

**UT Austin
Compact for FY 10 – FY 11**

Mission: The university is to achieve national and international leadership and renown in the interrelated areas of undergraduate education, graduate education, research, and public service, providing superior and comprehensive educational opportunities at the baccalaureate through doctoral and special professional educational levels.

Top 5 Priorities for FY 10 – FY 11:

1. Faculty compensation and support. If the university is to achieve and maintain national preeminence among institutions of higher education, it must be able to recruit and retain the best faculty. To accomplish this, the university must have a faculty compensation program that is fully competitive with the national leaders in higher education and it must have an equally competitive program of faculty support (research, travel, leave programs, etc.).
2. Graduate student support. A preeminent research university must have a preeminent graduate program able to attract and retain the best graduate students. To achieve this, the university must develop and maintain graduate student support (fellowships, scholarships, assistantships) that is fully competitive with the national leaders in higher education.
3. Faculty expansion. To improve the quality of undergraduate education and rise in national stature, the university must reduce the student-faculty ratio by increasing the number of tenured and tenure-track faculty while stabilizing or eventually lowering the overall enrollment.
4. Diversity. To serve an increasingly diverse population, the university must educate a diverse group of leaders to guide Texas and the nation into the future. This can be accomplished effectively only by attracting and retaining an increasingly diverse community of students, faculty, and staff.
5. Curriculum reform. The first strategic initiative of the Commission of 125 was to “develop a new undergraduate core curriculum to better prepare students for lives of accomplishment.” This project has required revising degree programs in all colleges, developing new courses, creating additional advising services, and establishing the School of Undergraduate Studies.

I. Performance Summary Table and Analysis

Indicator	Past	Current	Goal	Explanation
Persistence Rates – first-year persistence rates for first-time, full-time degree-seeking undergraduates (cohort)	2001: 90.5% 2004: 92.7% 2005: 92.1% 2006: 91.4%	2007: 90.4%	94%	Persistence rates remain extremely high.
4-Year Graduation Rates – undergraduates graduating in four years or less from same institution (cohort)	1998: 38.9% 2001: 46.4% 2002: 47.7%	2003: 50.5%	2010: 55%	Four-year graduation rates continue to improve.
6-Year Graduation Rates – undergraduates graduating in six years or less from same institution (cohort)	1996: 71.9% 1999: 74.8% 2000: 76.4%	2001: 76.9%	2010: 80%	Six-year graduate rates continue to improve.
Research Expenditures	2006-07: \$476.3 million	2007-08: \$527.1 million	5% annual increase in research expenditures	Current research growth exceeds 5%, but a higher rate of growth will be difficult to sustain over a long period.

**UT Austin
Compact for FY 10 – FY 11**

Student Diversity	2002		2008		Achieve a diverse student body that reflects the face of Texas. Our freshman class is more diverse.	We need more highly qualified African American and Hispanic students in the educational pipeline. Also, the Top 10% Law is making minority recruitment more challenging.
	White:	60.2%	White:	54.5%		
	Amer In:	0.4%	Amer In:	0.4%		
	Afr Am:	3.2%	Afr Am:	4.4%		
	Asian Am:	14.0%	Asian Am:	15.6%		
	Hisp:	12.3%	Hisp:	16.3%		
	Foreign:	9.0%	Foreign:	8.1%		
	Unknown:	0.9%	Unknown:	0.7%		
Total Annual Gifts	2005: \$150 million		2008: \$360 million		\$3 billion by 2014	If successful, the capital campaign will conclude in 2014. Gifts from 2006-14 are included.
Student-Faculty Ratio	2002: 20.79:1 2007: 19.23:1		2008:* 18.7:1		16:1	16:1 would make us competitive with peers and is the recommendation of the Commission of 125. * Source: UT Statistical Handbook, which differs from US News methodology
National Academy Membership (National Academy of Science; National Academy of Engineering; Institute of Medicine)	2002: 52 2008: 61		2009: 65		Increase membership	Net increase of 4 in 2008-09. UT Austin is 8 th among public universities.

II. Update Strategic Initiatives from the 2008 Compact

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
None from last year				

b. Ongoing Initiatives—Long Term

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Reform the undergraduate curriculum	The number of colleges that have integrated the Signature Courses into degree plans. The number of courses that carry the “flags” for writing, quantitative reasoning, global cultures, multicultural perspectives, ethics, and independent inquiry.	Seven colleges have adopted new degree requirements that include the Signature Courses. More than half the freshman class enrolled in Signature Courses in 2008-09. About 650 courses in 2009-10 will meet the requirements for various flags.	By 2010-11 all freshmen should enroll in Signature Courses. Develop flag courses for all skills and experiences included in curriculum reform. This will take several years.	In fall 2009, the School of Undergraduate Studies will receive its first students. Expand the flag program to provide capacity for flag requirements to be adopted by the colleges.

