

The University of Texas System
Board of Regents

Accountability and Performance Report



Highlights

2004-2005

The University of Texas at Arlington • The University of Texas at Austin • The University of Texas at Brownsville • The University of Texas at Dallas • The University of Texas at El Paso • The University of Texas - Pan American • The University of Texas of the Permian Basin • The University of Texas at San Antonio • The University of Texas at Tyler • The University of Texas Southwestern Medical Center at Dallas • The University of Texas Medical Branch at Galveston • The University of Texas Health Science Center at San Antonio • The University of Texas Health Science Center at Houston • The University of Texas M. D. Anderson Cancer Center • The University of Texas Health Center at Tyler • The University of Texas System Administration

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Introduction

Background, Purpose, and Audience

- The University of Texas System Board of Regents and Chancellor Mark G. Yudof continue to emphasize the increasingly important role that accountability will play in the UT System's future planning and activities. In 2002, they proposed development of an integrated and strategic approach to UT System accountability and performance studies and reporting for the Chancellor, the Board, public policy makers, and other internal and external audiences.
 - This framework reflects the UT System's ongoing commitment to foster and monitor its overall accountability, including institution and System functions that contribute to its academic, health care, and service missions. The report provides information and analysis that demonstrate how UT institutions add value, contribute to state goals, and how they compare with peers. It emphasizes results and implications for future planning to support continued improvement by the System and UT System institutions. The data displayed in this
- report provide a baseline of institutional performance; multi-year information is displayed where available to establish trend lines and will provide the basis for reviewing institutions and establishing benchmarks for future performance. The report will be used by the System in conjunction with other documents such as each institution's Compact and each president's Presidential Work Plan, to evaluate performance and establish expectations of each institution.
 - Many stakeholders have an interest in UT's accountability. This report will serve internal and external accountability purposes and will be used as a management tool. It is intended for the UT System itself—its Board, System officials, and campus administrators, faculty, staff, and students. It is also intended to be a public document for elected and appointed officials, students, alumni, parents, patients, donors, grantors, and other members of the public interested in UT's plans and performance.

Report Scope and Framework

- As the UT System gains responsibility for certain decision-making, we will show how we will ensure UT's accountability for the results of those decisions and demonstrate that we are efficient and responsible stewards of public resources.
 - While this report is designed to serve UT System needs, it also responds to Governor Rick Perry's January 22, 2004, Executive Order RP 31 relating to accountability of higher education systems and institutions, and should complement the statewide accountability system developed in the past year.
 - The UT System accountability framework encompasses all functions within the System and among academic and health-related institutions that support their academic, health care, and service missions.
 - This report is organized according to the five-part framework intended to highlight and track UT
- System institutions' impact in areas that are of high importance for the System, and that relate to key state goals:
 - I. Student Access and Success
 - II. Teaching, Research, and Health Care Excellence
 - III. Service to and Collaborations with the Community
 - IV. Organizational Efficiency and Productivity
 - V. Profiles for each UT institution, including:
 - Institutional Rankings
 - Mission Statement
 - Comparisons with Peer Institutions
 - Centers of Excellence

- Within this framework, performance measures are aligned with System values, goals, and priorities in each area. They include:
 - Performance Measures: provide data on activities for which institutions will be held accountable. These measures emphasize outcomes, e.g., graduation rates, but also include some measures of progress, e.g., retention rates that will help address any trends before they become major problems.
 - Contextual Measures: provide important background information on institutional context.
- Implications for the Future and Measures Suggested for Future Development: important topics for which consistent data will not be available within the current study period but that should be pursued in the next edition.
- Data in this report come from System and legislatively mandated reports, including annual data provided to the Texas Higher Education Coordinating Board and the Legislative Budget Board, and from other information gathered from UT System institutions. The goal is to integrate and focus the information previously disseminated through several different performance reports. The report emphasizes results and the service the UT System provides to Texas.

Related UT System Accountability Initiatives

- Institutional Compacts. In 2003-04, The University of Texas System instituted the development of compacts for each UT institution. The compacts are written agreements between the Chancellor of The University of Texas System and the presidents of each of the System's academic and health institutions that summarize the institution's major goals and priorities, strategic directions, and specific tactics to achieve its goals. These compacts reflect the unique goals and character of each institution, highlighting action plans, progress, and outcomes. Faculty, staff, and students helped to create these compacts, so that a shared plan and vision resulted. The System Administration's commitment of resources and time to support each institution's initiatives is included in every compact. Covering the fiscal years ending 2005 and 2006, the compacts were completed in the summer of 2004. They will be updated annually; updates for the second year of the cycle will be completed by August 2005. For more information and to view each Compact, visit the UT System's institutional improvement Web site, at <http://www.utsystem.edu/news/wag/>.
- UT System National Symposium on Accountability in Higher Education: "A New Compact for Higher Education: Accountability, Deregulation, and Institutional Improvement". On October 27- 28, 2004, The University of Texas System hosted a unique national symposium on accountability, deregulation, and institutional improvement in higher education. The state's first accountability symposium drew leaders in the field, with keynote addresses by Dame Marjorie Scardino, president of the media group Pearson (which owns the Penguin group, educational testing companies, *The Economist* and *The Financial Times*), Margaret Spellings, Assistant Domestic Policy Advisor to President George W. Bush, and University of Virginia President John Casteen. Other speakers – leaders in higher education and public policy – came from the Florida Board of Education, the University of Georgia System, the University of Colorado, California State University, and major national higher education think tanks and policy groups. For more information on the symposium, and to view video clips of each presentation, visit the symposium Web site, at: <http://www.utsystem.edu/cha/AcctSymp2004/homepage.htm>.

