

**UT Southwestern Medical Center at Dallas  
Compact for FY 09 – FY 10**

**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 09 – FY 10:**

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
	2003	2006	2007	2010	
Enrollment Growth (grad/prof)					
Allied Health	173	172	172	195	Closing the Gaps target
Biomedical Sciences	525	1,110	1,123	1145	Closing the Gaps target
Medical	867	925	909	910	Closing the Gaps target
All Sponsored Research Expenditures	\$277,956,511 (2003) \$333,256,162 (2006)		\$341,110,600 (2007)	\$394,878,158	5% growth of all sponsored research, based on 2009 budget projections, will exceed Closing the Gaps target
Federal Sponsored Research Expenditures	\$177,133,099 (2003) \$196,622,021 (2006)		\$191,686,904 (2007)	\$209,461,455	Growth of 3%, based on 2009 budget projections, even with flat NIH budget, will exceed Closing the Gaps targets
Administrative Costs		5.76% (FY03) 4.14% (FY06)	4.53% (FY07)	<= 5%	LBB target maintain 5% or less
Patient Satisfaction in Hospitals		N/A	97.4% (2007)	95%	Maintain 95% patient satisfaction in hospitals
United States Medical Licensing Examination Licensure Passage Rate for Medical Students		99.7% (2003) 97.6% (2006)	97.1% (2007)	=> 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		414,196 (2003) 502,802 (2006)	533,510 (2007)	588,207	Successfully expand clinical practice

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**II. Update Strategic Initiatives from the 2007 Compact**

**a. Completed Initiatives**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
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 \$770 million revised philanthropic campaign goal, continue to raise funds to fully fund all university components
2. 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	Completed recruitment of transplant team, begin liver and kidney transplant program; expand to Parkland
3. Completion of first phase of Electronic Medical Record in University Hospitals	Improved electronic collection of patient data	Progress in implementation and training have been successful for Phase One	Improve and enhance patient-oriented program	Implementation of EMR Phase One
4. Complete Phase Zero of Enterprise Resource Planning (ERP)	Improve institutional capabilities	Completion of due diligence and research of ERP software	Purchased PeopleSoft as organizational Software	Decided to use PeopleSoft; developed implementation phases for ERP
5. Implement the processes necessary to achieve the goals of the clinical transformation project	Improved patient satisfaction scores	Competency testing for all clinical staff assistants	Improved communication systems	Completed IR Health System strategic plan and integrated phone plan

**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Complete planning for Phase 2 of University Hospital St. Paul master plan and future use of Sprague Bldg, Aston Bldg, and University Hospital - Zale	Programmed use of space; 195 bed tower	Finalized plan for reprogramming of space	Complete plan based on recommendations of committee	Philanthropic funds to fill-out funding
2. Completion of Electronic Medical Record (EMR) 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 hospital upgrade of EMR
3. Implement processes necessary to improve patient satisfaction	Improved patient satisfaction	Improve patient experience with centralized phone access and registration systems	Ease of patient contact and registration	Single access phone number of patients and physicians; develop as single registration mechanism in hospitals and clinics
4. Children's Medical Center Pediatric Research Institute on 2 floors North Campus Phase 5	Increase funding for pediatric research	Increased funding by \$10 M per year	Complete Institute and strengthen research	Detailed end user planning
5. Continue Phase One of Enterprise Resource Planning (ERP)	Improve institutional capabilities	Implement in hospitals January 2009	Purchased PeopleSoft as organizational Software	Decision on, and development of implementation phase for PeopleSoft. 4 year goal

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**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 08-09, 09-10
Implement the multi-faceted plans of the Clinical and Translational Sciences Award (CTSA) to enhance and increase clinical trials	Increased expertise in, and expansion of, clinical trials	Expansion of clinical trials	Clinical Sciences Department develops plan to increase and enhance institutional clinical trial expertise. Increase infrastructure to support clinical trials
Completion of Phase One need to implement University Hospitals Phase Two	Program use of space	Develop optimal space plan	09-10 detailed end user planning and submit proposal to BOR for construction
Explore a UT Southwestern Medical School at Austin	Add additional 200 medical students and 200 residents	Determine feasibility	Complete feasibility study; submit to Regents; if approved, develop and implement plan

**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 to four 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. Planning for the purchase and installation of an intraoperative MRI to enhance patient care. Construction and installation would begin in March 2009.

Digestive Diseases: Further expansion of medical and surgical bariatric 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 implementation currently underway. Program certification will be obtained in the next 12 - 18 months; Kidney transplant program has increased the number of transplants during this fiscal year with plans for substantial growth over the next two years. Additional faculty recruitments will be necessary in pathology and nephrology.

Spine Center: A multi-disciplinary Spine Center was opened in December of 2007. The spine center is comprised of Neurosurgery, Orthopedics and Physical Medicine and Rehabilitation.

**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**

**a. Summary of investments:**

	FY 05	FY 06	FY 07	FY 08	Description/Metrics of Impact
STARS Program	\$1,500,000	\$3,000,000	\$1,500,000	--	Recipients involved in 30 new and ongoing grants and sponsored research projects

**VI. New Faculty Positions Projected to 2011**

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	Total FY 06 – FY 11
Medical/Health	7	115	80	80	80	80	442

Comments: Because FY 06 had a low number of faculty recruited, more faculty were recruited in FY 07 than estimated in last year's compact. Also, chairs in dermatology, orthopaedic surgery, and family medicine were filled, and new chairs tend to recruit any vacant positions. Planned and targeted faculty growth in Internal medicine and pediatrics: of the 115 new faculty positions reported for FY 07, 33 were in internal medicine and 23 in pediatrics (49% in target fields).

**VII. Status of Campus Strategic/Long-Range Plan:** The Six Year Plan, strategic planning document, is updated every two years with a mid-term review in odd numbered years. The Six-Year Plan cycle (2008-2014) was completed in April 2008. Executive Summary made available to campus community via intranet.

**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, 2008**

	FY 2006 Actual	FY 2007 Adjusted Budget	FY 2008 Operating Budget	Budget	
				Increases (Decreases) From 2007 to 2008	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 12,411,063	12,802,062	13,747,363	945,301	7.4%
Federal Sponsored Programs	202,085,412	227,205,220	236,315,293	9,110,073	4.0%
State Sponsored Programs	4,583,582	6,795,056	6,911,814	116,758	1.7%
Local and Private Sponsored Programs	199,532,573	165,425,721	193,558,030	28,132,309	17.0%
Net Sales and Services of Educational Activities	6,554,818	10,023,222	8,312,656	(1,710,566)	-17.1%
Net Sales and Services of Hospital and Clinics	289,467,546	302,009,052	309,706,563	7,697,511	2.5%
Net Professional Fees	247,839,334	279,854,318	315,248,350	35,394,032	12.6%
Net Auxiliary Enterprises	17,212,670	19,595,154	20,011,708	416,554	2.1%
Other Operating Revenues	14,318,505	25,941,571	29,819,564	3,877,993	14.9%
<b>Total Operating Revenues</b>	<b>994,005,503</b>	<b>1,049,651,376</b>	<b>1,133,631,341</b>	<b>83,979,965</b>	<b>8.0%</b>
<b>Operating Expenses:</b>					
Instruction	390,137,557	445,961,052	472,267,609	26,306,557	5.9%
Academic Support	23,234,032	26,873,666	29,085,209	2,211,543	8.2%
Research	257,392,902	277,731,451	296,627,865	18,896,414	6.8%
Public Service	61,207,775	73,243,194	77,878,477	4,635,283	6.3%
Hospitals and Clinics	293,264,938	283,979,336	303,596,928	19,617,592	6.9%
Institutional Support	49,090,724	45,806,795	47,030,140	1,223,345	2.7%
Student Services	2,656,583	2,704,493	2,939,874	235,381	8.7%
Operations and Maintenance of Plant	56,869,663	64,641,098	69,674,839	5,033,741	7.8%
Scholarships and Fellowships	441,665	485,346	621,257	135,911	28.0%
Auxiliary Enterprises	15,305,206	18,538,744	17,707,881	(830,863)	-4.5%
Depreciation and Amortization	56,952,177	62,435,967	68,679,500	6,243,533	10.0%
<b>Total Operating Expenses</b>	<b>1,206,553,222</b>	<b>1,302,401,142</b>	<b>1,386,109,579</b>	<b>83,708,437</b>	<b>6.4%</b>
<b>Operating Surplus/Deficit</b>	<b>(212,547,719)</b>	<b>(252,749,766)</b>	<b>(252,478,238)</b>	<b>271,528</b>	<b>-0.1%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	147,434,076	147,828,687	174,223,147	26,394,460	17.9%
Gifts in Support of Operations	42,930,007	69,007,909	74,100,597	5,092,688	7.4%
Net Investment Income	68,351,975	72,201,327	78,282,319	6,080,992	8.4%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>258,716,058</b>	<b>289,037,923</b>	<b>326,606,063</b>	<b>37,568,140</b>	<b>13.0%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(20,986,279)	(23,663,333)	(25,755,031)	(2,091,698)	8.8%
<b>Total Transfers and Other</b>	<b>(20,986,279)</b>	<b>(23,663,333)</b>	<b>(25,755,031)</b>	<b>(2,091,698)</b>	<b>8.8%</b>
<b>Budget Margin</b>	<b>25,182,060</b>	<b>12,624,824</b>	<b>48,372,794</b>	<b>35,747,970</b>	<b>283.2%</b>
<b>Reconciliation to Change in Net Asset:</b>					
Net Non-Profit Health Corp Activity	-	1,455,373	1,469,927	14,554	1.0%
Net Inc./Dec. in Fair Value of Investments	64,482,417	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	4,853,385	7,484,681	7,559,528	74,847	1.0%
Additions to Permanent Endowments	15,903,506	8,799,829	8,975,826	175,997	2.0%
Transfers for Debt Service - Principal	(19,624,060)	(30,245,290)	(37,459,150)	(7,213,860)	23.9%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	114,199,722	91,900,000	25,143,627	(66,756,373)	-72.6%
<b>SRECNA Change in Net Assets</b>	<b>\$ 204,997,030</b>	<b>92,019,417</b>	<b>54,062,551</b>	<b>(37,956,866)</b>	<b>-41.2%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 1,252,721,561</b>	<b>1,338,689,299</b>	<b>1,460,237,404</b>	<b>121,548,105</b>	<b>9.1%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(1,227,539,501)</b>	<b>(1,326,064,475)</b>	<b>(1,411,864,610)</b>	<b>(85,800,135)</b>	<b>6.5%</b>
<b>Budget Margin</b>	<b>\$ 25,182,060</b>	<b>12,624,824</b>	<b>48,372,794</b>	<b>35,747,970</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		62,435,967	68,679,500		
Capital Outlay		(31,217,984)	(31,889,200)		
Transfers for Debt Service - Principal		(30,245,290)	(37,459,150)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		<u>13,597,517</u>	<u>47,703,944</u>		