**UT Austin
Compact for FY 10 – FY 11**

<p>2. Faculty expansion and improvement of student-faculty ratio.</p>	<p>a. Number of new faculty positions funded per annum</p> <p>b. Student-faculty ratio</p>	<p>In 2000-2001, the university embarked upon a 10-year program to add 300 strategically placed faculty (i.e., 30 per year). With the exception of one year (when budget reductions precluded funding of new faculty positions), the program has continued. 263 tenure/tenure-track positions have been added since 2000-2001. The student-faculty ratio has been reduced from 20.52 in 2001 to 18.7 in 2008-09.</p>	<p>30 new faculty positions per annum</p> <p>A student-faculty ratio of 16.0</p>	<p>Continue the faculty expansion program and continue the efforts to manage enrollments effectively.</p>
<p>3. Manage financial resources strategically to advance our goal of becoming the nation's leading public university.</p>	<p>Establish competitive faculty compensation; competitive graduate student support; a faculty sabbatical program; gender equity in compensation.</p>	<p>Administration is seeking additional general revenue, tuition income, internal reallocations, and philanthropy to fund excellence. The outcome of the 81st Session of the Legislature is unclear as of this writing.</p>	<p>More effective use of available funds to meet strategic goals</p>	<p>Continue to work with members of the Legislature. Continue to work on internal reallocations.</p>
<p>4. Increase competitiveness by increasing funding for faculty compensation, graduate student support, and scholarships.</p>	<p>Relative position in rankings of faculty compensation and graduate student support among national comparison group.</p>	<p>Current economic climate may provide some relative advantage over universities in states with large budget deficits. During last 5 years we have made slow but steady progress in decreasing the average faculty salary gap compared to our expanded comparison group. Average salary for assistant professors at UT Austin exceeds the average of the expanded comparison group. We have also made some progress against our peers in average graduate student stipends. <i>(Source: AAU Data Exchange.)</i></p>	<p>Greater success in competing for top faculty against universities in our expanded comparison group. (13 publics and 7 privates.)</p>	<p>Raise endowments through capital campaign. Work for increase in state appropriations necessary for significant long-term improvement.</p>
<p>5. Increase emphasis on the arts and humanities.</p>	<p>Improved national rankings; completion of Blanton Art Museum complex; additional funding for programs; greater exposure.</p>	<p>All humanities graduate programs improved their ranking in US News (with one exception, which dropped one slot). Large investments in Departments of History and English resulted in high-profile new hires and improved rankings. Blanton complex was completed and new director hired. Keene Prize expanded, Norman Mailer Writers Colony on Cape Cod opened, Robert De Niro Collection opened, Michener Center Fellows achieve prominent literary success.</p>	<p>To renew our commitment to the arts and humanities in light of the continuing emphasis on science, technology, engineering, and math disciplines. To make UT Austin a center for the arts and humanities.</p>	<p>Profile of the arts and humanities—on campus, in academia, and in national visibility—has been enhanced. We will continue these efforts, but the initial objective has been achieved. Next step is to raise funds for new Liberal Arts Building and the Humanities Center.</p>

**UT Austin
Compact for FY 10 – FY 11**

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 09-10, 10-11
Complete the public phase of the capital campaign. The campaign will enable UT to raise funds to implement that part of the recommendations of the Commission of 125 that we believe should be funded by philanthropy.	Gift total during the 8-year period of 2006-2014.	\$3 billion	Goal for 2009-10: \$400 million Goal for 2010-11: \$400 million

IV. UT System Strategic Plan Initiatives

a. Enrollment Management Plan Development and Targets

In 2002, UT Austin enrollment reached an all-time high of 52,261, at which time then-President Larry Faulkner appointed a Task Force on Enrollment Strategy. This task force recommended the University maintain an enrollment goal of 48,000, which aligns facilities capacity and academic objectives. The Task Force reconvened in 2008 and an updated report is forthcoming. The task force is expected to affirm the University's goal of maintaining an enrollment below 50,000.

