

UT Medical Branch - Galveston Compact for FY 10 – FY 11

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 10 – FY 11:

1. Improve research capacity through targeted faculty recruitment and increased research space.
2. Recruit key faculty to advance the education mission and support enrollment growth.
3. Increase the percentage of sponsored inpatients by restoring and improving critical functions and services.
4. Improve work processes in existing clinics to increase direct operating margin.
5. Complete the FEMA authorization and finalize schedules for the repair and mitigation of the campus.

I. Performance Summary Table and Analysis

Indicator	Past		Current	Goal	Explanation	
	Fall	2004	2007	2008		2011
Enrollment Growth						
Health Professions		369	550	575	600	SHP programs expect to continue to expand capacity through recruiting and retention efforts.
Biomedical Sciences		322	282	289	362	Enrolling postdoctoral fellows in newly established GSBS certificate programs will provide career development skills and increase enrollment toward 2011 goal.
Medical		824	882	903	920	With the 2009 entering class size of 230, we will have completed our 15% increase in SOM enrollment that started with increasing class size in 2005. We expect to continue at this level in 2010.
Nursing		606	708	571	560	The School of Nursing continues to admit as many qualified students as possible. We are constrained by faculty shortage and limited clinical placements. However, we are meeting state expectations for the enrollment of initial licensure students and exploring plans for increased growth.
All Sponsored Research Expenditures		\$132,768,911 (2004) \$156,103,865 (2007)		\$153,461,284 (2008)	\$162,807,077 (2011)	Previous targets had been established prior to the effects of Hurricane Ike. Because FY2008 reflects a decline from FY2007, we have revised our targets downward to assume FY2009 is flat compared to FY2008 and then project 3% growth of all sponsored research after FY2009.
Federal Sponsored Research Expenditures		\$102,490,775 (2004) \$120,407,805 (2007)		\$122,009,456 (2008)	\$126,938,638 (2011)	In the wake of Hurricane Ike we have assumed that FY2009 will be flat with an annual increase in federal sponsored research of 2% for each year thereafter.

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Indicator	Past		Current	Goal	Explanation
Uncompensated Health Care	\$476,358,000 (2004)	\$423,693,617 (2007)	\$434,579,128 (2008)	\$275,725,738 (2011)	Hurricane Ike significantly decreased the FY 2009 actuals and FY 2010 projections. Accordingly, the FY 2011 projections are decreased.
	2004	2007	2008	2011	
United States Medical Examination Licensure passage rate for medical students	94.8%	97.8%	98.2%	97.0%	Continued success in producing physicians prepared to pass the board examination.
Percentage of health professions students passing the licensing exam on the first attempt	87.6%	86.7%	94.4%	90.0%	Within 5% of 2008 target.
Percentage of BSN graduates passing the national licensing exam on the first attempt	94.6%	100.0%	89.0%	98.0%	1. Significant increase in enrollment. 2. Enrolled many students with a variety of academic backgrounds. 3. Change in curriculum.
Minority admissions as a percentage of first year admissions	23.8%	22.3%	26.6%	25.0%	Recruiting of under represented minority students was slightly more successful than expected.
Minority graduates as a percentage of total graduates	26.8%	23.7%	20.6%	25.0%	Within 5% of 2008 target.

(KEY) – To be set by Legislature in Appropriations Act in May 2009. Goals are current targets.

II. Update Strategic Initiatives from 2008 Compact

a. Completed Initiatives

	Impact (Metrics)	Analysis	Goal	Evaluation of initiative success
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 completed and operational in fall 2008	GNL completed and operational in Fall 2008.
Complete SACS accreditation process and receive final approval December 2008	Maintain accreditation	SACS reaffirmed accreditation for 10 years with only two recommendations.	Full university accreditation reaffirmed in December 2008	Processes in place and ongoing to address the two recommendations.

