollment							
Allied Health	134	109	146	205	241	278	273
Biomedical Sciences	272	277	320	314	318	371	375
Dental	402	396	404	397	395	402	407
Medical	824	829	822	816	816	827	849
Nursing	149	151	129	128	268	220	237
Total enrollment	2,543	2,665	2,728	2,754	2,837	2,775	2,825
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Undergraduate degrees							
Certificates: Allied Health	55	157	213	212	155	165	146
Bacc-level Certs: Allied Health	0	0	0	0	0	5	7
Baccalaureate: Allied Health	143	131	42	64	70	92	102
Baccalaureate: Nursing	236	168	220	238	253	265	168
Graduate/professional degrees							
Allied Health	37	33	48	50	51	59	91
Biomedical Sciences	52	55	46	60	61	49	63
Dental	107	104	103	112	97	102	94
Medical	196	195	193	194	199	194	191
Nursing	46	56	46	31	28	43	49
Total grad/prof degrees	438	443	436	447	436	447	488
<i>academic year</i>				02-03	03-04	04-05	05-06
Accredited resident programs				53	54	53	51
Residents in accredited programs				700	648	637	701
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Federal research expenditures	\$58,600,224	\$66,852,477	\$83,760,708	\$86,854,337	\$89,661,741	\$95,125,850	\$95,110,395
<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Faculty	not counted	1,393	1,404	1,405	1,494	1,528	1,562
Administrative		126	126	125	133	140	145
Other, Non-Faculty		2,995	3,090	3,009	3,053	3,037	3,088
Student employees		607	551	440	480	512	561
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Hospital days	201,745	123,266	224,311	202,000	224,366	228,213	259,763
Outpatient visits	832,255	915,725	854,046	834,000	1,110,429	676,004	704,164
Un-sponsored charity care	\$94,385,418	\$60,729,594	\$60,602,900	\$70,149,189	\$77,586,366	\$85,647,220	\$98,545,392
<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005	8/31/2006
Endowment total value	\$293,090,000	\$252,520,000	\$226,799,000	\$246,573,000	\$278,385,000	\$319,886,000	\$346,235,000

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

Mission: The Mission of The University of Texas M. D. Anderson Cancer Center is to eliminate cancer in Texas, the nation, and the world through outstanding programs that integrate patient care, research and prevention, and through education for undergraduate and graduate students, trainees, professionals, employees and the public.

Top 5 Priorities for FY 08 – FY 09:

1. Recruitment of outstanding scientists.
2. Managing growth - clinical efficiencies and construction issues.
3. Implementing research retreat priorities.
4. Enhanced focus on our education mission.
5. Continue employer of choice activities.

I. Performance Summary Table and Analysis

Indicator	Past	Current	Goal	Explanation
Enrollment Growth Health Sciences (undergraduate)	59 (2002) 86 (2005)	108 (2006)	336 (2009)	The School of Health Sciences (SHS) is growing rapidly and trains for hard-to-fill disciplines. MDACC hires many of the students we train; most others remain in Texas. A new facility for SHS is in planning.
All Sponsored Research Expenditures	\$262,144,960 (2002) \$341,978,679 (2005)	\$409,679,711 (2006)	15% growth (2009)	Continuing concerns over the shrinking federal budgets make it imperative to leverage other sources.
Federal Sponsored Research Expenditures	\$117,633,074 (2002) \$160,953,856 (2005)	\$182,028,411 (2006)	5% growth (2009)	The flattening of federal funding is beginning to hit MDACC in FY 2007.
Uncompensated Health Care According to the State Definition – includes hospitals and physicians	\$148,902,593 (2002) \$266,357,050 (2005)	\$220,403,030 (2006)	\$260,000,000 (2009)	The goal is anticipated forecast based on trends and historical data. Dollars declined from 2005 to 2006 because of a program to assist patients in getting certified for some third-party payor. In 2005, about 1,500 patients who would have been counted as uncompensated care were signed up for a payor. In 2006, this number increased to 1,789.
# patients treated at Harris County Hospital District (HCHD)	1,728 (2005)	1,982 (2006)	2,100 (2009)	Increase in the number of uninsured Texans will result in more patients being treated within the HCHD system.
# patients certified by 3 rd party eligibility vendor	zero (2002) 1,598 (2005) with new program	2,023 (2006)	2,200 (2009)	Changes in Medicaid eligibility requirements and the implementation of managed Medicaid in Harris County will likely impact the number of eligible patients.