I. Student Access and Success

Total UT System Enrollment

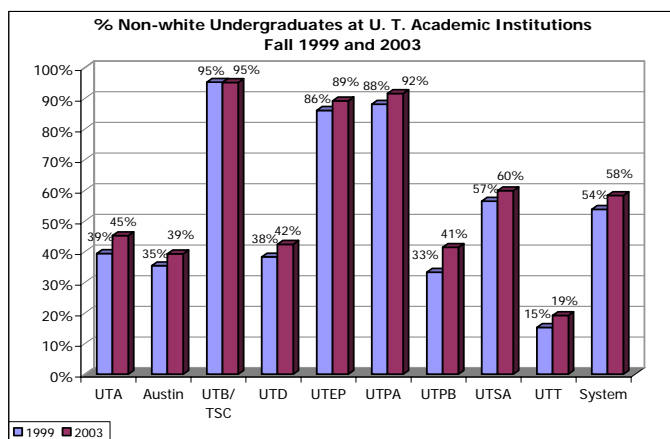
- In fall 2004, enrollments at all UT System institutions totaled 182,752, nearly 3% higher than fall 2003 enrollments, and 35% of all public university enrollments in Texas.
- UT System academic institutions enrolled 172,052 students in fall 2004, up 2.6% from the previous fall.
- UT System health-related institutions enrolled 10,700, 6.6% more than in fall 2003.

Total UT System Enrollment 2003 and 2004			
Fall	Fall 2003	Fall 2004	% Change
Arlington	24,979	25,297	1.3%
Austin	51,426	50,377	-2.0
Brownsville/TSC	10,592	11,546	9.0
Dallas	13,718	14,092	2.7
El Paso	18,542	18,918	2.0
Pan American	15,915	17,030	7.0
Permian Basin	3,028	3,291	8.7
San Antonio	24,665	26,175	6.1
Tyler	4,769	5,326	11.7
Total Academic	167,634	172,052	2.6%
SWMC-Dallas	1,749	2,273	30.0%
UTMB	2,059	2,121	3.0
HSC-Houston	3,405	3,399	-0.2
HSC-San Antonio	2,754	2,837	3.0
M. D. Anderson	75	70	-6.7
Total Health	10,042	10,700	6.6%
Total System	177,676	182,752	2.9%

Undergraduate Student Enrollment and Graduation Trends – UT System Academic Institutions

First-time Students

- From fall 1998 to fall 2002, enrollment of first-time, full-time, degree-seeking undergraduates increased 37%, from 13,735 to 18,842. Just over half of these students are female.



- Over this period, the portion of first-time students who are White declined from 49% to 45%. By comparison, 49% of students in the 2003 the Texas high school graduating class were White.
- The portion of Black students increased slightly, from 4.1% to 4.5%, but less than the 13.4% of Black students in the 2003 Texas high school graduating class.
- The portion of Hispanic students increased from 33.7 to 35.7%, close to the overall proportion – 40% – of college-age Hispanics in Texas, and higher than the 33.9% of Hispanic students in the 2003 Texas high school graduating class.
- Of the 132,958 undergraduates enrolled at UT System academic institutions in fall 2003, 42% were White, 5% were Black, and 39% were Hispanic.

Financial Aid

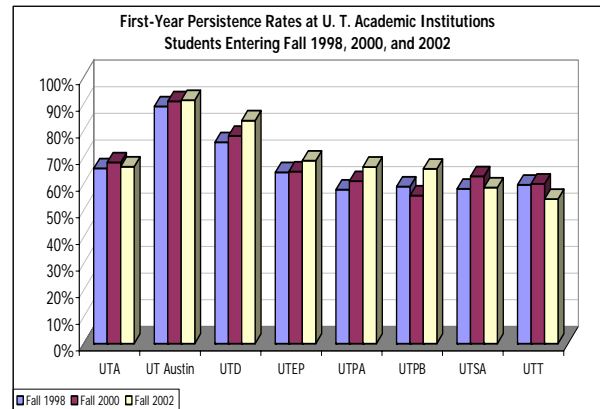
- In FY 2003-04, \$785 million was allocated for 223,534 financial aid awards to UT System academic institution students (some students received more than one award, including grants, loans, and work study).
- 35% of undergraduate students received some amount of need-based aid in 2003-04; a total of 45% received all types of aid.
- Of the scholarships and aid, federal grants made up 45%, an increase of two percentage points

from last year; institutional funds increased to 30%, from 27% last year; state funds provided another 16%, down from 19% in 2002-03; and 9% came from private sources, down from 11% in 2002-03.

- By dollar amount, loans comprised 56% of total awards, up from 53% in 2002-03; grants and scholarships comprised 43%, down from 45% in 2002-03; and work-study provided 1% of all financial aid, down from 2% in 2002-03.

Persistence

- First-year persistence rates are going up at most UT System academic institutions. For students who matriculated in fall 2002, the rate ranged from 54.3% at UT Tyler, to 68.7% at UT El Paso, to 83.8% at UT Dallas, and 91.4% at UT Austin. Females persist in larger proportions than male students.
- The increases in persistence rates hold for minority groups; on a number of campuses (Arlington, Austin, Dallas, Pan American, Permian Basin, San Antonio, and Tyler), persistence rates of Hispanic and/or Black students exceed those of White students.



Graduation Rates

- Four-, five-, and six-year graduation rates are also increasing at nearly every UT academic institution; all institutions have in place and are enhancing programs to assist students to complete their degrees more quickly.
- While still lower at most UT System campuses than the 51% national average, six-year graduation rates have steadily increased at all UT System academic institutions between the 1995 and 1997, when the graduation rates.
- This trend applies, with some variation, across ethnic and racial groups. Graduation rates among Black students increased at all institutions. At UT Arlington, UT Pan American, and UT San Antonio, this rate exceeds that of White students.

- Graduation rates among Hispanic students also increased at all institutions.

Undergraduates Graduating in Six Years or Less from the Same UT System Academic Institution

Enrolled Fall	1995	1996	1997
Arlington	30.6%	36.4%	36.8%
Austin	69.9	71.9	70.1
Dallas	55.2	51.8	56.2
El Paso	25.1	24.4	25.6
Pan American	22.9	24.6	26.2
Permian Basin	24.0	23.2	29.5
San Antonio	26.6	25.5	27.6

Note: Most Brownsville students start at Texas Southmost College; Tyler did not admit freshmen until Summer/Fall 1998.