Enrollment strategy continues to be problematic. Decreasing enrollment has certain negative financial ramifications. Also, greater demand for admissions and the resulting increased selectivity has disappointed many applicants, alumni, and their families. In 1997, the university received about 14,700 applications for freshman admission. In 2009, we received 31,200 freshman applications for a freshman class of about 7,200. The Top 10% Law further complicates our ability to manage enrollment. More than 10,000 of those applicants were automatically admitted under the Top 10% Law for a class of about 7,200. Within the fall 2009 freshman class, an estimated 84-86% of students who graduated from Texas high schools were automatically admitted. Various bills proposing modifications to the Top 10% Law are under consideration during the 81st Legislative Session.

b. Financial Management Plan

The University administration believes that now is a time of opportunity to move the university forward toward our goal of becoming the number one public institution in the nation. The University does not yet know the funding outcome of the 81st Session of the Texas Legislature. Nevertheless it is planning to invest any incremental monies it receives in general revenue and tuition or from internal reallocations to make progress in the areas it has identified as critical to ensure progress. The 2009-10 budget priorities are therefore as follows:

- (1) Faculty salaries – fund the necessary amount to ensure the University can provide competitive faculty salaries to hire and retain the best faculty possible
- (2) Faculty sabbatical program – fund the amount necessary to establish a recurring faculty sabbatical program to ensure the University's competitiveness for faculty
- (3) Graduate students – fund the amount necessary to ensure the University is able to attract the best possible graduate students by offering competitive stipends and benefit programs
- (4) Gender equity - make progress toward addressing the compensation inequity issues identified by the committee report on gender equity.

The University's Budget Council will undertake after the close of the legislative session efforts to determine how best to fund these priorities. A portion of the necessary funds is likely to come from the reallocation of existing financial resources from lower priorities to higher priorities and from the expenditure of accumulated cash reserves.

The University continues to focus efforts on improving its efficiency. It is presently in discussion about developing and employing productivity and efficiency metrics customized to each significant unit to drive improvements across the campus.

**UT Austin
Compact for FY 10 – FY 11**

c. Information Security Plan

The UT Austin Information Security Office has established a comprehensive program to continually assess and vigilantly protect information resources from unauthorized access, modification, destruction or harm; ensure the continued confidentiality, integrity and availability of mission critical information resources; enhance the institution's ability to minimize the risk of loss or damage in the event of a disaster; and ensure compliance with institutional, UT System, state, and federal regulations by providing a baseline from which to configure and audit systems, applications, and networks. Specifically, we have:

- (1) implemented and/or created numerous technology solutions to enhance protection from malicious code, intrusions, and data exfiltration
- (2) developed a disaster recovery program that is being extended to campus units maintaining critical services
- (3) planned a campus-wide application security initiative focused on assessing and securing several hundred mission critical applications
- (4) created security-related policies and operations in a manner that supports all compliance and regulatory requirements.

V. System Contributions and Investments

a. Summary of investments:

	FY 05 / FY 06 cumulative awards	Impact (FY 05 and FY 06 cumulative)	FY 07 awards	FY 08 awards
Noncompetitive STARS Awards:	\$4,550,500	Noncompetitive awards recruit junior faculty. The outcomes measures for these investments will take some time to develop.	\$10,841,780	--
Institutional Match:	\$6,960,623		\$8,988,191	--
Competitive STARS Awards:	\$11,270,000	Sponsored external funding:\$143,451,904 Net return on investment:\$123,651,628	\$4,175,000	\$4,364,200
Institutional Match:	\$8,530,276	Patents issued: 25 Patents pending: 55 Scientific publications: 590 National awards: 18 Collaborations: 161 National academy appointments: 1 Sponsored graduate students: 230 Sponsored post-docs: 91	\$0	\$420,000

**UT Austin
Compact for FY 10 – FY 11**

VI. New Faculty Positions Projected to 2012

FIELD	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	Total FY 06 – FY 12
STEM	13	12	11	12	10	11	11	80
Health Professions	3	1	2	1	2	1	1	11
Arts & Humanities	8	10	12	11	12	13	15	81
Professional Schools	6	11	5	6	6	5	3	42
TOTAL	30	34	30	30	30	30	30	214

Comments: STEM includes the College of Engineering, John A. and Katherine G. Jackson School of Geosciences, College of Natural Sciences; Health Professions include the School of Nursing, College of Pharmacy, School of Social Work; Arts and Humanities include the College of Communication, College of Fine Arts, College of Liberal Arts; Professional Schools include the School of Architecture, Red McCombs School of Business, College of Education, School of Information, School of Law, Lyndon B. Johnson School of Public Affairs.