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

II. Update Strategic Initiatives from 2006 Compact for FY 07 – FY 08

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Expanded Emergency Center (EC)	# patient visits FY07; # available beds	Existing emergency center overcrowded with difficult access. 8% increase in EC visits projected	20,500 visits FY07; 43 total emergency center beds	EC opened in May; 43 rooms; more than twice the square footage; acute, observation and fast-track areas; all wireless technology; Diagnostic Imaging, pharmacy in EC; resuscitation rooms; family counseling and bereavement room.
2. Recruitment of Executive Vice President and Provost	Recruitment of Provost; 2 basic science chairs	Washington Advisory Group report and Dr. Shine's goal both address raising the bar in basic research, recruit National Academy of Science-level scientists.	Provost; 2 new chairs; Vice President, Basic Research; Division Head, Prevention	Successfully recruited Raymond DuBois, MD, PhD as Executive Vice President and Provost. Searches for chairs of Molecular Genetics, Cancer Biology and Division Head, Cancer Prevention ongoing with Dr. DuBois' key leadership.
3. Develop product line analysis	Ratio of work relative value units (RVUs) to % clinical time, by faculty / department	Analyzing disease programs by faculty productivity, payor mix, charges, costs, payments and margin	70% clinical faculty's work RVUs meet % effort plan	Data has helped scheduling, determining faculty needs and obligations, managing growth and forecasting budgets.
4. Advance MDACC as Employer of Choice - Achieve CEO Gold Standard	# of wellness programs; participation in programs	MDACC should lead the way with wellness programs for employees, particularly cancer prevention and early detection.	25 wellness programs; 25% employees participating	Programs in risk reduction, tobacco cessation, early detection, lifestyle changes earned MDACC the CEO Gold Standard Award. The first health care system to earn this.
5. Health Disparities Research Department	# faculty recruited for new department, # grant dollars	New department April 05 to address underserved populations began with 4 faculty. 8 faculty today. Chair's strategic recruitments have brought expertise in smoking cessation among Hispanics, minority women's health, exercise.	3 more tenure track faculty; 15% grant increase	Continue to develop a team of investigators with appropriate expertise and collaborations to elucidate the critical pathways between social/population-level factors and cancer-related behavior/disease

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Employer of Choice Initiatives - Work Life Balance	% reply to survey; % in savings/Gold Standard	Two prior employee surveys indicated areas where improvement needed for employee satisfaction. With this baseline, we want to continue with surveys and offer programs and policies to address concerns.	70% participate in survey; 15% in savings plan	3 rd employee opinion survey early 2008. Enhance standard work-life reward program with add'l \$/month if you participate in retirement savings and/or in the CEO Gold Standard health risk assessment. Implement better performance management tools.
2. Maintain operating margin to support our goals	% of operating budget supporting margin	To keep the long term capital plan in balance (sources and uses of funds), a stable operating margin is needed	Operating margin in 3-5% range	Budgeting for each unit directly managed to the margin. Long term capital plan currently in balance with projected funding sources, but dependent on successful achievement of margin.
3. Research Strategic Plan	# new/reorganized programs, centers, or institutes	5 research retreats with thought leaders; developing priority list for expansion	4 entities with approved action plans	Organize cross-departmental collaborative research around targeted objectives chosen by faculty leadership.
4. Philanthropic Initiative	Funds raised for new research initiatives	Consistent with goal to raise research bar and coordinated with Research Strategic Plan	\$400M (of \$700M total) philanthropy over 6 years	Finalize the case for support for potential donors; closely linked with the Research Strategic Plan's goal of approved action plans for new institutes, centers or programs.
5. MyMDAnderson.org	# patients using website # referring MDs using website	HIPAA compliant website for patients and for referring physicians with immediate access to diagnosis and pharmacy information.	65,000 patients 3,000 MD users 1,300 MD referrals	Secure web-based system for patients to register, view appointments., prescription history and refills, educational materials. In 5 years, more than 1 million patient log-ins. For MDs, on-line referral, access to their patient's appointments and all transcribed documents, interaction with MDACC staff. March 07: 1,245 MD users, 230 MDs making 545 new patient referrals.