Degrees Conferred

- UT System academic institutions conferred 21,100 baccalaureate degrees in 2003. Statewide, the UT System produces approximately one-third of the baccalaureate degrees conferred each year in Texas.
- 57% of graduates were females in 2003, and 50% were White (down from 55% in 1999). The proportion of Black graduates increased slightly, from 4.1 to 4.7%, and the proportion of Hispanic graduates increased from 28.3 to 30.1%.

- Nationally, UT System institutions continue to rank highly in numbers of baccalaureate degrees awarded to Hispanic students. During the 2002-03 academic year, the most recent year for which comparable national institutional data are available, UT System schools were at the head of the list of the top 100 institutions nation-wide granting the bachelor's degree to Hispanic students: El Paso – 2nd; Pan American – 3rd; San Antonio – 4th; Austin – 8th.

Student Experience

- In the 2004 National Survey of Student Experience, the rating by first-year students of academic advising as "good" or "excellent" increased from 2003 to 2004 at UT Austin, UT Brownsville/TSC, UT Dallas, and UT Permian Basin.

- Between 2002 and 2004, an increased proportion of first-year students participating in this survey reported being satisfied with their experience at UT Austin, UT El Paso, and UT Pan American.

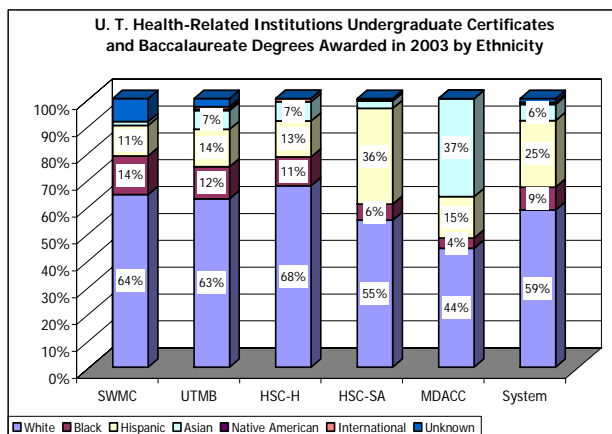
- Seniors increasingly evaluated academic advising as “good” or “excellent” at UT Austin, UT Brownsville/TSC, UT El Paso, UT Pan American, UT Permian Basin, and UT Tyler. These changes reflect the increasing emphasis on and investments by a number of UT System institutions.
- Over the same period, the proportion of seniors rating their overall experience “good” or “excellent” increased at UT Austin, UT Brownsville/TSC, UT Dallas, UT El Paso, UT Pan American, UT Permian Basin, and UT San Antonio.

Graduate and Professional Student Enrollment and Graduation Trends – UT System Academic Institutions

- In fall 2003, 34,676 graduate and professional students were enrolled at UT System academic institutions, a one-third increase from the 26,134 students enrolled in fall 1999. Enrollments more than doubled at UT Arlington, UT Dallas, UT El Paso, UT Permian Basin, and UT San Antonio.
- The proportion of minority graduate and professional students increased at nearly every UT System academic institution between 1999 and 2003. In fall 2003, 45% of graduate and professional students were White, down from 53% in 1999. 4% were Black, 21% were Hispanic, and 23% were international.
- In 2003, these institutions conferred 8,793 graduate and professional degrees, a 15% increase from 1999.
- 47% of graduate and professional degrees in 2003 went to White students, 3% to Black students, 15% to Hispanic students, and 28% to international students.
- The proportion of graduate and first professional degrees awarded to Hispanic students increased at UT Arlington, UT Dallas, UT El Paso, UT Pan American, UT Permian Basin, UT San Antonio, and UT Tyler. The percentage of graduate and first professional degrees awarded to Black students increased at UT Permian Basin, but declined in the UT System overall. The largest change has been a six percentage point increase among international students receiving graduate and first professional degrees.

Enrollment and Graduation Trends – UT System Health-Related Institutions – Undergraduate Students

- 2,097 undergraduate students were enrolled at UT System health-related institutions in fall 2003, an increase from the 1,955 enrolled in fall 1999.
- This increase includes growth in nursing enrollments, counter to the statewide trend of overall reductions in numbers of nursing students.
- Enrollments of Black students decreased by 1 percentage point. At UT Medical Branch, the proportion of Black students enrolled in allied health nearly doubled to just over 11%.
- Hispanic student enrollments increased to over 25% of all students in this period. The proportion of Hispanic allied health students more than doubled at UT Southwestern Medical Center, and increased by 6 percentage points at UT Medical Branch, and UT Health Science Center-San Antonio.



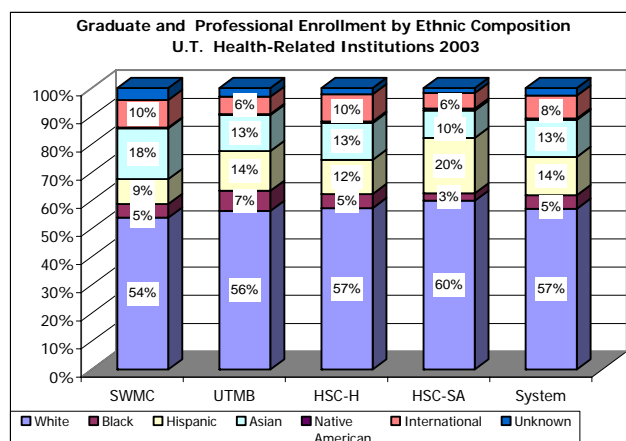
- Overall, between 1999 and 2003, enrollments of White undergraduate students at UT health-related institutions declined to just over 50%.
- The proportion of Hispanic nursing students increased by 3 percentage points at UT Health Science Center-Houston, and by 6 percentage points at UT Health Science Center-San Antonio.
- In 2003, 1,003 undergraduate degrees and certificates were conferred by UT System health-related institutions. 73% of these went to female graduates (down from 77.5% in 1999).
- 59% of these degrees went to White students (down from 68% in 1999). Black students received 9% of these degrees; Hispanic students received 25%, up from 16% in 1999.

