

**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.

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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).

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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.

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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.

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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	\$ 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)		

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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