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**X. Data Summary**

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007
Undergraduate enrollment	241	221	193	184	191	198	189	191
Allied Health	239	215	169	146	134	121	116	119
Biomedical Sciences	2	6	24	38	57	77	73	72
Graduate/professional	1,264	1,333	1,444	1,565	2,082	2,152	2,207	2,204
Allied Health	65	100	134	173	185	186	172	172
Biomedical Sciences	375	420	472	525	1,049	1,067	1,110	1,123
Medical School	824	813	838	867	848	899	925	909
Total enrollment	1,505	1,554	1,637	1,749	2,273	2,350	2,396	2,395

<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Undergraduate degrees								
Certificates	5	9	5	0	5	4	57	161
Baccalaureate	103	106	104	70	61	50	49	44
Graduate/prof degrees								
Allied Health	29	33	32	31	66	68	74	72
Biomedical Sciences	73	65	63	59	77	93	92	106
Medical	184	203	201	189	204	211	217	226
Total grad/prof degrees	286	301	296	279	347	372	383	404

<i>academic year</i>				02-03	03-04	04-05	05-06*	06-07
Accredited resident prgs				78	79	77	77	77
Residents in accredited prgs				1,149	1,210	1,234	1,177	1,122

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

<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Federal research exp	\$109,165,343	\$131,820,109	\$155,257,992	\$177,133,099	\$200,887,545	\$202,057,099	\$196,622,021	\$191,686,904

<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Faculty	1,425	1,475	1,526	1,588	1,695	1,730	1,790	1,892
Administrative		124	132	145	187	327	331	431
Other, Non-Faculty		3,697	3,883	4,051	4,568	6,752	6,902	6,945

<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005	2006
Hospital Admissions	n/a	n/a	n/a	n/a	n/a	n/a	7,832*	13,361
Hospital days	370,942	379,770	399,136	411,288	407,991	418,638	429,146	438,519
Outpatient visits	1,752,510	1,528,751	1,775,500	2,064,987	1,959,288	2,132,792	2,163,809	1,693,209
Un-sponsored 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	\$371,341,317

\* 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	8/31/2007
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	\$1,434,560,000

**UT Medical Branch - Galveston  
Compact for FY 09 – FY 10**

**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 09 – FY 10:**

1. Attract and retain a world-class workforce and achieve recognition as a preferred employer and workplace.
2. Become known nationally and globally as a leader in health care delivery and biomedical sciences by developing or expanding priority clinical and research programs and facilities
3. Achieve national prominence for innovative and effective educational curricula focused on evidence-based learning and practice across the health professions.
4. Generate financial strength with strategic investments in programs and growth in philanthropic support
5. Achieve and sustain top-quartile performance in clinical outcomes, patient service and employee satisfaction.

**I. Performance Summary Table and Analysis**

Indicator	Past		Current	Goal	Explanation	
Enrollment Growth	Fall	2003	2006	2007	2010*	
Allied Health		356	464	550	630	SAHS programs are expanding capacity with recruiting and retention efforts.
Biomedical Sciences		321	305	282	305	NIH reductions and foreign student visa restrictions reduced the number of biomedical students.
Medical		819	861	882	920	The goal will be 920 for the 2009-10 academic year assuming continuation of the present level of qualified applicants.
Nursing		562	625	708	718	The modest projected increase for 2010 occurs because of the shortage of faculty; and the limited capacity of clinical agencies to accommodate more pre-licensure students.
* = 2010 "Closing the Gaps" enrollment goals.						
<i>All Sponsored Research Expenditures</i>		\$129,860,903 (2003) \$155,036,202 (2006)		\$159,687,288 (2007)	\$174,494,611 (2010)	Project 3% growth of all sponsored research, based on 2006 actual baseline
<i>Federal Sponsored Research Expenditures</i>		\$93,039,583 (2003) \$120,407,805 (2006)		\$118,172,604 (2007)	\$130,333,281 (2010)	Increase federal sponsored research by 2% annually.
Uncompensated Health Care		\$404,238,066 (2003) \$445,110,382 (2006)		\$391,703,429 (2007)	\$435,196,510 (2010)	Upper Payment Limit revenue of \$30.4 million offset uncompensated care in 2007. Also, unsponsored inpatient admissions and outpatient visits declined 1.3% and 11.8%, respectively, in 2007

**UT Medical Branch - Galveston  
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**II. Update Strategic Initiatives from 2008 Compact**

**a. Completed Initiatives:**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Use information technology to improve access to health care, and improve patient safety.	Implement integrated Electronic Medical Record System (EMR)	Physician order entry implementation was successfully completed as planned in hospitals, emergency department and pharmacy	Implement physician order component of the EMR	Successful implementation of physician orders and medication administration by pharmacists and nurses now on one electronic system.
2. Successful Southern Association of Schools and Colleges (SACS) reaffirmation site visit.	Compliance with SACS Core Requirements, and Standards	Successful Compliance demonstrated in all aspects of review. Formal vote to reaffirm at Annual SACS COC conference December 2008.	Quality Enhancement Plan accepted	The successful SACS COC re-affirmation site visit was the result of several years of work by UTMB. It represents a successful collaborative effort of the campus community.
3. Implement Studer Group comprehensive service excellence plan for health care system	Improved Patient satisfaction scores	Completion of Clinical leadership development program will hardwire accountability into everyone's performance	Selection of Studer Group by Summer of 2007.	Studer Group selected and contract signed Summer of 2007. Commitment to transformation process by clinical leadership was achieved.

**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Improve financial performance to support the education, health care, and research missions. Enhance case mix	Operating margin	An enhanced Adjusted Margin in order for UTMB to achieve long-term capital plan and financial condition overall.	Improve Adjusted Margin within a 36 month time frame	Implement Clinical Strategic Plan; Maximize performance and return on investment of administrative and finance systems.
	Sponsored patient care revenue	A more diversified payor mix is essential for academic medical center growth	Improve the private (i.e. nongovernmental) admissions by 7% within the next 18 months.	Develop mainland visibility and reputation with updated marketing plan. Increase employee patient base.
2. Ensure a patient focused environment that provides quality care to patients	Press Ganey Patient satisfaction survey	FY 2005-07, 1st quarter improved scores for ED (73.7% to 80%); inpatient (83% to 83.6%); outpatient stayed at 88.2%.	Achieve the top quartile within 3 years	Continue to implement a service excellence plan that addresses convenient access and efficient processes
3 Complete the construction of Galveston National Laboratory (GNL) and make it fully operational	Increase research dollars and space	The GNL will provide a unique state and national resource for infections disease research with an economic impact of \$1.4 billion over 20 years statewide	GNL scheduled for completion in FY 2008	Final commissioning will be followed by a Federal (CDC) inspection, prior to initiation of research within its BSL3 and BSL4 containment laboratories.
4. Complete SACS accreditation process and receive final approval December 2008	Maintain accreditation	The SACS onsite review committee has submitted its final report.	Full university accreditation December 2008	Address the concerns and respond to the two minor recommendations and submit our report to SACS

**UT Medical Branch - Galveston  
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**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 08-09, 09-10
1. Grow the clinical enterprise through expansion of operations off the island.	Increased admissions/visits to the specialty practices in Galveston generated by the Specialty Care Center services on the mainland.	Increase annual admissions within 24 months of occupancy	Complete construction and occupy the Specialty Care Center FY09-10  Continued expansion of UTMB's primary care clinic network 2010
2. Initiate the Studer Group Evidence Based Leadership program to improve patient outcomes.	Increase quality of care to exceed benchmarks and ensure market competitiveness	Complete Implementation of evidence based outcomes	1. FY 09: Develop metrics and targets for each operating unit (inpatient, clinic, ED) 2. FY 09 & 10: Completion of Studer initiative
3. Implement the first phase of the Quality Enhancement Plan – "Synergy".	Improve the quality of health care delivered by collaborative interprofessional teams	Identify leadership for "Synergy" project and develop action plans.	Recruit and name "Synergy" Steering Committee 2008 Recruit and name "Synergy" director, 2008 Implement Faculty development workshops 2009-10 Pilot inter-professional experiences, 2009-10

**IV. UT System Strategic Plan Initiatives – Health Institutions**

**a. Establishment of new patient care product lines and capabilities**

UTMB will expand five service line centers of excellence that include the Transplant Center, Neurosciences, Cancer Center, Obstetrics and Cardiology. In order to support the planned growth, we will expand our facilities with specialty tower with state of the art clinical facilities. We will continue to expand UTMB's primary care network with a Specialty Care Center on the mainland that will house specialty clinic space, outpatient, surgery, imaging, and Pediatric urgent care.

**b. Financial Management Plan**

Critical to UTMB financial success is the implementation of the clinical strategic plan. The goals of the clinical strategic plan are to increase sponsored patient volumes and clinical case mix index through focused service line growth, facility expansion and development of community physician relationships. UTMB will also continue to refine our financial management systems to provide the financial services and processes needed to support the University mission.

**c. Information Security Plan**

In furtherance of our statutory obligation under UT System Policy 165, Texas Administrative Code 202C and other regulatory requirements, UTMB has developed and implemented a comprehensive information security program which has been reviewed and approved by the president. A third party review of our administrative and technical controls was conducted to ensure our information resources are adequately protected. The focus of information security for FY 2008 includes enhancements to the compliance training program, continued improvements to our disaster recovery capabilities and business continuity plan.

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**V. System Contributions and Investments**

**a. Summary of STARS and other PUF investments:**

	FY 05	FY 06	FY 07	FY 08	Metrics of Impact
STARS Program	--	\$2,750,000	\$2,350,000	\$700,000	Recruited additional scientists and involve at least 4 departments in collaborative grants and publications.
ENTER Program	--	\$500,000	\$500,000	\$500,000	Expands both faculty and physical space to increase enrollment and further develop interdisciplinary activities.

**VI. New Faculty Positions Projected to 2011**

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	Total FY 06 – FY 11
STEM	9	16	21	23	18	20	107
Medical/Health	19	14	31	25	25	23	137
Other	0	0	4	2	1	1	8
Total	28	30	56	50	44	44	252

**VII. Status of Campus Strategic/Long-Range Plan:** Beginning in the fall of 2007 under the direction of a new president, UTMB began to move toward the use of a more rigorous annual planning and evaluation process. Each major entity has established prioritized goals and outcomes measures aligned with institutional strategic priorities. Senior leadership will monitor and assess progress during the strategic review process.

**VIII. Campus Consultation to Develop Compact:** The campus consultation included a series of six campus town hall meetings (February – March 2008) with presentations by executive leadership that provided students, faculty and staff with information about UTMB's current state and strategic plans for clinical care, research, education and support service areas. The Compact and other key planning documents will be published online.