Enrollment and Graduation Trends at UT System Health-Related Institutions – Graduate Students

- Between 1999 and 2003, overall enrollments in graduate and professional programs increased by nearly 10% at UT System health-related institutions to 7,945, and the pace of this change increased in the period 2001 to 2003.

- From 1999 to 2003, the proportion of graduate and professional White students at UT health-related institutions declined from 62 to 57%. The proportion of Black students has remained nearly level, now 5%. The proportion of Hispanic students increased two points, to nearly 14%.
- UT System health-related institutions conferred 1,697 graduate and professional degrees in 2003, down from 1,724 in 1999. The ethnic composition of graduate and professional degree recipients has changed little from 1999 to 2003: 63% were White students, 4% were Black students, and 11% were Hispanic students.
- UT System health-related institutions rank highly in degrees conferred to minority professional and doctoral students in 2003. UT Medical Branch ranked fifth in medical degrees awarded to minority students in 2003, sixth in medical degrees awarded to Hispanic students, and tenth in medical degrees awarded to Black students. UT Health Science Center-Houston ranked fifth in biology and

biomedical science doctoral degrees awarded to Black students in 2003. UT Health Science Center-San Antonio ranked fifth in medical degrees awarded to Hispanic students in 2003.



Medical Student Satisfaction

- In a 2004 American Association of Medical Colleges survey, over 80% of medical school graduates agreed or strongly agreed that they were satisfied with their education at UT System medical schools.
- At UT Southwestern Medical Center, nearly 97% of graduates agreed with this statement.
- These results provide a baseline against which annual progress will be assessed.

Implications for Future Planning

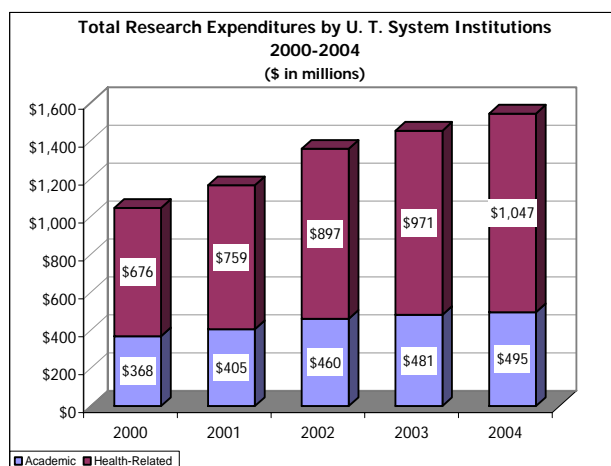
- The UT System must continue its commitment to improve the rates of undergraduate student persistence and graduation.
- The System should make it a high priority to continue to address the decline in production of degrees in high-priority health fields.
- Addressing the relationship between ethnicity and increased student access and success must remain a priority for the UT System.
- Development of data on student learning outcomes and post-graduation experience, particularly employment trends, should be a priority.

Measures for Future Development

- Refine enrollment, persistence, and graduation rates to include first-generation freshmen.
- Refine composite persistence and graduation rates to be more complete and timely.
- Measures of affordability should be expanded, including: net cost of attendance, tuition trends, the impact of federal tax credits and deductions, and the impact of tuition increases on access and success.
- Refine undergraduate student satisfaction measures to include a measure on the teaching/learning experience.
- Expand and refine the data on and analysis of undergraduate student learning outcomes.
- Develop a methodology to assess graduate and professional student satisfaction in academic and health-related institutions.
- Develop a measure of post-graduation experience for students at all levels.

II. Teaching, Research, and Health Care Excellence

Research Funding Trends



- In FY 2004, UT System health-related and academic institutions together generated research and research-related expenditures totaling over \$1.5 billion. In the period from FY 2000 to FY 2004, this total has increased by 48%, and reflects an average annual increase of 11%.
- The federal government provides approximately two-thirds of total research support to UT System institutions; private and local sources provide another fifth. 15% of research funds came from state sources in 2004.

Academic Institutions

- Federal research expenditures increased by an average of 38% at UT academic institutions between FY 2000 and FY 2004, more than doubling at UT Arlington, UT Brownsville/TSC, UT Dallas, UT Pan American, UT Permian Basin, and UT Tyler.
- The proportion of faculty holding extramural grants has increased over the past five years at UT Arlington, UT Brownsville/Texas Southmost College, UT Pan American, UT Permian Basin, and UT Tyler.
- Over the past five years, research expenditures per FTE tenure/tenure-track faculty have increased at most academic institutions. In FY 2004, it ranged from \$6,252 at UT Tyler to \$225,201 at UT Austin, and reached \$109,735 at UT Dallas and \$78,024 at UT El Paso.

Health-Related Institutions

- Health-related institutions generate approximately two-thirds of total UT System research and research-related expenditures. In FY 2003, they generated 45% of total state research and research-related expenditures.
- Federal research expenditures by five UT System health-related institutions increased by 66% from 2000 to 2004.
- Research expenditures as a percentage of formula-derived general appropriations revenue in FY 2004 were: 440% at UT Southwestern Medical Center, 196% at UT Medical Branch, 150% at UT Health Science Center-Houston, 140% at UT Health Science Center-San Antonio, 1,291% at UT M. D. Anderson Cancer Center, and 326% at UT Health Center-Tyler.
- Research expenditures per FTE faculty increased at most health-related institutions from FY 2002 to FY 2004, reaching \$890,660 at UT Southwestern Medical Center, \$268,220 at UT Medical Branch, \$327,281 at UT Health Science Center-Houston, \$243,970 at UT Health Science Center-San Antonio, \$557,578 at UT M. D. Anderson Cancer Center, and \$97,528 at UT Health Center-Tyler.