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
1. Organize and staff MDACC Global (outside Houston, domestic and international)	1) Leadership team for global activities; 2) increase in international patients coming to MDACC, new income sources.	Recruit 3 Vice Presidents; 20% more international patients	Creation of Center for Global Oncology structure; successful large-scale consulting contract; activation of additional radiation and chemotherapy satellites.
2. Design and Pilot Cancer Survivorship Program	# survivors managed outside busy diagnostic and treatment clinics.	200 patients in pilot projects.	Agreement on survivorship strategic and business plans. Roll-out pilot program in at least one disease-site.
3. Faculty Mentoring Program	# faculty in Junior Faculty Development Program	75 faculty in Development Program	Form Mentoring Advisory Committee, develop Junior Faculty Development Program and create tracking system to measure the program.

IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

The Proton Therapy Center (PTC), a major program within our Division of Radiation Oncology, celebrated its first year anniversary of clinical operations on May 4, 2007. Our PTC is one of only five facilities in the country to offer this superior form of cancer treatment and is the only one that is located within a facility that is designated by the NCI as a Comprehensive Cancer Center. To date over 200 patients have been treated at our PTC utilizing the superior clinical advantages of proton therapy across a broad range of disease sites that include, but are not limited to, cancers of the prostate, lung, esophagus, pediatrics and central nervous system. Development continues on the final of four treatment rooms at the PTC which, when completed in early 2008, will allow for the delivery of the most advanced form of radiation therapy or Pencil Beam Scanning (the first in the country). Patient throughput at the PTC is a function of which disease sites are being treated (the complexity)

b. Financial Management Plan

MDACC has a comprehensive financial management plan to ensure the ongoing financial health of the institution. We prepare a detailed annual Regents' budget, operating budget and capital budget including all fund groups and departments. Monthly controls include: 1) reports comparing all fund groups' and departments' actual financials performance against expected performance, 2) meetings with finance and operations staff as needed basis to discuss variances in financial performance and correction plans, 3) reviews and analysis of balance sheet, statement of revenues, expenses and changes in net assets and cash flow statement, 4) revenue and cash flow projections.

MDACC has annual economic forecasting and long term capital planning and reporting tools. There is an annual external audit of all financial statements. Quarterly review and reporting of relevant compliance committees, including Financial Compliance, Endowment Compliance, Supply Chain Services and Equipment.

c. Information Security Plan

M. D. Anderson's Information Security Department has established a comprehensive program to continually assess and vigilantly protect information systems from various threats, enhance the institution's ability to recover in the event of a natural or other disasters, and ensure compliance with institutional, UT System, State, and federal regulations. Specifically, we have (1) implemented and refined numerous technology solutions to enhance protection from viruses, intrusions, and unwanted SPAM e-mails, (2) centralized and are now automating system account management functions, (3) developed a formal disaster recovery program that is being rolled-out across all critical applications, and (4) built and refined security-related policies, operations, and programs in a manner that supports all compliance and regulatory requirements.

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

V. Summary of STARS and special PUF investments

	\$ Amount FY 05	\$ Amount FY 06	Description / Metrics of Impact
STARS Program	\$1,000,000	\$670,000	FY05 STARS to recruit scientist in gene regulation and multi-drug resistance. STARS leveraged with Welch Distinguished University Chair in Chemistry. Dr. Brennan has 4 new pending grants; nominated for NAS. FY06 award for retention of scientist in regulatory pathways for germ cell development and RNA surveillance pathways. STARS leveraged with MDACC Trust position (5 yrs funding) and endowed chair. Health Fellowship funded ICU Collaboratives and expansion of Clinical Safety and Effectiveness course throughout UT System.