**UT Medical Branch - Galveston  
Compact for FY 09 – FY 10**

**IX. Budget**

**The University of Texas Medical Branch at Galveston  
Operating Budget, Fiscal Year Ending August 31, 2008**

	FY 2006 Actual	FY 2007 Adjusted Budget	FY 2008 Operating Budget	Budget	
				Increases (Decreases) From 2007 to 2008	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 11,963,386	9,903,755	15,140,329	5,236,574	52.9%
Federal Sponsored Programs	123,613,600	129,215,856	130,268,616	1,052,760	0.8%
State Sponsored Programs	35,299,283	33,672,686	34,942,840	1,270,154	3.8%
Local and Private Sponsored Programs	57,644,191	50,175,269	58,111,593	7,936,324	15.8%
Net Sales and Services of Educational Activities	2,922,629	1,324,800	1,431,299	106,499	8.0%
Net Sales and Services of Hospital and Clinics	686,692,384	698,314,385	692,860,959	(5,453,426)	-0.8%
Net Professional Fees	115,236,258	111,600,000	133,709,477	22,109,477	19.8%
Net Auxiliary Enterprises	8,979,852	9,378,554	9,650,000	271,446	2.9%
Other Operating Revenues	21,168,152	30,776,465	32,731,432	1,954,967	6.4%
<b>Total Operating Revenues</b>	<b>1,063,519,735</b>	<b>1,074,361,770</b>	<b>1,108,846,545</b>	<b>34,484,775</b>	<b>3.2%</b>
<b>Operating Expenses:</b>					
Instruction	292,929,596	289,806,586	308,351,472	18,544,886	6.4%
Academic Support	11,961,971	13,693,895	14,371,268	677,373	4.9%
Research	118,577,871	116,396,113	127,968,221	11,572,108	9.9%
Public Service	3,435,555	3,356,120	3,738,756	382,636	11.4%
Hospitals and Clinics	871,691,962	878,164,074	877,699,994	(464,080)	-0.1%
Institutional Support	27,059,665	18,395,929	18,100,414	(295,515)	-1.6%
Student Services	2,501,676	2,575,362	2,743,765	168,403	6.5%
Operations and Maintenance of Plant	18,451,754	29,704,638	25,808,749	(3,895,889)	-13.1%
Scholarships and Fellowships	3,066,785	1,379,939	1,226,075	(153,864)	-11.2%
Auxiliary Enterprises	11,152,528	6,639,030	9,503,869	2,864,839	43.2%
Depreciation and Amortization	53,481,403	53,455,587	56,258,272	2,802,685	5.2%
<b>Total Operating Expenses</b>	<b>1,414,310,766</b>	<b>1,413,567,273</b>	<b>1,445,770,855</b>	<b>32,203,582</b>	<b>2.3%</b>
<b>Operating Surplus/Deficit</b>	<b>(350,791,031)</b>	<b>(339,205,503)</b>	<b>(336,924,310)</b>	<b>2,281,193</b>	<b>-0.7%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	289,780,393	291,834,614	303,253,218	11,418,604	3.9%
Gifts in Support of Operations	9,143,423	4,464,451	7,010,565	2,546,114	57.0%
Net Investment Income	44,228,681	30,410,566	33,756,336	3,345,770	11.0%
Other Non-Operating Revenue	199,356	-	-	-	-
Other Non-Operating (Expenses)	(36,514)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>343,315,339</b>	<b>326,709,631</b>	<b>344,020,119</b>	<b>17,310,488</b>	<b>5.3%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(5,868,388)	(7,048,653)	(6,779,109)	269,544	-3.8%
<b>Total Transfers and Other</b>	<b>(5,868,388)</b>	<b>(7,048,653)</b>	<b>(6,779,109)</b>	<b>269,544</b>	<b>-3.8%</b>
<b>Budget Margin</b>	<b>(13,344,080)</b>	<b>(19,544,525)</b>	<b>316,700</b>	<b>19,861,225</b>	<b>-101.6%</b>
<b>Reconciliation to Change in Net Asset:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	13,007,858	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	41,120,817	41,606,000	26,391,000	(15,215,000)	-36.6%
Additions to Permanent Endowments	10,020,769	6,000,000	9,083,205	3,083,205	51.4%
Transfers for Debt Service - Principal	(10,601,209)	(12,009,423)	(16,960,648)	(4,951,225)	41.2%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	25,785,633	51,051,591	31,616,489	(19,435,102)	-38.1%
<b>SRECNA Change in Net Assets</b>	<b>\$ 65,989,788</b>	<b>67,103,643</b>	<b>50,446,746</b>	<b>(16,656,897)</b>	<b>-24.8%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 1,406,871,588</b>	<b>1,401,071,401</b>	<b>1,452,866,664</b>	<b>51,795,263</b>	<b>3.7%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(1,420,215,668)</b>	<b>(1,420,615,926)</b>	<b>(1,452,549,964)</b>	<b>(31,934,038)</b>	<b>2.2%</b>
<b>Budget Margin</b>	<b>\$ (13,344,080)</b>	<b>(19,544,525)</b>	<b>316,700</b>	<b>19,861,225</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		53,455,587	56,258,272		
Capital Outlay		(22,000,000)	(15,000,000)		
Transfers for Debt Service - Principal		(12,009,423)	(16,960,648)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		(98,361)	24,614,324		

**UT Medical Branch - Galveston  
Compact for FY 09 – FY 10**

**X. Data Summary**

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007
Undergraduate enrollment	711	622	624	598	581	547	536	609
Allied Health	268	165	136	134	111	129	145	174
Biomedical Sciences	20	27	38	47	38	21	13	13
Nursing	423	430	450	417	432	397	378	422
Graduate/professional	1,216	1,305	1,381	1,461	1,540	1,625	1,719	1,813
Allied Health	73	154	198	222	258	299	319	376
Biomedical Sciences	233	234	256	274	321	283	292	269
Medical School	810	823	813	820	824	830	861	882
Nursing	100	94	114	145	137	213	247	286
Total enrollment	1,927	1,927	2,005	2,059	2,121	2,172	2,255	2,422
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Undergraduate degrees								
Baccalaureate: Allied Health	212	141	95	38	53	39	51	60
Baccalaureate: Nursing	156	171	201	163	187	184	193	161
Graduate/professional degrees								
Allied Health	35	36	37	74	61	81	97	67
Biomedical Sciences	49	51	59	52	57	52	54	79
Medical	184	183	194	181	190	201	183	199
Nursing	31	46	21	37	34	45	50	55
Total grad/prof degrees	299	316	311	344	342	379	384	400
<i>academic year</i>				02-03	03-04	04-05	05-06	06-07
Accredited resident prgs				52	54	54	54	57
Residents in accredited prgs				543	551	553	549	641
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Federal research exp	\$61,356,467	\$63,274,494	\$78,100,188	\$93,039,583	\$102,490,775	\$117,235,448	\$120,407,805	\$118,172,604
<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Faculty	1,209	1,240	1,255	1,258	1,279	1,304	1,276	1,268
Administrative		609	518	863	892	909	872	871
Other, Non-Faculty		11,534	11,821	10,798	11,244	11,281	10,820	10,452
Student employees		245	400	421	427	446	451	243
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005	2006
Hospital admissions	33,073	32,505	32,927	35,099	37,190	40,452	42,294	41,524
Hospital days	173,136	170,797	175,956	186,975	194,642	199,862	202,544	187,597
Outpatient visits	813,296	754,538	760,765	819,560	852,759	845,210	851,310	700,553
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	\$107,717,480
<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	8/31/2007
Endowment total value	\$342,602,000	\$316,291,000	\$295,898,000	\$306,674,000	\$352,268,000	\$397,054,000	\$432,172,000	\$496,876,000

## UT Health Science Center - Houston Compact for FY 09 – FY 10

**Mission:** As a comprehensive health science university, the mission of the The University of Texas Health Science Center at Houston (UT HSC Houston) is to educate health science professionals, discover and translate advances in the biomedical and sciences, and model the best practices in clinical care and public health.

We pursue this mission in order to advance the quality of human life by enhancing the diagnosis, treatment, and prevention of disease and injury, as well as promoting individual health and community well-being.

### Top 5 Priorities for FY 09 – FY 10:

1. Develop and show progress on major fundraising initiatives.
2. Develop and implement programmatic plan associated with new facilities opening in FY 09 & FY 10
3. Increase faculty and student numbers; improve faculty and staff retention, including key leadership positions
4. Enhance opportunities for internal and external collaborative endeavors
5. Continue enhancing financial position.

### I. Performance Summary Table and Analysis

Indicator	Past		Current	Goal	Explanation	
	Fall	2003	2006	2007		2009
Enrollment Growth						
Biomedical Sciences		490	544	578	561	Growth represents a planned increase of 5% in the entering class (approximately 5 students each year).
Dental (undergrad + grad)		398	439	452	503	Growth represents a planned increase in total DDS enrollment (from 250 in fall 2005 to 331 in fall 2009).
Health Information Sciences		74	73	80	107	Growth represents a planned increase in degree-seeking students (approximately 11 per year).
Medical		816	912	929	970	Entering class size is 230, plus 50 MS clinical research.
Nursing (undergrad + grad)		698	753	771	800	Growth represents a planned increase in degree-seeking students.
Public Health		908	930	959	1,085	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		\$152,117,064 (2003) \$175,153,808 (2006)	\$191,724,126 (2007)	\$196.4 mil (FY 2010)		Goal aligns with UTHSC-H's six-year forecast; 1% annual growth and stable indirect cost recovery.
Federal Sponsored Research Expenditures		\$111,170,193 (2003) \$122,870,079 (2006)	\$131,879,012 (2007)	\$134.3 mil (FY 2010)		Maintains current proportion of federal expenditures for research (68.4% of total).
Uncompensated Health Care According to the State Definition – physicians only		\$139,031,049 (FY 2004) \$185,910,119 (FY 2006)	\$152,091,939 (FY 2007)	\$166,000,000 (FY 2010)		Based on the LBB definition, goal projects growth at 3% per year in accordance with the UT System strategic plan.
Student diversity (% underrepresented minority)		18.5% (Fall 2003) 18.5% (Fall 2005)	20% (Fall 2006)	26% (Fall 2009)		Goal projects an annual increase of 2 percentage points.
Faculty PIs as a percent of total CBM-008 certified faculty		31% (FY 2004) 33% (FY 2006)	34% (FY 2007)	37% (FY 2010)		Goal projects a conservative annual increase of 1 percentage point.

**UT Health Science Center - Houston  
Compact for FY 09 – FY 10**

Indicator	Past	Current	Goal	Explanation
MSRDP net patient revenues	\$99,820,240 (FY 2004) \$102,923,209 (FY 2006)	\$125,969,236 (FY 2007)	\$141,085,543 (FY 2010)	Goal projects roughly 4% annual growth.
Medical School outpatient visits	834,987 (FY 2004) 840,831 (FY 2006)	980,451 (FY 2007)	1,040,000 (FY 2010)	Goal projects roughly 2% annual growth.
Total Endowments and Similar - other than State	\$66,638,813 (FY 2004) \$87,181,444 (FY 2006)	\$100,097,367 (FY 2007)	\$143,000,000 (FY 2010)	NEED TO VERIFY #s. 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 2007 Compact**

**a. Completed Initiatives**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Complete the Medical School Expansion and Vivarium	Recruit new faculty/staff (30/70 respective goals)	Estimated move in date is early spring 2008.	8 new faculty on board in FY 2008	Formally opened new building; Recruited new chair for Department of Integrative Biology & Pharmacology and other departmental faculty
2. 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 interim	Hired permanent holders of the key positions noted.