Institutional Rankings

- For the period FY 1998 to FY 2002, the total R&D expenditures of three institutions (UT Austin, UT Southwestern Medical Center, and UT M. D. Anderson Cancer Center) have been in the top 50 public and private universities.
- Within Texas, UT System institutions ranked highly in FY 2003 research expenditures (UT Austin – 2, UT M. D. Anderson – 3, UT Southwestern Medical Center – 4, UT Health Science Center-Houston – 5, UT Medical Branch – 6, UT Health Science Center-San Antonio – 7, UT Dallas – 11, UT El Paso – 12).
- UT Austin was tied for 14th among public universities in the most recent *U. S. News and World Report* rankings, up from 17th last year; it was 46th among all universities, up from 53rd last year.
- Numerous programs at UT System institutions are ranked in the top 10 nationally.

Endowed Faculty Positions

- The number of endowed positions increased modestly at UT academic institutions between FY 2000 and FY 2004. The proportion of faculty positions that are endowed has also increased modestly; 40% are endowed at UT Austin, 10% at UT El Paso, 8% at UT Dallas. Over this period, increases were proportionately larger at UT Arlington, UT Austin, UT Dallas, UT El Paso, UT San Antonio, and UT Tyler, the number of endowed positions at least doubled.
- The number and proportion of endowed positions has increased at most UT health-related institutions between 2000 and 2004. UT Southwestern Medical Center has a very high proportion of endowed positions, which increased from 62% in 2000 to 76% in 2004. The proportion is also high at UT Health Center-Tyler, increasing from 46% in 2000 to 51% in 2004.

Awards and Honors

Cumulative Honors – UT Academic Institutions				
	Total	UTA	UT Austin	UTD
Nobel Prize	4		2	2
Pulitzer Prize	1		19	
National Academy of Sciences	20		18	2
National Academy of Engineering	46		45	1
American Academy of Arts and Sciences	38		37	1
American Law Institute	23		23	
American Academy of Nursing	24	11	13	

Cumulative Honors – UT Health-Related Institutions						
	Total	SWMVC	UTMB	HSC-H	HSC-SA	MDACC
Nobel Prize	5	4		1		
National Academy of Sciences	16	15		1		
American Academy of Arts and Sciences	14	12		2		
American Academy of Nursing	29		6	13	10	
Institute of Medicine	23	15	2	4	1	1
International Association for Dental Research	38			35	3	

Technology Transfer

- According to the U.S. Patent and Trademark Office, when academic and health-related institution patents are combined, in 2003 the UT System ranked fourth in number of patents issued (96), up from fifth (with 93) in 2002. The University of California System topped the list, as it has for the past ten years, with 439 in 2003 and 431 in 2002.
- The number of new invention disclosures increased from 455 in 2001 to 520 in 2003, while the number of patents issued was steady at 99. Gross revenue from intellectual property decreased over this period, from \$26.6 million to \$24.6 million.
- 133 of these disclosures in 2003 were made by UT System academic institutions. These institutions also generated \$4.5 million of the intellectual property revenue in 2003.
- UT System health-related institutions made 390 new invention disclosures in 2003, executed 130 licenses and options (up from 67 in 2001), and received \$20 million in intellectual property revenue. However, total patents received declined from 71 in 2001 to 63 in 2003.
- In the most recent ranking by the Association of University Technology Managers, UT Southwestern Medical Center was twenty-first with \$10.6 million in licensing income. New York University was first, with nearly \$86 million.

Graduate Medical Education

- In 2003-04, UT health-related institutions had 3,270 residents enrolled in accredited resident programs, down slightly from the 3,277 enrolled in 2002-03.

Clinical Care

- State-owned hospital admissions by UT health-related institution faculty increased nearly 14% between FY 1999 and FY 2003, from 58,339 to 66,291.
- Hospital days increased by 8.2%, from 1.2 million to 1.3 million.
- Total charges for charity care increased from \$437 million in FY 1999 to \$615 million in FY 2003

Student/Faculty Ratios

- The ratio of FTE students to FTE faculty has increased slightly at seven UT System academic institutions, as the number of students has increased at a faster pace than the number of faculty. It ranges from 16 to 1 at UT Tyler, 18 to 1 at UT Brownsville/TSC and Permian Basin, 20 to 1 at UT Austin, 21 to 1 at UT Dallas, UT El Paso, and UT Pan American, 22 to 1 at UT Arlington, and 26 to 1 at UT San Antonio.
- At UT System health-related institutions the ratios are much lower, 2 or 3 to 1, reflecting the necessity of close interaction between faculty and students in health education programs.

Implications for Future Planning

- The UT System will continue to emphasize the priority of research collaborations between academic and health-related institutions. These will be reflected in new patterns of joint grants.
- Private support for endowed faculty positions should be a System priority.
- The organization, support, goals, and pace of technology transfer require attention and further development and are connected to the economic impact that UT institutions make on their communities.
- Efforts to bolster support for faculty research development should be reflected in increases over time in the number of grants received and the proportion of faculty receiving grants.

Measures for Future Development

- Measures of faculty teaching excellence should be developed with academic and health-related institutions.
- Measures of technology transfer productivity should be refined.
- Measures of information technology resources to support teaching and research should be developed.
- Faculty salary trend data for health-related institutions should be developed.