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b. Ongoing Initiatives

	Impact (Metrics)	Analysis	Goal	Next Steps
1. Improve financial performance of health system	Operating margin	Improve work processes in existing clinics to gain efficiencies	Improve adjusted margin to breakeven.	<ol style="list-style-type: none"> 1. Employ clinic scorecard to focus on clinic performance improvement. 2. Streamline processes in the clinics and support operations.
	Increase the percentage of sponsored inpatients	Restoring and improving hospital infrastructure	Increase sponsored inpatients by 6% within the next 18 months.	<ol style="list-style-type: none"> 1. Return lost key services due to storm. 2. Implement mitigation plans to minimize future disruption of services.
2. Improve patient outcomes	CMS core measures and quality scorecard	Standardize patient care management and processes for CMS core measures	Achieve annual rolling improvement targets	<ol style="list-style-type: none"> 1. Establish evidence-based practice protocols for high volume and complex cases. 2. Establish Process Improvement Teams to address each metric.
3. Grow clinical enterprise through expansion of operations off the island	Improve operating revenue from increase of off island capability and capacity	Improve market share of Medicare and commercial patients	Open Victory Lakes Surgical Center by Spring 2010	<ol style="list-style-type: none"> 1. Complete construction and occupy the Specialty Care Center in FY09-10. 2. Continued expansion of UTMB's primary care clinic network 2011.
4. Implement faculty recruitment plan for Biosafety 4 in Galveston National Lab	Increase research funding for BSL4	Improve capacity of GNL to study BSL 4 agents	Identify and recruit 5 faculty over the next three years to work in BSL 4	<ol style="list-style-type: none"> 1. Develop strategy with stakeholders to develop specific areas to target. 2. Recruit target funded investigators over the next 5 years.
5. Secure discipline specific accreditations and successfully submit monitoring reports to SACS	Maintain discipline specific accreditations	Continued compliance and accreditation is necessary. Current programs scheduled for accreditation in 2010 are Clinical Laboratory Sciences and Physician Assisted Studies. Complete monitoring reports to our regional accreditor.	Successful reaffirmation of accreditation for programs	<ol style="list-style-type: none"> 1. Complete current compliance activities and submit monitoring reports by September 2009. 2. Develop documentation of compliance through 2010.

III. New Strategic Initiatives

Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 09-10, 10-11
1. Develop program document and funding plan for UTMB Interprofessional Education Building.	Enhance student recruitment, experience, productivity, and satisfaction.	Finalize planning and design, and construction of student learning building.	<ol style="list-style-type: none"> 1. Develop program document 2. Finalize site selection and conceptual design. 3. Secure funding during FY10 and FY11. 4. Begin construction in FY12.

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Initiative, Rationale, & Strategy	Expected Impact (Metrics)	Goal	Specific Steps in 09-10, 10-11
2. Optimize existing and develop new research space	Additional 60,000 sq. ft. of lab and lab support space via new construction and repurposing of existing space.	Improve research capacity and ability to recruit key faculty.	<ol style="list-style-type: none"> 1. Design and fund renovation opportunity during FY10. 2. Complete renovation during FY11. 3. Develop lab productivity guidelines and align utilization during FY10. 4. Secure funding and submit design to BOR in FY11.
3. Expand Centers of Excellence to include Stroke Treatment Center.	Create synergy with other clinical centers of excellence programs: aging, cancer, cardiology/cardiovascular, neurosciences, women's and infants, and transplant.	Establish strategic development plan	<ol style="list-style-type: none"> 1. Develop and design the practice and protocols. 2. Align relationships between physician leaders and health system operations. 3. Build effective processes for referring physicians.

IV. UT System Strategic Plan Initiatives – Health Institutions

a. Establishment of new patient care product lines and capabilities

UTMB is developing a new product line, the Stroke Center, to add to our current clinical strategic plan of six service line centers of excellence that include: the Transplant Center, Neurosciences, Cancer, Women's and Infants, Aging, and Cardiology/Cardiovascular. In order to support the planned growth, 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 surgical specialty care. The Stroke Center will leverage our expertise with this emerging patient need in our region.

b. Information Security Plan

The UTMB information resource security program is based on sound security principles and has the full support of executive management. State of the art technology, competent technicians, security aware end-users and fully documented policies and practice standards are used to ensure the confidentiality, integrity and availability of data is maintained at all times. The Office of Information Security continuously matures the program using best practices and applicable standards. All facets of the program are routinely audited by internal and external entities to ensure security and compliance is adequately maintained. The focus of information security is to mature risk assessment capabilities and data classification processes and to implement a configuration management solution.