**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Finance and plan for a replacement Dental Branch Building	Gains in faculty and student recruitment	\$90 million committed (TRBs, PUF). Project in final design phase. Project approved by Board of Regents May 08.	Scheduled completion Spring 2011	Complete design of the new building in late summer 2008, with construction to begin fall/winter 08.
2. Finance and plan for the UT Research Park Building complex	Increase research dollars	BREF and Neurosciences building in research park complex currently in construction.	Scheduled completion in fall 2009	Finalize construction, commission the building, and move in by spring 2010.
3. Continue plans to expand the School of Public Health (SPH) building in Houston	Increase space/enrollment/faculty/research	1 SPH division housed in temporary space; addition would consolidate operations and allow for planned growth.	Obtain funding for building by 2010	Develop financing and program plans.
4. Stabilize Medical School leadership and strengthen relationship with the Memorial Hermann Healthcare System and the Harris County Hospital District	Decrease faculty turnover; predictable contract revs	Filled three department chair vacancies as well as the Medical School Dean's position.	Minimize the number of vacant or interim positions	Fill remaining 5 vacant clinical department chairs.  Anticipate new affiliation agreement with HCHD and AOA renewal with MHHS shortly.

**UT Health Science Center - Houston  
Compact for FY 09 – FY 10**

	Impact (Metrics)	Analysis	Goal	Next Steps
5. Maintain and sustain financial performance of the physician practice plan	Increase # of outpatient visits; improve 3rd-party reimbursement	One-year growth in outpatient visits surpassed projections; \$4M margin w/out UPL through Apr 08	At least break even w/out UPL payments or PLI rebate	Continue current on-track performance.

**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 08-09, 09-10
1. Develop and show progress on major fund raising initiatives.	\$ committed.	2008-\$40M 2009-\$40M 2010-\$40M	Build development infrastructure for major campaign. Place development officers in each school. Each Dean setting development priorities for philanthropy and alumni.
2. Finance and plan phase 2 of replacement Dental Branch Building	Increase in student enrollment and faculty	Complete replacement Dental Branch Building	Identify funding for phase 2, complete planning and design, and begin construction
3. Expand School of Public Health degree programs	Increase student numbers and make degree programs more accessible throughout the state	MPH program in Healthcare Management; Doctoral program regional campus	Obtain THECB approval; recruit students; schedule courses.

**IV. UT System Strategic Plan Initiatives**

**a. New Clinical Programs/Products**

The Strategic Planning Leadership Team will continue to explore cross-cutting priorities with product line potential: clinical and translational research, neurosciences, informatics, and diabetes and obesity. The team will further explore these opportunities as part of the institution's long-range planning process and as they align with the priorities of the health science's center's new President.

**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.

**UT Health Science Center - Houston  
Compact for FY 09 – FY 10**

**V. Summary of STARS and Special PUF Investments**

**a. Summary of investments:**

	FY 05	FY 06	FY 07	FY 08	Description/Metrics of Impact
STARS Program	--	\$3,000,000	--	\$1,500,000	Recruitment involves new concepts of drug development for treatment of cardiovascular disease, which involves multi-institutional collaborations.
ENTER Program	--	\$630,428	\$938,307	\$228,368	Increase the number of student learning days, total patient visits, and clinic revenues.

**VI. New Faculty Positions Projected to 2011**

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	Total FY 06 – FY 11
STEM	2	5	8	10	5	5	35
Medical/Health	9	15	13	13	18	27	95
Total	11	20	21	23	23	32	130

Comments: Reflects net new faculty (headcount). STEM=School of Health Information Sciences and IMM; 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 the fall of 2007, health science center leadership initiated a review of performance indicators for each school and the HCPC. This review, now complete, resulted in the creation of an institutional "Report Card" against which performance gaps may be assessed and closed through annual budget and planning cycles.

**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 09 – FY 10**

**IX. Budget**

**The University of Texas Health Science Center at Houston**  
**Operating Budget, Fiscal Year Ending August 31, 2008**

	FY 2006 Actual	FY 2007 Adjusted Budget	FY 2008 Operating Budget	Budget Increases (Decreases) From 2007 to 2008	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 20,414,603	18,557,555	20,613,309	2,055,754	11.1%
Federal Sponsored Programs	138,553,106	141,675,151	148,837,664	7,162,513	5.1%
State Sponsored Programs	18,246,939	10,140,002	10,498,805	358,803	3.5%
Local and Private Sponsored Programs	107,480,678	120,032,562	132,037,719	12,005,157	10.0%
Net Sales and Services of Educational Activities	41,875,489	31,961,217	40,041,100	8,079,883	25.3%
Net Sales and Services of Hospital and Clinics	27,249,098	28,596,631	31,869,150	3,272,519	11.4%
Net Professional Fees	103,849,052	112,601,562	107,427,873	(5,173,689)	-4.6%
Net Auxiliary Enterprises	23,267,044	25,195,436	25,858,156	662,720	2.6%
Other Operating Revenues	9,266,621	6,524,944	5,744,672	(780,272)	-12.0%
<b>Total Operating Revenues</b>	<b>490,202,630</b>	<b>495,285,060</b>	<b>522,928,448</b>	<b>27,643,388</b>	<b>5.6%</b>
<b>Operating Expenses:</b>					
Instruction	263,972,589	292,727,348	305,772,517	13,045,169	4.5%
Academic Support	23,463,114	24,654,379	25,416,076	761,697	3.1%
Research	137,996,201	129,335,649	142,764,980	13,429,331	10.4%
Public Service	17,143,307	19,551,130	24,090,972	4,539,842	23.2%
Hospitals and Clinics	65,075,580	74,144,498	74,538,699	394,201	0.5%
Institutional Support	68,618,481	63,707,664	69,636,111	5,928,447	9.3%
Student Services	4,089,834	5,128,288	5,205,107	76,819	1.5%
Operations and Maintenance of Plant	20,413,873	25,355,960	26,249,350	893,390	3.5%
Scholarships and Fellowships	3,460,815	3,341,582	3,404,232	62,650	1.9%
Auxiliary Enterprises	14,888,263	20,798,841	21,273,044	474,203	2.3%
Depreciation and Amortization	27,473,406	30,135,891	34,655,665	4,519,774	15.0%
<b>Total Operating Expenses</b>	<b>646,595,463</b>	<b>688,881,230</b>	<b>733,006,753</b>	<b>44,125,523</b>	<b>6.4%</b>
<b>Operating Surplus/Deficit</b>	<b>(156,392,833)</b>	<b>(193,596,170)</b>	<b>(210,078,305)</b>	<b>(16,482,135)</b>	<b>8.5%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	151,960,434	153,793,655	169,289,401	15,495,746	10.1%
Gifts in Support of Operations	21,078,134	12,294,000	11,780,100	(513,900)	-4.2%
Net Investment Income	19,024,746	11,967,815	17,378,944	5,411,129	45.2%
Other Non-Operating Revenue	1,227,347	5,337,655	5,705,255	367,600	6.9%
Other Non-Operating (Expenses)	(646,049)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>192,644,612</b>	<b>183,393,125</b>	<b>204,153,700</b>	<b>20,760,575</b>	<b>11.3%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(8,846,515)	(7,780,967)	(8,274,927)	(493,960)	6.3%
<b>Total Transfers and Other</b>	<b>(8,846,515)</b>	<b>(7,780,967)</b>	<b>(8,274,927)</b>	<b>(493,960)</b>	<b>6.3%</b>
<b>Budget Margin</b>	<b>27,405,264</b>	<b>(17,984,012)</b>	<b>(14,199,532)</b>	<b>3,784,480</b>	<b>-21.0%</b>
<b>Reconciliation to Change in Net Asset:</b>					
Net Non-Profit Health Corp Activity	-	1,000,000	1,000,000	-	0.0%
Net Inc./(Dec.) in Fair Value of Investments	10,157,494	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	7,642,347	3,000,000	4,000,000	1,000,000	33.3%
Additions to Permanent Endowments	6,398,255	12,500,000	14,000,000	1,500,000	12.0%
Transfers for Debt Service - Principal	(8,072,482)	(6,401,890)	(10,678,579)	(4,276,689)	66.8%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	14,477,441	55,277,474	25,720,000	(29,557,474)	-53.5%
<b>SRECNA Change in Net Assets</b>	<b>\$ 58,008,319</b>	<b>47,391,572</b>	<b>19,841,889</b>	<b>(27,549,683)</b>	<b>-58.1%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 683,493,291</b>	<b>678,678,185</b>	<b>727,082,148</b>	<b>48,403,963</b>	<b>7.1%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(656,088,027)</b>	<b>(696,662,197)</b>	<b>(741,281,680)</b>	<b>(44,619,483)</b>	<b>6.4%</b>
<b>Budget Margin</b>	<b>\$ 27,405,264</b>	<b>(17,984,012)</b>	<b>(14,199,532)</b>	<b>3,784,480</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		30,135,891	34,655,665		
Capital Outlay		(8,140,617)	(6,851,355)		
Transfers for Debt Service - Principal		(6,401,890)	(10,678,579)		
Budgeted Transfers		-	62,382		
Use of Prior Year Balances		(2,390,628)	2,988,581		

**UT Health Science Center - Houston  
Compact for FY 09 – FY 10**

**X. Data Summary**

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007
Enrollment								
Biomedical Sciences	416	443	465	490	514	539	544	578
Clinical Research			15	21	17	21	41	5
Dental (undergrad + prof)	374	414	413	398	377	390	439	452
Health Information Sciences	45	64	62	74	64	55	73	80
Medical	817	829	822	816	830	848	871	929
Nursing (undergrad + grad)	581	646	683	698	760	809	753	771
Public Health	910	890	886	908	837	925	930	959
Total enrollment	3,143	3,286	3,334	3,405	3,399	3,587	3,651	3,774
<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007
Enrollment by ethnicity								
White	1,926	1,948	1,950	1,939	1,882	1,954	1,910	1,909
African American	173	210	196	189	200	230	254	267
Hispanic	322	380	392	425	411	447	447	469
Asian American	425	430	457	448	436	479	471	536
Native American	16	17	11	16	15	11	21	30
International	265	276	279	299	401	405	477	503
Unknown	16	25	49	89	54	61	71	60
Total enrollment	3,143	3,286	3,334	3,405	3,399	3,587	3,651	3,774
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Certificates and degrees								
Biomedical Sciences	74	67	75	86	77	84	96	94
Dental	146	143	156	132	149	165	142	148
Health Information Sciences	3	15	12	9	25	18	14	11
Medical	201	186	214	186	194	188	207	218
Nursing	213	232	208	233	249	291	282	307
Public Health	142	147	154	147	213	200	207	180
Total certificates and degrees	779	790	819	793	907	946	948	958
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005	2006
Licensure exam pass rates								
Allied Health	100.0%	97.0%	97.4%	100.0%	100.0%	97.3%	86.5%	100.0%
Dentistry	95.0%	99.0%	96.5%	96.7%	91.3%	94.1%	96.8%	96.7%
Medicine	95.0%	91.0%	91.0%	91.0%	91.0%	90.0%	94.0%	90.6%
Nursing (BSN)	95.0%	91.0%	94.0%	97.0%	94.0%	95.0%	90.3%	92.0%
Nursing (MSN)	55.0%	62.0%	66.0%	73.0%	68.0%	61.0%	72.0%	100.0%
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Total research expenditures		\$128,161,248	\$140,827,726	\$152,117,064	\$150,220,206	\$156,519,695	\$175,153,808	\$191,724,126
Federal research expenditures		\$91,267,003	\$101,738,767	\$111,170,193	\$110,438,174	\$116,397,631	\$122,870,079	\$131,879,012
Total NIH awards (\$)	\$79,440,110	\$83,903,275	\$90,452,217	\$89,956,123	\$80,515,380	\$81,548,352	\$88,499,652	\$83,920,969

**UT Health Science Center – San Antonio  
Compact for FY 09 – FY 10**

**Mission:** The mission of The University of Texas Health Science Center at San Antonio is to serve the needs of the citizens of Texas, the nation, and the world through programs committed to excellence and designed to:

- educate a diverse student body to become excellent health care providers and scientists
- engage in biomedical research focused on seeking information fundamental to the prevention, diagnosis and treatment of disease
- provide compassionate and culturally competent state of the art clinical care
- enhance community health awareness, education and practices thereby improving the wellness of the citizenry.