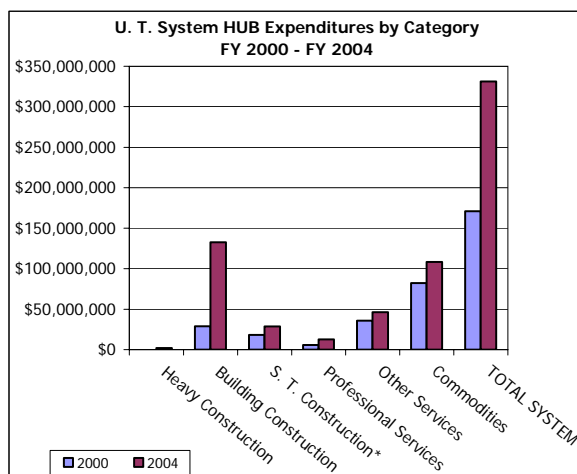
III. Service to and Collaborations with Communities

Contributions to Teacher Preparation

- Between 1993 and 2003, the UT System increased the production of teachers by nearly 48%, an increase from 2,791 to 4,127 (19% of the teachers trained in Texas in 2003).
- UT System academic institutions individually have increased the numbers of teachers they produced between 1993 and 2003: UT Arlington by 35%; UT Brownsville/TSC by 106%; UT Dallas by 90%; UT El Paso by 80%; UT Pan American by 63%; and UT San Antonio by 116%.
- Over the past five years, the number of students receiving graduate education degrees from UT System academic institutions increased by 10.6%, from 1,217 in 1999 to 1,346 in 2003. These increases were larger at UT Arlington, UT El Paso, UT Pan American, and UT San Antonio.

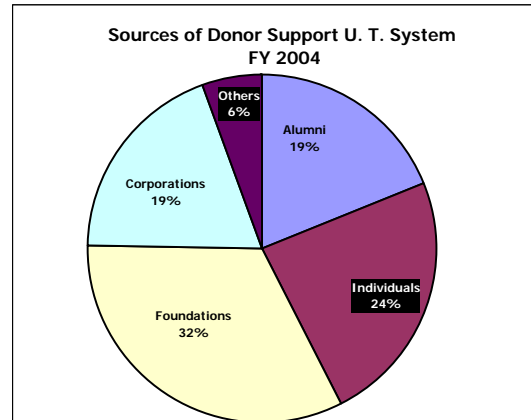
Economic Impact

- In FY 2004, capital expenditures for construction by UT System institutions together generated an estimated \$16.2 billion. An additional estimated \$27.5 billion in earnings was generated, including the jobs created to build structures and the wages and spending of people who work in the new buildings.
- The UT System's expenditures for work by historically underutilized business (HUB) contractors increased from \$171 million in FY 2003 to \$331 million in FY 2004; 16% of total expenditures, exceeded the proportion of total State of Texas expenditures – 15% – that went to HUBs.



Private Support

- From FY 2003 to 2004, total donor support to the UT System increased by 12%, to \$661 million.
- UT Austin was ranked ninth nationally by the Council on Aid to Education in total voluntary support received in FY 2003.
- In FY 2004, alumni gifts comprised 19% of all donor support to UT System institutions, down from 35% in FY 2003.



Implications for the Future

- The UT System continues to make a strong and positive impact on the communities in which its
- The UT System will continue its commitment to help improve K-16 education, including documentation of specific outputs in terms of increasing the number of teachers produced and retained in the field. The System will engage in further study of specific approaches to improve K-12 student preparation and success and teacher development.
- institutions reside, their surrounding regions, the state as a whole, and the nation.
- As the UT System pursues specific collaborative initiatives, such as the San Antonio Life Sciences Institute, Project Emmitt, and the partnership with Texas Instruments and international SEMATECH, it should track the impact of these investments, by tracking grant and contract funding leveraged, patent applications and awards, new start-up companies, and jobs created.

Measures for Future Development

- Refine the methodology to assess the UT System's impact on K-12 education.
- Expand on economic impact of specific initiatives and investments.
- Develop measures to track and assess continuing and distance education trends.
- Develop measures of citizen awareness and satisfaction of UT as a system.
- Develop measures of UT System institutions' satisfaction with System Administration services.
- Measure the impact of UT System strategic communications.

IV. Organizational Efficiency and Productivity

Revenues and Expenditures – Academic Institutions

- In FY 2004, UT System revenue to academic institutions totaled \$2.6 billion; 28% came from state appropriations, down from 30% in FY 2003. Government grants and contracts provided 24%. Tuition provided 24%, up from 22% in FY 2003.
- Adjusted revenue (including tuition, fees, and state appropriations) per FTE student has held steady or decreased at UT System academic institutions. In FY 2004, it ranged from \$8,000 at UT Pan American to \$13,000 at UT Austin and UT Dallas.
- Adjusted revenue per FTE faculty has decreased at three institutions, and increased at six institutions over the past five years. In FY 2004, it ranged from \$158,000 at UT Pan American to \$272,000 at UT Dallas (decreasing from \$165,000 and \$285,000, respectively, the previous year).
- Appropriated funds per FTE student have also held steady or decreased at all UT System academic institutions from FY 2000 to FY 2004. In FY 2004, this ratio ranged from \$4,000 at UT San Antonio (down from \$6,000 per FTE student in FY 2000), to \$8,000 at UT Tyler (down from \$10,000 in FY 2000).
- Appropriated funds per FTE faculty decreased at seven UT academic institutions from 2000 to 2004. In FY 2004, the ratio ranged from \$106,000 per FTE faculty at UT Pan American, to \$137,000 at UT Dallas.
- Academic institution expenditures totaled \$2.58 billion; one-third were allocated to instruction; another 18% went to student services, academic support, scholarships, and fellowships. 16% was spent on research.

Revenues and Expenditures – Health-Related Institutions

- Health-related institution revenues totaled \$5.18 billion in FY 2004; 16% from state appropriations (down from 18% in FY 2003); hospital sales and services generated 36%; physician fees, 14%, and grants and contracts provided another 23%.
- Expenditures totaled \$5.01 billion, with 41% going to hospitals and clinics; 21% to instruction; and 17% to research.

Patient Care

- The UT System health-related institutions provide a very significant portion of health services to Texans throughout the state.
- Since 1999, total patient care revenue has increased from \$1.4 billion to over \$2.2 billion, reflecting the growing base of patients and scope of service by UT institutions.

