

**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
Operating Revenues:					
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%
Total Operating Revenues	994,005,503	1,049,651,376	1,133,631,341	83,979,965	8.0%
Operating Expenses:					
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%
Total Operating Expenses	1,206,553,222	1,302,401,142	1,386,109,579	83,708,437	6.4%
Operating Surplus/Deficit	(212,547,719)	(252,749,766)	(252,478,238)	271,528	-0.1%
Budgeted Nonoperating Revenues (Expenses):					
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)	-	-	-	-	-
Net Non-Operating Revenue/(Expenses)	258,716,058	289,037,923	326,606,063	37,568,140	13.0%
Transfers and Other:					
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%
Total Transfers and Other	(20,986,279)	(23,663,333)	(25,755,031)	(2,091,698)	8.8%
Budget Margin	25,182,060	12,624,824	48,372,794	35,747,970	283.2%
Reconciliation to Change in Net Asset:					
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%
SRECNA Change in Net Assets	\$ 204,997,030	92,019,417	54,062,551	(37,956,866)	-41.2%
Total Revenues and AUF Transfers	\$ 1,252,721,561	1,338,689,299	1,460,237,404	121,548,105	9.1%
Total Expenses (Including Transfers for Interest)	(1,227,539,501)	(1,326,064,475)	(1,411,864,610)	(85,800,135)	6.5%
Budget Margin	\$ 25,182,060	12,624,824	48,372,794	35,747,970	
Reconciliation to Use of Prior Year Balances					
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