VI. Number of New Faculty Positions Projected to 2010

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 - FY 10
Medical/Health	65	80	62	69	69	345

VII. Status of Campus Strategic/Long-Range Plan: Strategic Vision for Making Cancer History, 2005-2010, is on track. The 7 strategic goals have become part of the institutional culture and are referenced and linked to projects, e.g., institutional policies must be associated with one or more goals. The "I Am MD Anderson" initiative combines the goals and the core values in a campus-wide campaign. The strategic vision is accessible to all employees at <http://inside.mdanderson.org/about-mdacc/strategic-vision-2005-2010/index.html>

VIII. Campus Consultation to Develop Compact: The Compact is linked to MDACC's Strategic Vision 2005-2010, so the update processes work in tandem. Leaders across MDACC access our interactive website to enter their respective tactics to achieve the goals of both the Strategic Vision and the Compact. The Strategic Vision website has a link to the UT System Compact website. The draft Compact Update is approved by the President's Advisory Board, a committee of faculty and administrative leaders and chair of the Faculty Senate.

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

IX. Budget

**The University of Texas M. D. Anderson Cancer Center
Operating Budget
Fiscal Year Ending August 31, 2007**

	FY 2005 Actual	FY 2006 Adjusted Budget	FY 2007 Operating Budget	Budget Increases (Decreases) From 2006 to 2007	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 186,807	553,889	688,174	134,285	24.2%
Federal Sponsored Programs	162,993,010	161,677,836	169,744,180	8,066,344	5.0%
State Sponsored Programs	8,737	208,156	-	(208,156)	-100.0%
Local and Private Sponsored Programs	49,724,773	49,123,722	60,189,540	11,065,818	22.5%
Net Sales and Services of Educational Activities	1,374,958	956,031	2,389,286	1,433,255	149.9%
Net Sales and Services of Hospital and Clinics	1,327,822,633	1,422,288,761	1,678,450,873	256,162,112	18.0%
Net Professional Fees	233,871,989	243,210,880	256,512,160	13,301,280	5.5%
Net Auxiliary Enterprises	19,325,115	29,622,834	26,843,733	(2,779,101)	-9.4%
Other Operating Revenues	10,803,876	17,421,132	17,816,402	395,270	2.3%
Total Operating Revenues	1,806,111,898	1,925,063,241	2,212,634,348	287,571,107	14.9%
Operating Expenses:					
Instruction	73,309,908	110,732,165	96,475,207	(14,256,958)	-12.9%
Academic Support	-	-	-	-	-
Research	283,123,862	295,554,670	319,016,362	23,461,692	7.9%
Public Service	6,633,157	3,091,361	6,731,641	3,640,280	117.8%
Hospitals and Clinics	1,149,309,045	1,236,584,121	1,385,482,085	148,897,964	12.0%
Institutional Support	150,246,984	151,972,174	152,716,359	744,185	0.5%
Student Services	-	-	-	-	-
Operations and Maintenance of Plant	132,674,964	160,349,142	185,010,736	24,661,594	15.4%
Scholarships and Fellowships	219,124	-	224,400	224,400	-
Auxiliary Enterprises	12,775,334	21,070,100	17,993,594	(3,076,506)	-14.6%
Depreciation and Amortization	140,450,569	151,370,000	192,022,074	40,652,074	26.9%
Total Operating Expenses	1,948,742,947	2,130,723,733	2,355,672,458	224,948,725	10.6%
Operating Surplus/Deficit	(142,631,049)	(205,660,492)	(143,038,110)	62,622,382	-30.4%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF	140,770,734	157,974,425	158,222,394	247,969	0.2%
Gifts in Support of Operations	51,316,366	64,246,000	61,281,964	(2,964,036)	-4.6%
Net Investment Income	54,291,838	28,715,329	63,000,000	34,284,671	119.4%
Other Non-Operating Revenue	8,465,719	-	-	-	-
Other Non-Operating (Expenses)	(1,314,019)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	253,530,638	250,935,754	282,504,358	31,568,604	12.6%
Transfers and Other:					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(22,439,202)	(26,231,503)	(32,934,420)	(6,702,917)	25.6%
Total Transfers and Other	(22,439,202)	(26,231,503)	(32,934,420)	(6,702,917)	25.6%
Budget Margin (Deficit)	88,460,387	19,043,759	106,531,828	87,488,069	459.4%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	(604,237)	(840,949)	(236,712)	39.2%
Net Inc./(Dec.) in Fair Value of Investments	48,690,143	-	-	-	-
Interest Expense on Capital Asset Financings	(42,680)	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	45,642,720	17,688,684	14,817,683	(2,871,001)	-16.2%
Additions to Permanent Endowments	12,307,695	10,000,000	10,000,000	-	0.0%
Transfers for Debt Service - Principal	(32,387,275)	(45,881,001)	(50,622,699)	(4,741,698)	10.3%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	79,620,511	61,200,000	85,500,000	24,300,000	39.7%
SRECNA Change in Net Assets	\$ 242,291,501	61,447,205	165,385,863	103,938,658	169.2%
Total Revenues and AUF Transfers	\$ 2,060,956,555	2,175,998,995	2,495,138,706	319,139,711	14.7%
Total Expenses (Including Transfers for Interest)	(1,972,496,168)	(2,156,955,236)	(2,388,606,878)	(231,651,642)	10.7%
Budget Margin (Deficit)	\$ 88,460,387	19,043,759	106,531,828	87,488,069	
Reconciliation to Use of Prior Year Balances					
Depreciation		151,370,000	192,022,074		
Capital Outlay		(173,680,241)	(285,950,998)		
Transfers for Debt Service - Principal		(45,881,001)	(50,622,699)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		(49,147,483)	(38,019,795)		