V. System Contributions and Investments

a. Summary of STARS and other PUF investments:

	FY 05	FY 06	FY 07	FY 08	FY 09	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. Status of Campus Strategic/Long-Range Plan: Senior Leadership began in 2008 to establish a more robust five step integrated institutional planning cycle. The six institutional strategic priorities serve as the strategic framework for annual goals, strategies and metrics. Directors and managers will align their goals with the strategic vision. The executive team will use the executive scorecard to review performance and goal status.

VII. Campus Consultation to Develop Compact: The campus consultation included a series of campus town hall meetings (February – April 2009) and additional presentations by senior leaders that provided students, faculty and staff with information about UTMB's current state and strategic plans for the health system, research, education and support areas.

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VIII. Budget

**The University of Texas Medical Branch at Galveston
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	\$ 14,870,600	15,140,329	19,323,533	4,183,204	27.6%
Federal Sponsored Programs	120,454,458	130,268,616	124,576,822	(5,691,794)	-4.4%
State Sponsored Programs	34,164,292	34,942,840	40,810,185	5,867,345	16.8%
Local and Private Sponsored Programs	73,411,721	58,111,593	109,598,826	51,487,233	88.6%
Net Sales and Services of Educational Activities	2,814,768	1,431,299	2,257,655	826,356	57.7%
Net Sales and Services of Hospital and Clinics	674,704,605	692,860,959	774,715,627	81,854,668	11.8%
Net Professional Fees	151,032,785	133,709,477	145,136,676	11,427,199	8.5%
Net Auxiliary Enterprises	9,157,222	9,650,000	11,252,348	1,602,348	16.6%
Other Operating Revenues	12,837,347	32,731,432	13,827,054	(18,904,378)	-57.8%
Total Operating Revenues	1,093,447,798	1,108,846,545	1,241,498,726	132,652,181	12.0%
Operating Expenses:					
Instruction	316,960,007	239,579,357	282,259,504	42,680,147	17.8%
Academic Support	15,315,201	17,760,523	17,727,116	(33,407)	-0.2%
Research	120,891,633	104,239,184	131,634,446	27,395,262	26.3%
Public Service	3,073,026	5,533,388	6,535,782	1,002,394	18.1%
Hospitals and Clinics	868,561,344	815,775,288	873,561,540	57,786,252	7.1%
Institutional Support	23,621,702	111,545,558	112,733,357	1,187,799	1.1%
Student Services	2,483,980	4,931,987	5,364,787	432,800	8.8%
Operations and Maintenance of Plant	9,412,194	72,608,419	81,912,269	9,303,850	12.8%
Scholarships and Fellowships	5,254,145	7,538,736	7,881,541	342,805	4.5%
Auxiliary Enterprises	10,280,463	10,000,143	8,376,486	(1,623,657)	-16.2%
Depreciation and Amortization	57,123,628	56,258,272	77,366,098	21,107,826	37.5%
Total Operating Expenses	1,432,977,323	1,445,770,855	1,605,352,926	159,582,071	11.0%
Operating Surplus/Deficit	(339,529,525)	(336,924,310)	(363,854,200)	(26,929,890)	8.0%
Budgeted Nonoperating Revenues (Expenses):					
State Appropriations & HEAF (Non-capitalized)	306,205,851	303,253,218	309,187,750	5,934,532	2.0%
Gifts in Support of Operations	6,336,397	7,010,565	11,099,010	4,088,445	58.3%
Net Investment Income	35,081,173	33,756,336	36,813,790	3,057,454	9.1%
Other Non-Operating Revenue	-	-	-	-	-
Other Non-Operating (Expenses)	(23,585)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	347,599,836	344,020,119	357,100,550	13,080,431	3.8%
Transfers and Other:					
AUF Transfers Received for Operations	-	-	-	-	-
AUF Transfers (Made) for Operations	-	-	-	-	-
Transfers for Debt Service - Interest	(4,668,910)	(6,779,109)	(6,668,011)	111,098	-1.6%
Total Transfers and Other	(4,668,910)	(6,779,109)	(6,668,011)	111,098	-1.6%
Budget Margin (Deficit)	3,401,401	316,700	(13,421,661)	(13,738,361)	-4338.0%
Reconciliation to Change in Net Assets:					
Net Non-Profit Health Corp Activity	-	-	-	-	-
Net Inc./(Dec.) in Fair Value of Investments	61,580,382	-	-	-	-
Interest Expense on Capital Asset Financings	-	-	-	-	-
Capital Approp., Gifts and Sponsored Programs	72,170,979	26,391,000	47,196,309	20,805,309	78.8%
HEAF (Capitalized)	-	-	-	-	-
Additions to Permanent Endowments	13,124,648	9,083,205	7,394,050	(1,689,155)	-18.6%
Transfers for Debt Service - Principal	(21,900,548)	(16,960,648)	(17,238,098)	(277,450)	1.6%
Reverse Transfers for Debt Service (System Only)	-	-	-	-	-
Transfers and Other	15,396,778	31,616,489	2,558,002	(29,058,487)	-91.9%
SRECNA Change in Net Assets	\$ 143,773,640	50,446,746	26,488,602	(23,958,144)	-47.5%
Total Revenues and AUF Transfers	\$ 1,441,071,219	1,452,866,664	1,598,599,276	145,732,612	10.0%
Total Expenses (Including Transfers for Interest)	(1,437,669,818)	(1,452,549,964)	(1,612,020,937)	(159,470,973)	11.0%
Budget Margin (Deficit)	\$ 3,401,401	316,700	(13,421,661)	(13,738,361)	
Reconciliation to Use of Prior Year Balances					
Depreciation		56,258,272	77,366,098		
Capital Outlay		(15,000,000)	(18,000,000)		
HEAF (Capitalized)		-	-		
Transfers for Debt Service - Principal		(16,960,648)	(17,238,098)		
Budgeted Transfers		-	-		
Use of Prior Year Balances		24,614,324	28,706,339		