VII. Status of Campus Strategic/Long-Range Plan:

Development of UT Austin's Campus Strategic plan continues. Much of the planning effort during the past year was devoted to the SACS accreditation and its required planning documents. The work on the SACS accreditation will inform the Campus Strategic Plan.

VIII. Campus Consultation to Develop Compact: The 2004 report of the Commission of 125 had a large and continuing influence on the university and its strategic planning. This update of the compact is based upon the recommendations of the Commission, the preceding version of the compact, and the ongoing discussions the president of the university has had with campus leaders about the strategic goals of the university (Vice Presidents Council, Deans Council, Faculty Council Executive Committee, President's Student Advisory Council, University Budget Council, Policy Planning and Advisory Council, and the Facilities and Space Council).

**UT Austin
Compact for FY 10 – FY 11**

IX. Budget

The University of Texas at Austin Operating Budget Fiscal Year Ending August 31, 2009					
	FY 2007 Actual	FY 2008 Adjusted Budget	FY 2009 Operating Budget	Budget	
				Increases (Decreases) From 2008 to 2009	
				Amount	Percent
Operating Revenues:					
Tuition and Fees	\$ 371,898,131	368,400,000	392,800,000	24,400,000	6.6%
Federal Sponsored Programs	348,542,834	339,805,674	340,731,452	925,778	0.3%
State Sponsored Programs	48,631,177	47,222,063	56,286,900	9,064,837	19.2%
Local and Private Sponsored Programs	68,979,608	72,317,672	73,752,030	1,434,358	2.0%
Net Sales and Services of Educational Activities	152,803,456	143,997,612	169,013,695	25,016,083	17.4%
Net Sales and Services of Hospital and Clinics	-	-	-	-	-
Net Professional Fees	-	-	-	-	-
Net Auxiliary Enterprises	163,863,892	174,047,531	211,531,661	37,484,130	21.5%
Other Operating Revenues	3,403,127	1,430,654	1,454,815	24,161	1.7%
Total Operating Revenues	1,158,122,225	1,147,221,206	1,245,570,553	98,349,347	8.6%
Operating Expenses:					
Instruction	503,004,260	541,902,469	592,105,392	50,202,923	9.3%
Academic Support	125,026,395	136,741,991	157,054,713	20,312,722	14.9%
Research	374,925,375	393,633,445	387,944,950	(5,688,495)	-1.4%
Public Service	57,462,981	65,578,979	79,289,985	13,711,006	20.9%
Hospitals and Clinics	-	-	-	-	-
Institutional Support	89,930,463	97,104,600	98,676,954	1,572,354	1.6%
Student Services	45,941,174	49,794,930	51,202,900	1,407,970	2.8%
Operations and Maintenance of Plant	134,091,698	136,799,568	143,195,879	6,396,311	4.7%
Scholarships and Fellowships	97,885,692	92,624,419	92,161,681	(462,738)	-0.5%
Auxiliary Enterprises	183,151,141	201,757,524	237,851,818	36,094,294	17.9%
Depreciation and Amortization	135,227,783	108,680,034	111,940,435	3,260,401	3.0%
Total Operating Expenses	1,746,646,962	1,824,617,959	1,951,424,707	126,806,748	6.9%
Operating Surplus/Deficit	(588,524,737)	(677,396,753)	(705,854,154)	(28,457,401)	4.2%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF (Non-capitalized)	301,768,872	322,408,844	322,605,332	196,488	0.1%
Gifts in Support of Operations	95,688,355	78,264,886	92,321,325	14,056,439	18.0%
Net Investment Income	141,329,264	127,146,940	136,785,925	9,638,985	7.6%
Other Non-Operating Revenue	80,004	-	-	-	-
Other Non-Operating (Expenses)	(81,155)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	538,785,340	527,820,670	551,712,582	23,891,912	4.5%
Transfers and Other:					
AUF Transfers Received for Operations	127,560,000	143,600,000	166,335,000	22,735,000	15.8%
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service - Interest	(27,113,991)	(27,119,414)	(32,125,949)	(5,006,535)	18.5%
Total Transfers and Other	100,446,009	116,480,586	134,209,051	17,728,465	15.2%
Budget Margin (Deficit)	50,706,612	(33,095,497)	(19,932,521)	13,162,976	-39.8%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	363,516,012	-	-	-	-
Interest Expense on Capital Asset Financings	(1517,935)	(1,548,832)	(1,500,000)	48,832	-3.2%
Capital Approp., Gifts and Sponsored Programs	44,991,783	10,000,000	20,000,000	10,000,000	100.0%
HEAF (Capitalized)	-	-	-	-	-
Additions to Permanent Endowments	44,556,746	50,000,000	50,000,000	-	0.0%
Transfers for Debt Service - Principal	(18,194,586)	(28,983,379)	(33,873,866)	(4,890,487)	16.9%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	311,764,962	222,810,500	289,500,000	66,689,500	29.9%
SRECNA Change in Net Assets	\$ 795,823,594	219,182,792	304,193,613	85,010,821	38.8%
Total Revenues and AUF Transfers	\$ 1,824,548,720	1,818,641,876	1,963,618,135	144,976,259	8.0%
Total Expenses (Including Transfers for Interest)	(1,773,842,108)	(1,851,737,373)	(1,983,550,656)	(131,813,283)	7.1%
Budget Margin (Deficit)	\$ 50,706,612	(33,095,497)	(19,932,521)	13,162,976	
Reconciliation to Use of Prior Year Balances					
Depreciation		108,680,034	111,940,435		
Capital Outlay		(44,092,421)	(51,277,221)		
HEAF (Capitalized)		-	-		
Transfers for Debt Service - Principal		(28,983,379)	(33,873,866)		
Budgeted Transfers		(30,380,328)	(27,528,105)		
Use of Prior Year Balances		(27,871,591)	(20,671,278)		