**UT M. D. Anderson Cancer Center
Compact for FY 08 – FY 09**

X. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006
Enrollment	41	48	59	75	70	86	108
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06
Undergraduate degrees							
Certificate	0	23	24	24	0	0	0
Baccalaureate-level Certificate	0	3	10	8	45	21	14
Baccalaureate	0	13	10	20	30	43	49
Total degrees	0	39	44	52	75	64	63
<i>academic year</i>				02-03	03-04	04-05	05-06
Accredited resident programs				12	14	14	18
Residents in accredited programs				100	103	100	107
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Federal research expenditures	\$81,871,561	\$91,543,036	\$117,633,074	\$122,868,912	\$150,528,694	\$160,953,856	\$182,028,411
<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Faculty	911	1,017	1,071	1,133	1,190	1,447	1,621
Administrative		626	670	806	859	932	1,032
Other, Non-Faculty		9,709	10,320	11,035	11,856	12,608	13,069
Student employees		252	280	318	356	359	400
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Hospital admissions	16,499	17,497	18,604	18,781	19,430	20,608	20,728
Hospital days	126,803	131,788	137,204	137,207	146,673	153,002	155,981
Outpatient visits	409,443	448,690	469,068	471,728	537,822	610,329	767,909
Un-sponsored charity care - physicians only	\$19,717,163	\$25,524,441	\$30,773,351	\$35,310,300	\$43,427,477	\$51,164,780	\$50,594,052
<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005	8/31/2006
Endowment total value	\$300,480,000	\$278,151,000	\$263,643,000	\$205,089,000	\$357,890,000	\$421,936,000	\$457,727,000

**UT Health Center – Tyler
Compact for FY 08 – FY 09**

Mission: To serve East Texas and beyond through excellent patient care and community health, comprehensive education, and innovative research.

Top Priorities for FY 08 – FY 09:

- 1: Continue to implement Management Plan that was developed during summer 2006.
- 2: Implement Affiliation Plan with strategic partners.
- 3: Develop FY2008-FY2011 Strategic Plan for UTHCT.

I. Performance Summary Table and Analysis

Indicator	Past	Current	Goal	Explanation
All Sponsored Research Expenditures	\$8,453,709 (2002) \$11,420,260 (2005)	\$12,598,871 (2006)	\$14,000,000 (2010) \$20,000,000 (2014)	Increasing from current 35 to 60 basic science and clinical faculty by 2014. Includes increase of current support faculty of 1 to 5 by 2014 to assist with scientific core management and equipment.
Federal Sponsored Research Expenditures	\$2,783,554 (2002) \$4,956,399 (2005)	\$6,512,656 (2006)	\$7,500,000 (2010) \$10,000,000 (2014)	Commensurate increment in NIH awards associated with increased faculty by 2014. Assumes maintenance of current level of 89% of faculty having extramural support.
Uncompensated Health Care According to the State Definition – includes hospitals and physicians	\$24,450,670 (2002) \$38,513,173 (2005)	\$41,192,631 (FY2006)	\$28,912,494 (FY2008- FY2009)	UTHCT has implemented monthly productivity reports and has reduced its indigent care program.