**Top 5 Priorities for FY 09 – FY 10:**

1. Implementation of the Institute for the Integration of Medicine and Science which will house HSC's CTSA Grant
2. Successful recruitment of a nationally recognized Dean of the Graduate School of Biomedical Sciences
3. Right size the Cancer Therapy Research Center and assure successful clinical and research growth
4. Increase formula/special item funding from local state & federal sources to support and improve management and administration of programs on all campuses
5. Better define solutions to address ongoing deferred maintenance issues including fire, life, safety and information technology

**I. Performance Summary Table and Analysis**

Indicator	Past		Current	Goal	Explanation
Fall Enrollment Growth (grad/prof)	2003	2006	2007	2008	
Allied Health	205	273	287		Adjust enrollment as market demands
Biomedical Sciences	314	375	363		Adjust enrollment as market demands
Dental	397	407	427	429	Incrementally increase enrollment by 2-3 students as part of pre-clinical lab extension
Medical	816	849	869	879	Increase enrollment by 10 students per year over five years beginning in fall 2007.
Nursing	128	237	227		Adjust enrollment based on faculty availability
All Sponsored Research Expenditures	\$119,279,555 (2003) \$139,778,732 (2006)	\$146,338,142 (2007)	\$151,167,300 (2008)		Increase total sponsored research by an average of 3.3% per year over the next five years using FY 2007 as the baseline
Federal Sponsored Research Expenditures	\$86,854,337 (2003) \$95,110,395 (2006)	\$95,132,294 (2007)	\$97,510,601 (2008)		Increase federal sponsored research by 2-3% per year
Uncompensated Health Care According to the State Definition – physicians only	\$77,586,366 (2003) \$101,784,720 (2006)	\$86,259,640 (2007)	\$100,000,000 (2008)		Reduction due to retroactive Upper Payment Limit revenue received in 2007. Formulate a plan to address uncompensated care over the next five years
Net Clinical Revenue	\$70,438,402 (2003) \$79,578,633 (2006)	\$94,593,435 (2007)	\$97,904,205 (2008)		Increase by at least 3.5% each year over the next 5 years
Primary Investigators (PIs) with external funding over \$1,000,000	39 (2006)	41 (2007)	43 (2008)		Increase a net gain of 2 PIs per year with \$1M extramural funding over the next 5 years
Number of funded and filled endowed chairs and professorships	76 (2006)	85 (2007)	90 (2008)		Total of 110 endowed chairs and professorships; 85 currently filled and plan to have 90 positions filled in FY 2008

**UT Health Science Center – San Antonio  
Compact for FY 09 – FY 10**

**II. Update Strategic Initiatives from 2007 Compact**

**a. Completed Initiatives**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Recruitment of Chief Operating Officer	Critical role filled	New Chief Operating Office plays a major role in the finance and administration of the University	Position filled in FY 2008	Appointed Mr. Mike Black as the new Chief Operating Officer on October 1, 2008
2. Recruitment of Chair of Medicine	Critical role filled	New Chair of Medicine plays a critical role in the School of Medicine's transformation process.	Hire new Chair by end of 2007.	Appointed Dr. David Hillis on January 1, 2008
3. Determine clinical care needs and enhance clinical care systems	Feasibility Study Medical Arts and Research Center	Capital financing plan to fund the construction of the Medical Arts and Research Center (MARC)	Complete design and hold ground-breaking by FY08	Identified space requirements, finalized construction estimates, and final equipment requirements, this phase is complete
4. Dental School Student Simulation Laboratories	Enhance & modernize student laboratories	Funding identified	Funding secured	Secured \$3.1 million in funding and project is complete

**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Involve all schools in the development and implementation of Quality Enhancement Plan	Identify faculty members from all 5 schools	Faculty members from all five schools have been identified and added to QEP Development and Operations Team (for SACS)	Increase # of faculty involved in case-based teaching pilot projects	Present QEP to three Curriculum Committees, and recruit course directors for case based teaching pilot project
2. Complete construction, equip and staff MARC, and refine Clinical Product Lines for the MARC as well as the Cancer Therapy Research Center (CTRC)	Floor turnover schedule; product lines defined	Development of governance and compensation models, individual and work unit financial performance, and quality indicators (such as access, patient satisfaction, etc)	MARC complete and product lines in operation	* MARC Committees lead build out * Meet or exceed budget targets for MARC, CTRC and UT Medicine * MARC complete NLT 9/09 * CTRC product lines defined NLT 09/10
3. Complete programmatic planning for the South Texas Research Facility and optimize the utilization of research space	Recognized space need to grow research enterprise	Complete capital campaign to finance	Facility completion end of Calendar Year 2010	Finalize space needs, funding secured and begin recruitment of leading scientists by the end of calendar year 2010
4. Conduct successful capital campaign to secure adequate support for the endowment and construction of the Research Tower	Recognized need for funding to support increased research space	As of 5-23-08, \$263M of campaign raised towards \$300 M goal	\$300 M (\$150 M to Endowed & Research Support)	Campaign 87% complete; secure remaining funding

**UT Health Science Center – San Antonio  
Compact for FY 09 – FY 10**

**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 08-09, 09-10
1. Provide an employee health and wellness center	Enhanced health status of employees and students	Healthier Workforce	2008-09 -- Build a fitness center on campus; enroll charter members 2009-10 – Facility in full operation and enrollment maximized
2. Right Size UT Medicine and enhanced integration into the School of Medicine	Removal of redundancies, increased efficiencies, organizational alignment -- all with minimal affect on staff turnover and clinical operations	Fully integrated no later than December 2009	UTHSCSA/UT Medicine Reorganization Committee develops and implements communication, organizational and operational transition plan
3. Create a Center for Patient Safety and Health Policy	Increase quality and safety of clinical care, enhance successful practices knowledge, integrate efforts into health services/ outcomes research and health policy, incorporate into training next generation	Train, implement quality and safety; contain costs	* Train key clinical leaders in quality improvement tools and methodologies in the Clinical Safety and Effectiveness Program (currently at MDACC). * Develop our own program at UTHSCSA in the next two years.

**IV. UT System Strategic Plan Initiatives**

**a. New Clinical Programs/Products**

The School of Medicine is actively developing product lines that will be activated prior to the opening of the MARC. These include Heart, Lung and Vascular Center, Musculoskeletal Institute, Digestive Disorders Center, Limb Preservation Center (Diabetes), Center for Women's Health and Center for Healthy Aging, and the newly incorporated Cancer Therapy Research Center. Internal promotion is a part of the product line development so that upon activation, the School's faculty are aware of the new resource that is available to them and to their patient. Additionally, the School recently hired a Director of Marketing to lead the marketing effort.

**b. Financial Management Plan**

Current financial condition has enabled institution to secure debt financing for such strategic initiatives as expansion of clinical enterprise through construction of new Ambulatory Surgery Facility, implementation of Electronic Medical Records and new Patient Management System to enhance clinical efficiency, patient safety and treatment quality, and purchase of a Cyclotron to enhance research core. Financial portfolio has expanded with significantly enhanced gift revenues. Financial planning tool has been developed that accurately quantifies "investible" net assets. Strategy over next two years will be focused on investing a significant portion of net asset balances that have accumulated over past three years, leveraged with debt financed capital investments to expand both clinical and research enterprises. Investment of net assets will soften institution's financial condition over next two years. As clinical and research expansion occurs, long-term enhanced revenue will occur as result of investments

**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 09 – FY 10**

**V. System Contributions and Investments**

**a. Summary of STARS and special PUF investments**

	FY 05	FY 06	FY 07	FY 08	Description/Metrics of Impact
STARS Program	--	--	\$1,250,000	\$1,400,000	Additional \$7 million in external awards; applying for clinical trial funding; and launched a new initiative with UTSA on anti-tumor immunity.
ENTER Program	--	--	\$150,000	\$252,897	Initiate a Doctorate in Nursing Practice and expand undergraduate nursing enrollment.

**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 2011**

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	Total FY 06 - FY 11
Medical/Health	48	75	78	51	49	63	364

Comments: Future positions 1) are contingent upon increased funding; 2) may need to be reallocated from existing funding; and/or 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 09 – FY 10**