Bond Rating

- The UT System is one of only two public institutions of higher education to receive the highest possible credit ratings from all three major rating agencies. Revenue Financing System and Permanent University Fund debt is currently rated Aaa/AAA/AAA by Moody's, Standard and Poor's, and Fitch, respectively.
- The UT System has a large and growing appetite for debt financing to support its capital investment needs. As a result, the System is steadily using up its RFS debt capacity at the AAA credit level. A reduction in the RFS bond rating from AAA to AA would add \$1 million to \$2 million per year in debt service, based on historical interest rate spreads and the projected amount of debt to be issued in the FY 2004 – FY 2009 Capital Improvement Program.

Administrative Expenses

- Between FY 2003 and FY 2004, UT System administrative expenses increased by 5.3%, from \$48.8 million to \$51.4 million, a significantly smaller proportion than in previous years.
- While total expenses have increased, expenses from state funds decreased from \$30.1 million in 2003 to \$26.1 million in 2004; the budget for state funds in 2005 projects a further decline from the 2004 budget.
- At most UT System academic institutions, administrative expenses comprise between 8 and 10% of total expenses; the ratio has remained essentially level at UT San Antonio (at 11.7%) and at UT Austin, where it has been remained very low (at 5.7%) over this period. The ratio has decreased at the other 7 institutions since FY 2000.
- At UT System health-related institutions, the average was 6.7% in FY 2004, with a range from 5.1% at UT Southwestern Medical Center, 4.7% at UT Medical Branch, 9.3% at UT Health Science Center-Houston, 5.4% at UT Health Science Center-San Antonio, 8.3% at UT M. D. Anderson Cancer Center, and 7.1% at UT Health Center-Tyler.

Endowments

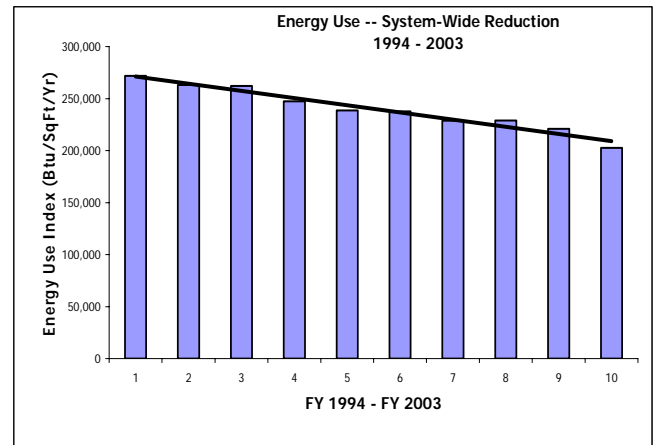
- Taken together, the value of UT System endowments totaled \$4.5 billion as of August 31, 2004, a 35% increase over the value in FY 1999. These endowments include funds managed by UTIMCO as well as those held by other entities, as reported to the Council on Aid to Education each year.
- The total value increased by 40% for UT System academic institution endowments, and by 29% for UT System health-related institutions.
- In FY 2003, UT Austin ranked sixth among public universities, and 26th among all universities in the size of its endowment. Between FY 2000 and FY 2004, the value of its endowment per FTE student increased from \$35,000 to \$45,000; and from \$682,000 to \$905,000 per FTE faculty member.
- In FY 2004, the value of UT Dallas's endowment per FTE student was \$20,000, and just over \$418,000 per FTE faculty.
- In FY 2004, the value of the endowment per FTE faculty at Southwestern Medical Center was \$600,000, near or above \$300,000 at UT Medical Branch, UT M. D. Anderson Cancer Center, and UT Health Center-Tyler, just over \$200,000 at UT Health Science Center-San Antonio, and \$100,000 at UT Health Science Center-Houston.

Trends in Small Class Size at UT System Academic Institutions

- In 2004, on average, only 6% of all classes were small at UT System academic institutions. (Small classes are defined as those courses with fewer than ten students at the undergraduate level or fewer than five students at the graduate level.)
- The number of classes enrolling fewer than ten undergraduate students declined between 2002 and 2004 at UT Arlington, UT Brownsville/Texas Southmost College, UT Pan American, UT San Antonio, and UT Tyler.
 - The number of classes enrolling fewer than five graduate students also declined at most UT System academic institutions between 2002 and 2004.
 - Of these, 79% of undergraduate and 77% graduate small courses are offered because they are cross-listed, needed to maintain proper sequencing, or required for graduation.
 - Between 2002 and 2004, the proportion of small undergraduate classes offered voluntarily declined from 16% to 11%, and the proportion of small graduate classes declined from 13% to 9%.

Energy Use

- Energy expenses comprise approximately 68% of academic institutions total operation and infrastructure support costs, and 50% at health-related institutions. In 2001, the UT System set a goal to reduce energy consumption by 10 to 15% by 2011.
- From 1994 to 2003, UT System institutions have, on average, reduced energy use by 24% per gross square feet, during a period when total gross square footage increased by 44%.
- These savings have been achieved through the construction of more energy-efficient buildings, campus-based initiatives to monitor daily use, and programs to manage energy more efficiently.



Implications for Future Planning

- *Financial resources.* The UT System will continue to depend on a combination of tuition, tuition revenue bonds, appropriations, private donations, and patient care revenues to obtain resources necessary to achieve its goals in teaching, research, health care, and service. Using these funds most efficiently will present an increasingly important challenge as demands to serve students and patients continue to grow. This report summarizes much more detailed information that will help assess the impact of shifts in this complex resource base.
- *Private giving and endowments.* Private sources of support will become increasingly important; this report should, in future years, illustrate the impact of these investments on UT institutions.
- *Productivity and efficiency studies.* The UT System anticipates refining the measures and comparative benchmarks it will use in the future to assess the productivity and efficiency of its operations, based on forthcoming recommendations, expected in 2005, from the UT System's task force on efficiency and productivity studies.
 - *Human resource data and trends.* The UT System currently lacks a consistent, centralized process for analyzing staff trends including trends in salaries, FTEs, and professional development for employees in various classes. These issues are being addressed by the UT System, as part of a statewide agency adjustment to reporting on staffing trends, and deserve additional attention for the future.
 - *Human resource development.* Investment of resources in recruiting, retaining, and developing faculty and staff is and will be a critical success factor for UT institutions. This report provides a framework for the future assessment of the effectiveness of these investments.

