

**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

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

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.

**UT Southwestern Medical Center at Dallas
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	\$1,500,000	\$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.

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

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