II. Update Strategic Initiatives from the 2006 Compact for FY 07 – FY 08

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. UTHCT successfully surveyed by the Joint Commission in November 2006 with full accreditation obtained May 2007.				
2. Improve quality service satisfaction by reducing fall rate and complying with pay for performance (P4P) core indicators.	Fall rate was reduced to 2.4 by FY 2006; and attained 85%+ compliance in P4P.	National fall rate benchmark is 4.1; and P4P core indicators must be 85%+ compliant without CMS reimbursement penalty.	Medical staff training; create rapid response teams; conduct patient/system tracers.	UTHCT fall rate is below national benchmark; and UTHCT achieved 2% additional reimbursement rate for compliance with P4P core indicators.
3. Implement UTHCT Center for Healthy Aging programs by increasing patient numbers and nursing home participation	Increase in number of Senior Assessment Center patients, plus 200 patients in 11 nursing homes.	Senior Assessment Center patients increased from 381 (2005) to 6,387 (2006), plus additional 1,131 patients in UTHCT clinics.	Educational meetings in nursing homes, churches, community events, and with long-term care professionals.	Significant growth in patient visits due primarily to hiring 3 new nurse practitioners and 1 geriatrician in the Center for Healthy Aging; refining assessment process; and implementing robust marketing plan for this project. Improved growth in the total patient numbers and revenue from senior activities demonstrate success of UTHCT Center for Healthy Aging programs.

**UT Health Center – Tyler
Compact for FY 08 – FY 09**

4. Improved financial viability - from significant loss in FY 2005-06 to projected modest gain in FY 2007	FY 2006: \$16.6M indigent gross revenue; \$24.5M Medicaid gross revenue; \$13.3M bad debt expenses	Monthly productivity reports are produced that compare FTEs per department to benchmarks; monthly overtime, agency, and budget variance reports which directors are required to explain variance/month.	Indigent revenue, \$5.8M; Medicaid revenue = \$23M; Bad debt expenses = \$12M	These tools have allowed UTHCT to go from \$6.5 million loss in FY 2005, to a \$2.5 million loss in FY 2006, and a projected \$5.5 million gain in FY 2007. The measure of success is improvement in UTHCT's financial index.
5. Increased UTHCT patient base in Kilgore and Gilmer and in emergency room	Net patient revenue: \$68,057,033, FY 2006; \$70,799,413, FY 2007 projected year end	UTHCT pulmonologist in Kilgore clinic; cardiologist and gastroenterologist in Gilmer clinic; and renovated ER with revised marketing campaign.	5% increase in clinical revenue	Monthly financial report indicates growth of 5% or more in clinical revenue.

b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Continue strategic educational alliance between UTHCT and UT Tyler resulting in joint graduate and undergraduate schools in health and biotechnology	FY 2007, CLS program with UTT has 7 students	UTHCT signed 1-year contract with UT Tyler to support CLS degree offered by UTT and UTMB; plus UTHCT completed community health needs assessment and plans to pursue resulting academic health-related degrees/programs.	UTT contract beyond FY 2007 is TBD; degree-granting authority by THECB; and accreditation by SACS	Specific measurement of progress toward degree-granting - TBD.
2. Continue a prestigious research program	Sponsored research: \$12,498,871 (2006)	With anticipated doubling of faculty, UTHCT can maintain productivity levels.	Sponsored research: \$20,000,000 (2014)	Growth in research expenditures in specific focus areas of lung injury, infectious lung diseases, and cancer.
3. Finalize expansion of infrastructure to support education, research, patient care, & beautification of campus	\$21,120,000 TRB for UTHCT Academic Center	With TRB and donation of land in Tyler, center will support expanded residency program with additional patient and teaching space.	More academic and clinical visibility in East Texas	Achieve new educational and research facilities.