**IX. Budget**

**The University of Texas Health Science Center at San Antonio  
Operating Budget, Fiscal Year Ending August 31, 2008**

	FY 2006 Actual	FY 2007 Adjusted Budget	FY 2008 Operating Budget	Budget Increases (Decreases) From 2007 to 2008	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 21,622,430	20,053,875	21,618,389	1,564,514	7.8%
Federal Sponsored Programs	111,933,398	118,004,856	116,123,433	(1,881,423)	-1.6%
State Sponsored Programs	3,124,784	3,575,199	2,393,697	(1,181,502)	-33.0%
Local and Private Sponsored Programs	72,006,411	77,074,118	76,181,953	(892,165)	-1.2%
Net Sales and Services of Educational Activities	25,802,263	20,000,000	23,891,700	3,891,700	19.5%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	80,333,542	86,140,620	88,748,594	2,607,974	3.0%
Net Auxiliary Enterprises	3,758,786	3,252,500	3,435,000	182,500	5.6%
Other Operating Revenues	28,657,388	20,408,415	30,463,498	10,055,083	49.3%
<b>Total Operating Revenues</b>	<b>347,239,002</b>	<b>348,509,583</b>	<b>362,856,264</b>	<b>14,346,681</b>	<b>4.1%</b>
<b>Operating Expenses:</b>					
Instruction	235,156,807	236,094,865	251,164,503	15,069,638	6.4%
Academic Support	26,567,591	26,043,234	30,600,276	4,557,042	17.5%
Research	108,494,091	109,136,293	114,809,511	5,673,218	5.2%
Public Service	23,002,814	20,403,923	25,560,531	5,156,608	25.3%
Hospitals and Clinics	42,917,262	49,030,467	49,755,968	725,501	1.5%
Institutional Support	36,735,671	35,621,648	35,759,647	137,999	0.4%
Student Services	2,487,024	3,047,174	1,826,076	(1,221,098)	-40.1%
Operations and Maintenance of Plant	27,859,756	24,169,680	28,782,573	4,612,893	19.1%
Scholarships and Fellowships	1,717,298	1,775,679	1,825,446	49,767	2.8%
Auxiliary Enterprises	3,553,687	3,654,756	4,284,612	629,856	17.2%
Depreciation and Amortization	23,115,470	21,500,000	26,000,000	4,500,000	20.9%
<b>Total Operating Expenses</b>	<b>531,607,471</b>	<b>530,477,719</b>	<b>570,369,143</b>	<b>39,891,424</b>	<b>7.5%</b>
<b>Operating Surplus/Deficit</b>	<b>(184,368,469)</b>	<b>(181,968,136)</b>	<b>(207,512,879)</b>	<b>(25,544,743)</b>	<b>14.0%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	150,788,189	151,982,990	170,108,682	18,125,692	11.9%
Gifts in Support of Operations	2,807,179	8,398,286	8,250,000	(148,286)	-1.8%
Net Investment Income	25,420,551	20,176,267	28,523,451	8,347,184	41.4%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>179,015,919</b>	<b>180,557,543</b>	<b>206,882,133</b>	<b>26,324,590</b>	<b>14.6%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(5,994,089)	(5,522,510)	(5,820,339)	(297,829)	5.4%
<b>Total Transfers and Other</b>	<b>(5,994,089)</b>	<b>(5,522,510)</b>	<b>(5,820,339)</b>	<b>(297,829)</b>	<b>5.4%</b>
<b>Budget Margin</b>	<b>(11,346,639)</b>	<b>(6,933,103)</b>	<b>(6,451,085)</b>	<b>482,018</b>	<b>-7.0%</b>
<b>Reconciliation to Change in Net Asset:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	22,335,171	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	2,151,172	4,000,000	3,250,000	(750,000)	-18.8%
Additions to Permanent Endowments	5,320,873	7,000,000	7,000,000	-	0.0%
Transfers for Debt Service - Principal	(5,934,717)	(5,258,306)	(10,730,487)	(5,472,181)	104.1%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	14,672,924	69,500,000	40,000,000	(29,500,000)	-42.4%
<b>SRECNA Change in Net Assets</b>	<b>\$ 27,198,784</b>	<b>68,308,591</b>	<b>33,068,428</b>	<b>(35,240,163)</b>	<b>-51.6%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 526,254,921</b>	<b>529,067,126</b>	<b>569,738,397</b>	<b>40,671,271</b>	<b>7.7%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(537,601,560)</b>	<b>(536,000,229)</b>	<b>(576,189,482)</b>	<b>(40,189,253)</b>	<b>7.5%</b>
<b>Budget Margin</b>	<b>\$ (11,346,639)</b>	<b>(6,933,103)</b>	<b>(6,451,085)</b>	<b>482,018</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		21,500,000	26,000,000		
Capital Outlay		(10,000,000)	(9,000,000)		
Transfers for Debt Service - Principal		(5,258,306)	(10,730,487)		
Budgeted Transfers		1,080,000	1,106,000		
Use of Prior Year Balances		<u>388,591</u>	<u>924,428</u>		

**UT Health Science Center – San Antonio  
Compact for FY 09 – FY 10**

**X. Data Summary**

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007
Undergraduate enrollment	762	903	907	894	799	677	684	649
Allied Health	341	418	379	347	328	285	266	236
Nursing	421	485	528	547	471	392	418	413
Graduate/professional enrollment	1,781	1,762	1,821	1,860	2,038	2,098	2,141	2,173
Allied Health	134	109	146	205	241	278	273	287
Biomedical Sciences	272	277	320	314	318	371	375	363
Dental	402	396	404	397	395	402	407	427
Medical	824	829	822	816	816	827	849	869
Nursing	149	151	129	128	268	220	237	227
Total enrollment	2,543	2,665	2,728	2,754	2,837	2,775	2,825	2,822
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Undergraduate degrees								
Certificates: Allied Health	55	148	205	202	143	165	146	182
Bacc-level Certs: Allied Health	0	9	8	10	12	5	7	2
Baccalaureate: Allied Health	143	131	42	64	70	92	102	127
Baccalaureate: Nursing	236	168	220	238	253	265	168	207
Graduate/professional degrees								
Allied Health	37	33	48	50	51	59	91	81
Biomedical Sciences	52	55	46	60	61	49	63	70
Dental	107	104	103	112	97	102	94	105
Medical	196	195	193	194	199	194	191	196
Nursing	46	56	46	31	28	43	49	88
Total grad/prof degrees	438	443	436	447	436	447	488	540
<i>academic year</i>				02-03	03-04	04-05	05-06	06-07
Accredited resident programs				53	54	53	51	50
Residents in accredited programs				700	648	637	701	663
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	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	\$95,132,294
<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Faculty	not counted	1,393	1,404	1,405	1,494	1,528	1,562	1,567
Administrative		126	126	125	133	140	147	148
Other, Non-Faculty		2,995	3,090	3,009	3,053	3,037	3,086	2,987
Student employees		607	551	440	480	512	561	490
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005	2006
Hospital days	201,745	123,266	224,311	202,000	224,366	228,213	259,763	291,454
Outpatient visits	832,255	915,725	854,046	834,000	1,110,429	676,004	704,164	840,031
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	\$101,866,765
<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	8/31/2007
Endowment total value	\$293,090,000	\$252,520,000	\$226,799,000	\$246,573,000	\$278,385,000	\$319,886,000	\$346,235,000	\$405,177,000

**UT M. D. Anderson Cancer Center  
Compact for FY 09 – FY 10**

**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 09 – FY 10:**

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

**I. Performance Summary Table and Analysis**

Indicator	Past	Current	Goal	Explanation
Enrollment Growth Health Sciences (undergraduate)	75 (2003)  108 (2006)	139 (2007)	336 (2009)	The School of Health Sciences (SHS) is growing rapidly and trains for hard-to-fill disciplines. An additional (junior) year added for fall 08, thus the forecast increase
All Sponsored Research Expenditures	\$282,260,250 (2003)  \$409,679,711 (2006)	\$444,932,707 (2007)	15% growth (2009)	Continuing concerns over the shrinking federal budgets make it imperative to leverage other sources. We are organizing multiple applications for CPRIT.
Federal Sponsored Research Expenditures	\$122,868,912 (2003)  \$182,028,411 (2006)	\$190,508,252 (2007)	5% growth (2009)	The flattening of federal funding and uncertainty of federal election years, change in Administration and Congressional leaders make predictions difficult.
Uncompensated Health Care According to the State Definition – includes hospitals and physicians	\$266,642,8066 (2005)  \$221,186,954 (2006) charges	\$196,041,734 (2007)	\$243,000,000 (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 and/or pharmacy assistance. 7800 UCC patients were cared for in FY07. Portion of the decline fro 2006 to 2007 is attributable to retroactive Upper Payment Limit revenue received in 2007. Additional institutional investments are planned in this area.
# patients treated only at Harris County Hospital District (HCHD)	1,097 (2005) 1,302 (2006)	1,413 (2007)	2,100 (2009)	Increase in the number of uninsured Texans will result in more patients being treated within the HCHD system.
# patients certified by third-party eligibility vendor, including pharmacy assistance program	5,774 (2005) 4,815 (2006),	7,058 (2007)	6,200 (2009)	Patients who were successful in securing some insurance or pharmacy assistance program eligibility

**UT M. D. Anderson Cancer Center  
Compact for FY 09 – FY 10**

**II. Update Strategic Initiatives from 2007 Compact**

**a. Completed Initiatives**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Research Strategic Plan - Phase I & 2	# new/reorganized programs, centers, or institute	Completed conceptual and planning phases and now initiating action. Research targets will also be directed at Cancer Prevention and Research Institute of TX funding	Goal of 4 Institutes with research plans achieved	Institute for Basic Science, Institute for Cancer Prevention and Risk Assessment (with \$35M gift), Institute for Cancer Care Excellence, Institute for Personalized Cancer Treatment have strong faculty support and have developed research plans.
2. 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. Integral to survivorship initiative.	Goals met: 61,303 patients; 2,500 MDs; 1,640 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.
3. Advance MDACC as Employer of Choice - Achieve CEO Gold Standard (carried forward to report outcomes)	# of wellness programs; participation in programs	MDACC should lead the way with wellness programs for employees, particularly cancer prevention and early detection. Goal set was 25 wellness programs with 25% employee participation	Surpassed goal with 41;  Surpassed goal with 70%	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.
4. Employer of Choice Initiatives - Work Life Balance (Carried forward in order to report outcomes)	% 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.	goal: 70% actual:82%  goal: 15% actual: 42%	strong improvement in items on open communication from leaders; leadership aware of issues facing employees; employees able to influence how things done. Better, but room to improve in feeling safe to speak up dealing; with poor performers; reduce bureaucracy

**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Organize and staff MDACC Global (outside Houston, domestic and international)	# of satellites # consulting contracts # sister ins	Leadership team in place (goal met). Move forward with increase in international patients coming to MDACC, new income sources, review of sister institutions.	20% more international patients receive care in Houston; 4 additional satellites.	Successful large-scale consulting contract; pursue 1 Middle Eastern partner; activation of additional radiation and chemotherapy satellites.
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.

**UT M. D. Anderson Cancer Center  
Compact for FY 09 – FY 10**

	Impact (Metrics)	Analysis	Goal	Next Steps
3. Research Strategic Plan - updated	#funded research proposals \$ of funding	Organization of research plans, integration of research of Institute for Personalized Cancer Therapy into the clinics; development of funding priorities and mechanisms.	\$20M in funding	Development of proposals to move forward research agenda; assessment of targeted recruitments needed; successful proposals for Cancer Prevention and Research Institute of Texas.
4. Philanthropic Initiative - updated	Funds raised for new research initiatives	Consistent with goal to raise research bar and coordinated with Research Strategic Plan	\$1B in gifts/ 6 yrs. FY07 \$173M; 9/08-3/08: \$132M	Publish the Case for Support. Announce Board of Visitors campaign teams.
5. Design and Pilot Cancer Survivorship Program	# survivors managed outside busy clinics	Increasing # survivors with non-oncologic disease, often cancer or cancer treatment related, need specialized care outside of our cancer disease-site clinics	200 patients in pilot projects/ 3 disease sites	Director of Cancer Survivorship in place, building team. Roll-out pilot program in 3 disease sites and create survivor portal on MyMDAnderson.org.

**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 08-09, 09-10
1. Customer Service Initiative - further advancing our core values of Caring, Integrity and Discovery	% improvement in patient satisfaction survey % improvement in referring physician satisfaction % improvement in specific care center patient satisfaction	95% satisfaction; #complaints; billing review	MDACC-wide process; Care Centers' quarterly surveys of new patients on referral process, addition of customer service to employee evaluations; behavior themes of friendliness, courtesy, reliability, safety, responsiveness.
2. Faculty enhancement	#faculty in mentoring programs #special seminars offered physician scientist mentoring program	Success of junior faculty; key recruitments	Part of a larger goal of faculty enhancement, mentoring critical to success. Dept chairs will be accountable for their faculty's mentoring. Specific program for physician scientists.
3. Branding Strategy	Development and approval of brand positioning statement(s).  Positive focus group response to statements and brand logo.  Positive employee response	Brand positioning statement New brand "mark"	Consistent with our Vision to be the premier cancer center, a stronger brand position is sought. development and approval of brand positioning statement(s). Review and potential re-design of brand logo, and control of sub-brands across MDACC.