UT Austin Compact for FY 10 – FY 11

X. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Undergraduate	38,162	38,609	39,391	38,112	37,101	36,291	36,775	37,459	37,389
Graduate/professional	11,834	12,007	12,870	13,314	13,276	12,942	12,922	12,711	12,595
Total enrollment	49,996	50,616	52,261	51,426	50,377	49,233	49,697	50,170	49,984
<i>yr of matriculation</i>	1999	2000	2001	2002	2003	2004	2005	2006	2007
1st year persistence	89.9	91.0	90.5	91.4	92.7	92.7	92.1	91.4	90.4
<i>yr of matriculation</i>	1995	1996	1997	1998	1999	2000	2001	2002	2003
4-year graduation rate	35.6%	39.2%	36.5%	38.9%	41.3%	44.8%	46.4%	47.7%	50.50%
6-year graduation rate	69.9%	71.9%	70.1%	73.8%	74.8%	76.4%	76.9%		
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Baccalaureate degrees	7,803	7,624	8,005	8,463	8,959	8,705	8,878	8,473	8,617
Master's degrees	2,540	2,567	2,644	2,650	2,835	2,884	2,834	2,886	3,006
Doctorate degrees	703	720	644	668	683	755	813	788	890
Professional degrees	526	577	586	596	588	688	624	546	574
<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Faculty	2,801	2,875	2,949	2,901	2,968	3,096	3,164	3,130	3,252
Administrative		664	691	684	708	706	743	794	829
Other, Non-Faculty		9,647	9,642	8,771	9,171	9,320	9,563	9,703	10,185
Student employees		8,676	8,948	9,315	9,568	9,602	10,025	10,258	10,503
<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
FTE student / FTE faculty	21 to 1	21 to 1	21 to 1	20 to 1	19 to 1	19 to 1	19 to 1	18 to 1	18 to 1
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Federal research exp	\$185,190,446	\$202,440,085	\$235,436,101	\$240,537,689	\$249,014,154	\$269,612,823	\$294,832,202	\$314,130,646	\$351,536,801
<i>fiscal year</i>			01-02	02-03	03-04	04-05	05-06	06-07	07-08
Tuition & Fees / FTE student			\$4,540	\$4,740	\$5,180	\$6,000	\$6,680	\$7,370	\$7,550
State Appropriations / FTE student			\$6,270	\$5,930	\$6,010	\$6,160	\$6,540	\$6,520	\$6,960
<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	8/31/2008
Endowment total value	\$1,611,050	\$1,463,114	\$1,350,816	\$4,158,211	\$4,666,151	\$5,594,393	\$6,268,407	\$7,190,136	\$6,895,038

(in \$ thousands)

* Beginning in FY 2006, endowments for UT Austin were increased to include 30 percent of the PUF market value and endowments for the UT System were decreased correspondingly to 37 percent of the PUF market value.