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IX. Data Summary

<i>fall</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Undergraduate enrollment	711	622	624	598	581	547	536	609	504
Health Professions	268	165	136	134	111	129	145	174	166
Biomedical Sciences	20	27	38	47	38	21	13	13	25
Nursing	423	430	450	417	432	397	378	422	313
Graduate/professional	1,216	1,305	1,381	1,461	1,540	1,625	1,719	1,813	1,834
Health Professions	73	154	198	222	258	299	319	376	409
Biomedical Sciences	233	234	256	274	321	283	292	269	264
Medical School	810	823	813	820	824	830	861	882	903
Nursing	100	94	114	145	137	213	247	286	258
Total enrollment	1,927	1,927	2,005	2,059	2,121	2,172	2,255	2,422	2,338
<i>academic year</i>	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Undergraduate degrees									
Baccalaureate: Health Prof	212	141	95	38	53	39	51	60	57
Baccalaureate: Nursing	156	171	201	163	187	184	193	161	222
Graduate/prof degrees/certs									
Health Professions	35	36	37	74	61	81	97	67	112
Biomedical Sciences	49	51	59	52	57	52	54	79	68
Medical	184	183	194	181	190	201	183	199	194
Nursing	31	46	21	37	34	45	50	55	70
Total grad/prof	299	316	311	344	342	379	384	400	444
<i>academic year</i>				02-03	03-04	04-05	05-06	06-07	07-08
Accredited resident prgs				52	54	54	54	57	52
Residents in accredited prgs				543	551	553	549	641	696
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	\$122,009,456
<i>academic year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Faculty	1,209	1,240	1,255	1,258	1,279	1,304	1,276	1,268	1,336
Administrative		609	518	863	892	909	872	871	864
Other, Non-Faculty		11,534	11,821	10,798	11,244	11,281	10,820	10,452	10,379
Student employees		245	400	421	427	446	451	243	236
<i>fiscal year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008
Hospital admissions	32,505	32,927	35,099	37,190	40,452	42,294	41,524	41,282	
Hospital days	170,797	175,956	186,975	194,642	199,862	202,544	187,597	179,337	
Outpatient visits	754,538	760,765	762,977	852,759	845,210	851,310	700,553	741,206	
Un-sponsored charity care - physicians only	\$61,596,586	\$66,908,903	\$85,982,833	\$97,724,989	\$108,498,329	\$114,686,522	\$107,717,480	\$54,138,901	\$92,942,660
Note: The overall decline in the amount of un-sponsored charity care by faculty reported in FY 06-07 is the result of physician UPL payments which offset the amount of un-sponsored charity care. The payments received in FY 06-07 included one-time payment for									
<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	\$342,602	\$316,291	\$295,898	\$306,674	\$352,268	\$397,054	\$432,172	\$496,876	\$474,018