**IV. UT System Strategic Plan Initiatives**

**a. New Clinical Programs/Products**

The da Vinci robotic surgical system allows surgeons to perform minimally invasive surgery in real time while seated at a console, operating 4 robotic arms inside the patient through tiny incisions. 3 arms hold instruments, 1 a camera transmitting 3-D images of the surgical field. Benefits to the patient include: lower risk of infection; less blood loss; less scarring, pain and discomfort; improved cosmetic appearance; reduced length of stay. 10 surgeons (from 4 disease sites) trained for robotics, have performed 550 surgeries this year. A second robot allows us to perform an average 45 cases per month. We are assessing adding a third robot for outpatient surgery at the Mays Clinic.

**UT M. D. Anderson Cancer Center  
Compact for FY 09 – FY 10**

**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.

**V. System Contributions and Investments**

**a. Summary of STARS and special PUF investments**

	FY 05	FY 06	FY 07	FY 08	Description/Metrics of Impact
STARS Program	\$1,000,000	\$1,170,000	\$1,100,000	\$1,500,000	Recipients involved in 12 active, national grants and numerous pending proposals.

**VI. Number of New Faculty Positions Projected to 2011**

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	Total FY 06 - FY 11
Medical/Health	63	63	62	63	71	79	401

**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. A new performance evaluation forme for all employees aligns personal goals with department goals to institutional goals. The strategic vision is accessible to all 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. 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 including the chair of the Faculty Senate.

**UT M. D. Anderson Cancer Center  
Compact for FY 09 – FY 10**

**IX. Budget**

**The University of Texas M. D. Anderson Cancer Center  
Operating Budget, Fiscal Year Ending August 31, 2008**

	FY 2006 Actual	FY 2007 Adjusted Budget	FY 2008 Operating Budget	Budget Increases (Decreases) From 2007 to 2008	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ 318,708	688,174	659,609	(28,565)	-4.2%
Federal Sponsored Programs	182,969,382	169,744,180	197,843,792	28,099,612	16.6%
State Sponsored Programs	524,382	-	1,450,000	1,450,000	-
Local and Private Sponsored Programs	42,785,998	60,189,540	58,441,116	(1,748,424)	-2.9%
Net Sales and Services of Educational Activities	1,596,989	2,389,286	2,608,978	219,692	9.2%
Net Sales and Services of Hospital and Clinics	1,524,848,573	1,678,450,873	1,891,601,054	213,150,181	12.7%
Net Professional Fees	235,516,000	256,512,160	283,533,102	27,020,942	10.5%
Net Auxiliary Enterprises	22,876,625	26,843,733	28,097,265	1,253,532	4.7%
Other Operating Revenues	18,917,298	17,816,402	17,145,885	(670,517)	-3.8%
<b>Total Operating Revenues</b>	<b>2,030,353,955</b>	<b>2,212,634,348</b>	<b>2,481,380,801</b>	<b>268,746,453</b>	<b>12.1%</b>
<b>Operating Expenses:</b>					
Instruction	76,639,856	87,530,209	95,118,735	7,588,526	8.7%
Academic Support	44,946,647	48,740,945	52,017,117	3,276,172	6.7%
Research	341,540,289	376,368,022	395,149,353	18,781,331	5.0%
Public Service	13,091,715	16,016,390	17,545,255	1,528,865	9.5%
Hospitals and Clinics	1,194,110,713	1,282,595,124	1,405,691,748	123,096,624	9.6%
Institutional Support	157,209,973	166,927,515	174,893,135	7,965,620	4.8%
Student Services	-	250,000	250,000	-	0.0%
Operations and Maintenance of Plant	151,162,143	167,496,163	177,433,717	9,937,554	5.9%
Scholarships and Fellowships	351,566	438,536	567,979	129,443	29.5%
Auxiliary Enterprises	16,506,213	17,287,480	18,110,848	823,368	4.8%
Depreciation and Amortization	178,867,347	192,022,074	203,000,000	10,977,926	5.7%
<b>Total Operating Expenses</b>	<b>2,174,426,462</b>	<b>2,355,672,458</b>	<b>2,539,777,887</b>	<b>184,105,429</b>	<b>7.8%</b>
<b>Operating Surplus/Deficit</b>	<b>(144,072,507)</b>	<b>(143,038,110)</b>	<b>(58,397,086)</b>	<b>84,641,024</b>	<b>-59.2%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	158,529,119	158,222,394	167,739,888	9,517,494	6.0%
Gifts in Support of Operations	63,677,735	61,281,964	72,308,541	11,026,577	18.0%
Net Investment Income	52,437,590	63,000,000	46,429,243	(16,570,757)	-26.3%
Other Non-Operating Revenue	387,904	-	-	-	-
Other Non-Operating (Expenses)	(1,610,896)	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>273,421,452</b>	<b>282,504,358</b>	<b>286,477,672</b>	<b>3,973,314</b>	<b>1.4%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(29,360,411)	(32,934,420)	(32,834,650)	99,770	-0.3%
<b>Total Transfers and Other</b>	<b>(29,360,411)</b>	<b>(32,934,420)</b>	<b>(32,834,650)</b>	<b>99,770</b>	<b>-0.3%</b>
<b>Budget Margin</b>	<b>99,988,534</b>	<b>106,531,828</b>	<b>195,245,936</b>	<b>88,714,108</b>	<b>83.3%</b>
<b>Reconciliation to Change in Net Asset:</b>					
Net Non-Profit Health Corp Activity	-	(840,949)	-	840,949	-100.0%
Net Inc./(Dec.) in Fair Value of Investments	51,004,929	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	54,404,327	14,817,683	50,000,000	35,182,317	237.4%
Additions to Permanent Endowments	7,986,796	10,000,000	10,000,000	-	0.0%
Transfers for Debt Service - Principal	(41,581,990)	(50,622,699)	(60,356,021)	(9,733,322)	19.2%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	112,124,215	85,500,000	85,500,000	-	0.0%
<b>SRECNA Change in Net Assets</b>	<b>\$ 283,926,811</b>	<b>165,385,863</b>	<b>280,389,915</b>	<b>115,004,052</b>	<b>69.5%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 2,305,386,303</b>	<b>2,495,138,706</b>	<b>2,767,858,473</b>	<b>272,719,767</b>	<b>10.9%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(2,205,397,769)</b>	<b>(2,388,606,878)</b>	<b>(2,572,612,537)</b>	<b>(184,005,659)</b>	<b>7.7%</b>
<b>Budget Margin</b>	<b>\$ 99,988,534</b>	<b>106,531,828</b>	<b>195,245,936</b>	<b>88,714,108</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		192,022,074	203,000,000		
Capital Outlay		(285,950,998)	(356,468,187)		
Transfers for Debt Service - Principal		(50,622,699)	(60,356,021)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		(38,019,795)	(18,578,272)		

**UT M. D. Anderson Cancer Center  
Compact for FY 09 – FY 10**

**X. Data Summary**

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007
Enrollment	41	48	59	75	70	86	108	139
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07
Undergraduate degrees								
Certificate	0	23	24	24	0	0	0	0
Bacc-level Certificate	0	3	10	8	45	21	14	14
Baccalaureate	0	13	10	20	30	43	49	68
Total degrees	0	39	44	52	75	64	63	82
<i>academic year</i>				02-03	03-04	04-05	05-06	06-07
Accredited resident prgs				12	14	14	18	22
Residents in accredited prgs				100	103	100	107	112
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Federal research exp	\$81,871,561	\$91,543,036	\$117,633,074	\$122,868,912	\$150,528,694	\$160,953,856	\$182,028,411	\$190,508,252
<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Faculty	911	1,017	1,071	1,133	1,190	1,447	1,621	1,687
Administrative		626	670	806	859	932	1,032	1,151
Other, Non-Faculty		9,709	10,320	11,035	11,856	12,607	13,066	13,718
Student employees		252	280	318	356	360	400	433
<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005	2006
Hospital admissions	16,499	17,497	18,604	18,781	19,430	20,608	20,728	21,221
Hospital days	126,803	131,788	137,204	137,207	146,673	153,002	155,981	157,537
Outpatient visits	409,443	448,690	469,068	471,728	537,822	610,329	767,909	927,414
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	\$42,871,461
<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	8/31/2007
Endowment total value	\$300,480,000	\$278,151,000	\$263,643,000	\$205,089,000	\$357,890,000	\$421,936,000	\$457,727,000	\$564,505,000

**UT Health Science Center – Tyler  
Compact for FY 09 – FY 10**

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

**Top Priorities for FY 09 – FY 10:**

- 1: Grow clinical practice enterprise by 5%-10% increase in revenue in next FY, so it becomes an economic driver.
- 2: Develop and enhance oncology and interventional pulmonary programs.
- 3: Obtain additional philanthropic funding for Academic Center.
- 4: Complete and implement FY09-FY12 Strategic Plan for UTHSCT.

**I. Performance Summary Table and Analysis**

Indicator	Past	Current	Goal	Explanation
All Sponsored Research Expenditures	\$9,217,039 (2003) \$12,598,871 (2006)	\$13,550,150 (2007)	\$14,000,000 (2010) \$20,000,000 (2014)	Assumes continued recruitment in basic science and clinical faculty, and reflects the ability to support researchers with good priority scores who have barely missed the pay line.
Federal Sponsored Research Expenditures	\$3,493,251 (2003) \$6,512,656 (2006)	\$6,742,353 (2007)	\$7,500,000 (2010) \$10,000,000 (2014)	Represents slight increments in NIH awards and other extramural support in the face of current contraction at NIH and increased competition for other sources of extramural funding. Assumes maintenance of 89% of current research faculty with extramural support.
Uncompensated Health Care According to the State Definition – includes hospitals and physicians	\$27,358,499 (2003) \$41,192,631 (2006)	\$20,207,978 (FY2007)	\$27,572,174 (FY2009)	Reduction due to retroactive Upper Payment Limit revenue received in 2007 and UTHSCT has implemented monthly productivity reports and has reduced its indigent care program.

**II. Update Strategic Initiatives from the 2007 Compact**

**a. Completed Initiatives**

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
1. Hired new Chief Operations Officer (COO) on January 14, 2008.				
2. Upgraded Information Systems	Unbilled accounts were reduced from \$6 million to \$600,000.	New software identified and streamlined the billing process with a smaller number of FTEs.	Reduce unbilled to less than \$500,000.	Net cash received within 3 months of implementation of scanning system was over \$1.5 million.

**b. Ongoing Initiatives**

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Continue a prestigious research program	Sponsored research: \$13,550,150 (2007)	Will require ongoing growth of research faculty and enhanced clinical research.	Sponsored research: \$20,000,000 (2014)	Growth in research expenditures in specific focus areas of lung injury, infectious lung diseases, and cancer.
2. Finalize Academic Center to support education, research, patient care, & beautification of campus	\$21,120,000 TRB for UTHSCT Academic Center	Will require TRB funds, and support from UT System, Board of Regents, and additional philanthropy.	More academic and clinical visibility in East Texas by FY 2010.	Achieve new educational and research facilities; continue to foster collaborations with other UT institutions and identify clinical and research collaborations with MD Anderson.