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 07-08, 08-09
1. Implement affiliation agreements with strategic partners to expand residency training programs and clinical programs so that medical education opportunities in East Texas are greatly enhanced.	Doubling of family medicine training program.	Academic visibility to identify additional teaching hospital	1. Finalize agreement with primary affiliate and pursue program and operational specifics. 2. Hire COO. 3. Produce strategic planning document.
2. Develop UTHCT strategic plan (FY 2008-10)			1. Complete affiliation process. 2. Develop long-range plan with clinical partners. 3. Continue implementing UTHCT financial recovery plan.

**UT Health Center – Tyler
Compact for FY 08 – FY 09**

IV. UT System Strategic Plan Initiatives

a. New Clinical Programs/Products

Two Product Lines: 1. Thoracic oncology, as well as other diseases of the chest. Hired an oncologist for UTHCT who will start 9/1/07. Developing relationship with a pulmonologist in Paris, Texas, and Mt. Pleasant, Texas, with the goal of entering into an affiliation. Comprehensive marketing/promotional campaign under development. 2. Cardiology - Current cardiology marketing campaign that is bearing fruit.

b. Financial Management Plan

UTHCT had net loss of -\$6.5 million during FY 2005 and a net loss of \$2.4 million during FY 2006. Due to employee reductions of 250 FTEs (21%), indigent control policies, investment in revenue cycle software (which resulted in increased reimbursement), and the elimination of non-productive programs, UTHCT is expecting a net profit of \$5.5 million for FY 2007. In addition, the institution's cash balance is expected to surpass the previous highest balance which occurred in FY 2004 after a one-time \$4 million gift.

c. Information Security Plan

Several major information security initiatives planned for the 2008 – 2009 timeline include:

- Implement whole-disk encryption for mobile devices storing confidential University data
- Complete network penetration test
- Purchase and implement an intrusion prevention system
- Purchase and implement an enterprise outbound email security solution

V. System Contributions and Investments

1. UT System Funding of UTHCT Aging Projects (\$2 million 2 years ago);
2. \$350K awarded (UTS Collaboration Fund) in March 2007 to UTHCT for small animal CT scan to support studies of lung function and lung injury.

VI. Faculty Positions Projected to 2010

Field	FY 06	FY 07	FY 08	FY 09	FY 10	Total FY 06 – FY 10
Medical/Health	71	60	60	62	64	317
Other	34	35	37	39	41	186
Total	105	95	97	101	105	503

Please Note: The numbers above are totals and not how many new faculty.

VII. Status of Campus Strategic/Long-Range Plan: Under initial development stage.

VIII. Campus Consultation to Develop Compact: The UTHCT Office of the President conducted individual, selected meetings with key faculty leaders to discuss previous Compacts and the elements of the FY 2008-09 Compact, in accordance with the new UT System Compact template. These faculty provided meaningful input and were instrumental in the development of UTHCT's FY 2008-09 Compact.