**UT Health Science Center – Tyler  
Compact for FY 09 – FY 10**

	Impact (Metrics)	Analysis	Goal	Next Steps
3. Expand Rural Medicine Residency training programs with regional hospitals to enhance medical education opportunities in E. Texas area.	Double family medicine training program.	Identify funding sources; negotiate agreements with regional hospitals.	Academic visibility to identify additional teaching hospital by FY 2012.	<ol style="list-style-type: none"> <li>1. Finalize agreement with regional hospitals and pursue programmatic and operational specifics.</li> <li>2. Produce strategic planning document.</li> <li>3. Engage consultant to explore residency expansion in East Texas.</li> </ol>
4. UTHSCT School of Health Professions (this was Item #1 in FY08-FY09 Compact in Ongoing Initiatives)	Develop health care workforce in East Texas.	This initiative is on hold while institution is focused on clinical growth and funding sources are identified; 1-yr contract with UTT to pursue CLS joint degree was not renewed.	Develop Academic Medical Center by FY 2011.	<ol style="list-style-type: none"> <li>1. Request \$6 million for biennium from 81<sup>st</sup> State Legislature to help fund School of Health Professions.</li> <li>2. Pursue joint degree collaborations with other higher ed institutions, including UTT.</li> </ol>

**III. New Strategic Initiatives**

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 08-09, 09-10
1. Regional Health Science Center for NE Texas - Interventional Pulmonary Research and Clinical Care Program	Addresses a critical need in region and supports our research initiative. We will measure growth of new pulmonary services.	Increase interventional pulmonary procedures at UTHSCT by 20% by FY 2011.	<ol style="list-style-type: none"> <li>1. Request \$6 million one-time only request from 81<sup>st</sup> State Legislature.</li> <li>2. Recruit additional interventional pulmonologist.</li> <li>3. Integrate interventional pulmonology research in UTHSCT clinical research program.</li> </ol>
2. Regional Health Science Center for NE Texas - Texas Lung Research & Treatment (TLRT) Initiative	To facilitate UTHSCT as National Center for Pulmonary Care and Research. Increase external research support in lung injury and lung cancer.	Develop new drugs in lung injury treatment; enhance basic/clinical research in lung injury by FY 2011.	<ol style="list-style-type: none"> <li>1. Request \$4.2 million for biennium funding from 81<sup>st</sup> State Legislature.</li> <li>2. Raise \$2 million in philanthropic support.</li> </ol>
3. Selection of Electronic Medical Record (EMR)	Improved communication and patient safety.	Move 50% of outpatient clinics to utilize EMR by end of FY09.	<ol style="list-style-type: none"> <li>1. Select EMR</li> <li>2. Negotiate and sign contract.</li> <li>3. Implement EMR and educate staff.</li> </ol>

**IV. UT System Strategic Plan Initiatives**

**a. New Clinical Programs/Products**

Primary Care is new product line. Thoracic oncology, as well as other diseases of the chest, and Cardiology product lines continue.

**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.

## UT Health Science Center – Tyler Compact for FY 09 – FY 10

### c. Information Security Plan

Several major information security initiatives planned for the 2009 – 2010 timeline include:

- Complete whole-disk encryption for mobile devices storing confidential University data.
- Participate in the deployment of the configuration management system selected by UT System.
- Deployment of the standardized information risk assessment tool recommended by UT System.

### V. System Contributions and Investments

#### a. Summary of STARS and special PUF investments

UTHSCT received \$150,000 from the ENTER fund for FY 2008. This collaboration with UT Tyler will establish an Aging, Research and Teaching Unit to address care required for older adults.

#### b. Other System contributions

UTHSCT will receive "Strength in Numbers" grant from UT System to assist in staffing the revamped UTHSCT Institutional Advancement Office. Also, UT System expertise will be needed for EMR initiative.

### VI. Total Faculty Positions Projected to 2011

Field	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Medical/Health	71	60	48	49	51	53
Other	34	35	37	39	41	44
Total	105	95	85	88	92	97

Please Note: The numbers above are totals and not how many new faculty. UTHSCT plans to prioritize recruitment on key clinical faculty and to invest in clinical enterprise.

**VII. Status of Campus Strategic/Long-Range Plan:** The process to develop UTHSCT's Campus Strategic/Long-Range Plan is in the final stages of development. It should be completed by end of calendar year 2008.

**VIII. Campus Consultation to Develop Compact:** The UTHSCT Office of the President conducted individual and selected meetings with key faculty leaders (including members from the respective Clinical and Research Assemblies) to discuss previous Compacts and the elements of the FY09-FY10 Compact. These faculty provided meaningful input and were instrumental in the development of UTHSCT's FY 2009-FY10 Compact.

**UT Health Science Center – Tyler  
Compact for FY 09 – FY 10**

**IX. Budget**

**The University of Texas Health Center at Tyler  
Operating Budget, Fiscal Year Ending August 31, 2008**

	FY 2006 Actual	FY 2007 Adjusted Budget	FY 2008 Operating Budget	Budget Increases (Decreases) From 2007 to 2008	
				Amount	Percent
<b>Operating Revenues:</b>					
Tuition and Fees	\$ -	-	-	-	-
Federal Sponsored Programs	9,805,736	11,930,242	14,022,875	2,092,633	17.5%
State Sponsored Programs	1,155,692	1,126,409	1,276,700	150,291	13.3%
Local and Private Sponsored Programs	6,016,657	3,064,788	2,219,005	(845,783)	-27.6%
Net Sales and Services of Educational Activities	1,159,220	4,409,064	3,457,473	(951,591)	-21.6%
Net Sales and Services of Hospital and Clinics	46,592,269	42,972,776	41,964,605	(1,008,171)	-2.3%
Net Professional Fees	10,536,917	11,568,530	11,268,060	(300,470)	-2.6%
Net Auxiliary Enterprises	272,281	202,797	202,420	(377)	-0.2%
Other Operating Revenues	1,283,393	-	-	-	-
<b>Total Operating Revenues</b>	<b>76,822,165</b>	<b>75,274,606</b>	<b>74,411,138</b>	<b>(863,468)</b>	<b>-1.1%</b>
<b>Operating Expenses:</b>					
Instruction	8,075,710	4,522,915	4,132,457	(390,458)	-8.6%
Academic Support	-	-	481,551	481,551	-
Research	10,928,371	15,033,139	20,865,196	5,832,057	38.8%
Public Service	-	-	-	-	-
Hospitals and Clinics	77,623,505	74,604,931	63,696,570	(10,908,361)	-14.6%
Institutional Support	9,696,777	7,055,427	8,513,900	1,458,473	20.7%
Student Services	-	-	-	-	-
Operations and Maintenance of Plant	6,183,195	9,534,556	9,076,575	(457,981)	-4.8%
Scholarships and Fellowships	-	-	-	-	-
Auxiliary Enterprises	548,050	225,469	189,824	(35,645)	-15.8%
Depreciation and Amortization	8,456,640	8,008,483	8,930,100	921,617	11.5%
<b>Total Operating Expenses</b>	<b>121,512,248</b>	<b>118,984,920</b>	<b>115,886,173</b>	<b>(3,098,747)</b>	<b>-2.6%</b>
<b>Operating Surplus/Deficit</b>	<b>(44,690,083)</b>	<b>(43,710,314)</b>	<b>(41,475,035)</b>	<b>2,235,279</b>	<b>-5.1%</b>
<b>Budgeted Nonoperating Revenues (Expenses):</b>					
State Appropriations & HEAF	39,069,206	38,952,683	40,480,054	1,527,371	3.9%
Gifts in Support of Operations	638,604	1,277,853	1,449,327	171,474	13.4%
Net Investment Income	3,446,989	2,780,079	2,905,214	125,135	4.5%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-	-
<b>Net Non-Operating Revenue/(Expenses)</b>	<b>43,154,799</b>	<b>43,010,615</b>	<b>44,834,595</b>	<b>1,823,980</b>	<b>4.2%</b>
<b>Transfers and Other:</b>					
AUF Transfers Received	-	-	-	-	-
AUF Transfers (Made)	-	-	-	-	-
Transfers for Debt Service - Interest	(873,521)	(903,225)	(947,425)	(44,200)	4.9%
<b>Total Transfers and Other</b>	<b>(873,521)</b>	<b>(903,225)</b>	<b>(947,425)</b>	<b>(44,200)</b>	<b>4.9%</b>
<b>Budget Margin</b>	<b>(2,408,805)</b>	<b>(1,602,924)</b>	<b>2,412,135</b>	<b>4,015,059</b>	<b>-250.5%</b>
<b>Reconciliation to Change in Net Asset:</b>					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	2,520,969	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	66	11,123	-	(11,123)	-100.0%
Additions to Permanent Endowments	182,200	-	-	-	-
Transfers for Debt Service - Principal	(1,081,221)	(1,277,000)	(3,496,513)	(2,219,513)	173.8%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	3,792,122	6,307,060	2,594,540	(3,712,520)	-58.9%
<b>SRECNA Change in Net Assets</b>	<b>\$ 3,005,331</b>	<b>3,438,259</b>	<b>1,510,162</b>	<b>(1,928,097)</b>	<b>-56.1%</b>
<b>Total Revenues and AUF Transfers</b>	<b>\$ 119,976,964</b>	<b>118,285,221</b>	<b>119,245,733</b>	<b>960,512</b>	<b>0.8%</b>
<b>Total Expenses (Including Transfers for Interest)</b>	<b>(122,385,769)</b>	<b>(119,888,145)</b>	<b>(116,833,598)</b>	<b>3,054,547</b>	<b>-2.5%</b>
<b>Budget Margin</b>	<b>\$ (2,408,805)</b>	<b>(1,602,924)</b>	<b>2,412,135</b>	<b>4,015,059</b>	
<b>Reconciliation to Use of Prior Year Balances</b>					
Depreciation		8,008,483	8,930,100		
Capital Outlay		(3,500,000)	(7,032,000)		
Transfers for Debt Service - Principal		(1,277,000)	(3,496,513)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		1,628,559	813,722		

**UT Health Science Center – Tyler  
Compact for FY 09 – FY 10**

**X. Data Summary**

<i>academic year</i>				02-03	03-04	04-05	05-06	06-07
Accredited resident programs				2	2	2	2	2
Residents in accredited programs				24	23	24	24	24

<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Federal research expenditures	\$2,807,980	\$3,063,099	\$2,783,554	\$3,493,251	\$4,659,021	\$4,956,399	\$6,512,656	\$6,742,353

<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007
Faculty	102	112	119	110	107	106	97	94
Administrative		63	76	80	50	46	37	38
Other, Non-Faculty		1,095	1,041	1,062	1,110	1,035	836	755
Student employees		14	13	11	8	10	10	10

<i>fiscal year</i>	1999	2000	2001	2002	2003	2004	2005	2006
Hospital admissions	3,504	3,714	3,554	3,805	3,765	3,369	2,901	2,926
Hospital days	28,163	29,802	29,451	29,021	26,942	24,789	19,090	14,822
Outpatient visits	126,585	132,772	135,978	140,473	119,515	114,968	114,208	166,539
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	\$8,804,172

<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	8/31/2007
Endowment total value	\$33,791,000	\$29,465,000	\$26,136,000	\$28,288,000	\$31,729,000	\$36,271,000	\$39,108,000	\$44,142,000