**UT Health Center – Tyler
Compact for FY 08 – FY 09**

IX. Budget

Operating Budget - Fiscal Year Ending August 31, 2007					
	FY 2005	FY 2006	FY 2007	Increases (Decreases)	
	Actual	Adjusted	Operating	From 2006 to 2007	
		Budget	Budget	Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ -	-	-	-	-
Federal Sponsored Programs	6,929,446	10,246,687	11,930,242	1,683,555	16.4%
State Sponsored Programs	1,039,427	1,244,793	1,126,409	(118,384)	-9.5%
Local and Private Sponsored Programs	7,173,758	2,759,046	3,064,788	305,742	11.1%
Net Sales and Services of Educational Activities	2,014,109	4,416,889	4,409,064	(7,825)	-0.2%
Net Sales and Services of Hospital and Clinics	47,420,792	48,878,615	42,972,776	(5,905,839)	-12.1%
Net Professional Fees	11,253,679	11,295,074	11,568,530	273,456	2.4%
Net Auxiliary Enterprises	545,993	234,605	202,797	(31,808)	-13.6%
Other Operating Revenues	965,356	602,225	-	(602,225)	-100.0%
Total Operating Revenues	77,342,560	79,677,934	75,274,606	(4,403,328)	-5.5%
Operating Expenses:					
Instruction	8,563,645	5,044,181	4,522,915	(521,266)	-10.3%
Academic Support	-	-	-	-	-
Research	9,706,865	13,965,060	15,033,139	1,068,079	7.6%
Public Service	-	-	-	-	-
Hospitals and Clinics	83,303,250	84,083,987	76,213,990	(7,869,997)	-9.4%
Institutional Support	10,201,170	8,821,331	7,055,427	(1,765,904)	-20.0%
Student Services	-	-	-	-	-
Operations and Maintenance of Plant	6,104,686	5,717,737	7,925,497	2,207,760	38.6%
Scholarships and Fellowships	-	-	-	-	-
Auxiliary Enterprises	1,166,612	211,705	225,469	13,764	6.5%
Depreciation and Amortization	7,668,576	7,233,612	8,008,483	774,871	10.7%
Total Operating Expenses	126,714,804	125,077,613	118,984,920	(6,092,693)	-4.9%
Operating Surplus/Deficit	(49,372,244)	(45,399,679)	(43,710,314)	1,689,365	-3.7%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF	34,714,835	39,095,121	38,952,683	(142,438)	-0.4%
Gifts in Support of Operations	5,149,343	569,461	1,277,853	708,392	124.4%
Net Investment Income	3,267,893	2,585,299	2,780,079	194,780	7.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	43,132,071	42,249,881	43,010,615	760,734	18%
Transfers and Other:					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(664,492)	(951,704)	(903,225)	48,479	-5.1%
Total Transfers and Other	(664,492)	(951,704)	(903,225)	48,479	-5.1%
Budget Margin (Deficit)	(6,904,665)	(4,101,502)	(1,602,924)	2,498,578	-60.9%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	4,477,708	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	780,262	10,799	11,123	324	3.0%
Additions to Permanent Endowments	141,314	-	-	-	-
Transfers for Debt Service - Principal	(680,324)	(1,560,000)	(1,277,000)	283,000	-18.1%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	9,207,710	6,286,115	6,307,060	20,945	0.3%
SRECNA Change in Net Assets	\$ 7,022,005	635,412	3,438,259	2,802,847	441.1%
Total Revenues and AUF Transfers	\$ 120,474,631	121,927,815	118,285,221	(3,642,594)	-3.0%
Total Expenses (Including Transfers for Interest)	(127,379,296)	(126,029,317)	(119,888,145)	6,141,172	-4.9%
Budget Margin (Deficit)	\$ (6,904,665)	(4,101,502)	(1,602,924)	2,498,578	
Reconciliation to Use of Prior Year Balances					
Depreciation		7,233,612	8,008,483		
Capital Outlay		(3,100,000)	(3,500,000)		
Transfers for Debt Service - Principal		(1,560,000)	(1,277,000)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		(1,527,890)	1,628,559		

**UT Health Center – Tyler
Compact for FY 08 – FY 09**

X. Data Summary

<i>academic year</i>				02-03	03-04	04-05	05-06
Accredited resident programs				2	2	2	2
Residents in accredited programs				24	23	24	24

<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006
Federal research expenditures	\$2,807,980	\$3,063,099	\$2,783,554	\$3,493,251	\$4,659,021	\$4,956,399	\$6,512,656

<i>academic year</i>	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Faculty	102	112	119	110	107	106	97
Administrative		63	76	80	50	46	37
Other, Non-Faculty		1,095	1,041	1,062	1,110	1,035	836
Student employees		14	13	11	8	10	10

<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005
Hospital admissions	3,504	3,714	3,554	3,805	3,765	3,369	2,901
Hospital days	28,163	29,802	29,451	29,021	26,942	24,789	19,090
Outpatient visits	126,585	132,772	135,978	140,473	119,515	114,968	114,208
Un-sponsored charity care - physicians only	\$2,619,752	\$3,261,170	\$4,992,457	\$5,405,720	\$6,814,083	\$7,008,950	\$8,695,101

<i>as of</i>	8/31/2000	8/31/2001	8/31/2002	8/31/2003	8/31/2004	8/31/2005	8/31/2006
Endowment total value	\$33,791,000	\$29,465,000	\$26,136,000	\$28,288,000	\$31,729,000	\$36,271,000	\$39,108,000