Measures for Future Development

- Define measures of productivity, based on task force recommendations.
- Refine the methodology for collecting and analyzing all faculty and staff (human resources) data.

V. Institutional Profiles

- Institutional ranking highlights. The full accountability report includes an extensive discussion of rankings and individual institutional profiles compared with peer institutions. Highlights of rankings are provided here.
- There is no single accepted overall ranking of research universities, in part because institutions differ significantly in the variety of programs offered and in the different roles they play in each state's higher education infrastructure. Rankings depend on what a particular study wishes to emphasize. The various national ranking systems are intended to serve differing purposes: some focus on institutions as a whole, some on the research quality of individual graduate programs, and others on the under-graduate experience. For these reasons, the lists of top schools are not identical across the rankings systems.

UT Academic Institutions

UT Academic Institutions — National Institutional Rankings Summary		
UT System	#2 in total FY 2002 research expenditures	Lombardi Center, 2004
	#3 in total FY 2002 federal research expenditures	Lombardi Center, 2004
Arlington	4 th tier, national universities 225 of 617 in total R&D expenditures FY 2002	<i>U.S. News</i> , 2004 NSF 2004
Austin	14 among top public universities; 46 among all universities; Tied for 17 th of all public and private research universities (643 total); in top 10 public research universities (390 total); 33 rd in total R&D expenditures funding FY 2002	<i>U.S. News</i> , 2004 Lombardi Center, 2004 NSF 2004
	15 among top world universities	<i>The Times Higher</i> , 2004
Brownsville/TSC	4 th tier, master's universities – West	<i>U.S. News</i> , 2004
Dallas	3 rd tier, national universities 189 of 617 in R&D expenditures FY 2002	<i>U.S. News</i> , 2004 NSF 2004
El Paso	4 th tier, national universities 202 of 617 in R&D expenditures FY 2002	<i>U.S. News</i> , 2004 NSF 2004
Pan American	4 th tier, master's universities – West 374 of 617 in R&D expenditures FY 2002	<i>U.S. News</i> , 2004 NSF 2004
Permian Basin	4 th tier, master's universities – West	<i>U.S. News</i> , 2004
San Antonio	3 rd tier, master's universities – West 249 of 617 in R&D expenditures FY 2002	<i>U.S. News</i> , 2004 NSF 2004
Tyler	3 rd tier, master's universities – West	<i>U.S. News</i> , 2004

Ranking and honors highlights:

A number, but not all, of UT System institutions have programs or faculty that have achieved high national recognition in their fields. Highlights are listed below; more detail is available in the full report.

UT Arlington

- 9 programs ranked by National Research Council in 1995.
- 21 fellows of national engineering professional societies.

UT Austin

- 2 Nobel prize holders.
- Highest number of National Academies of Science and Engineering members of any institution in Texas (66 in 2004).
- Over 25 programs ranked 20th or higher in 1995 National Research Council ranking of doctoral programs.

UT Dallas

- 2 Nobel prize holders.
- 2 members of the National Academies of Science.
- 6 programs ranked by National Research Council in 1995.

UT El Paso

- 1 program ranked by NRC in 1995.
- Ranked number 1 nationally in number science and engineering B. S. students who earn Ph.D.s (2001).

UT Pan American

- Number 1 nationally in number of English language/literature and health professional baccalaureate degrees awarded to Hispanic students (2004).

UT Permian Basin

- U.S. Department of Education exemplary bilingual education teacher training program.

UT San Antonio

- Ranked number 1 in biological science degrees awarded to Hispanic students (2004).

UT Tyler

- Online MBA and M. S. in Kinesiology degrees named best in the nation.

UT Health-Related Institutions

UT Health-Related Institutions – National Institutional Rankings Summary		
SWMC	#44 in FY 2002 R&D expenditures In top 25-50 of all public and private research universities (643 ranked)	NSF Survey of R&D, 2004 Lombardi Center, 2004
UTMB	#92 in FY 2002 R&D expenditures In top 26-50 of public research universities (390 ranked)	NSF, 2004 Lombardi Center, 2004
HSC-H	#86 in FY 2002 R&D expenditures In top 26-50 of public research universities	NSF, 2004 Lombardi Center, 2004
HSC-SA	#93 in FY 2002 R&D expenditures In top 26-50 of public research universities	NSF, 2004 Lombardi Center, 2004
MDACC	#1 cancer hospital #45 in FY 2002 R&D expenditures In top 26-50 of all public and private research universities	<i>U.S. News</i> , 2003, 2004 NSF, 2004 Lombardi Center, 2004

Ranking and honors highlights:

A number, but not all, of UT System institutions have programs or faculty that have achieved high national recognition in their fields. Highlights are listed below; more detail is available in the full report.

UT Southwestern Medical Center

- 4 faculty hold Nobel prizes.
- 16 faculty are members of National Academy of Sciences (top 10% of American medical schools, 2003).
- 12 members of the American Academy of Arts and Sciences.
- 16 Institute of Medicine members (top 10% of American medical schools, 2003).
- 7 programs ranked by NRC in 1995; Pharmacology ranked #2.

UT Medical Branch at Galveston

- 2 members of the Institute of Medicine.
- 6 members of the American Academy of Nursing.
- 5 programs ranked by National Research Council in 1995.

UT Health Science Center-Houston

- 1 Nobel Prize winner.
- 1 National Academy of Science member.
- 2 members of the American Academy of Arts and Sciences.
- 4 Institute of Medicine members (2002).
- 13 members of the American Academy of Nursing.
- 6 programs ranked by National Research Council in 1995.

UT Health Science Center-San Antonio

- 1 Institute of Medicine member.
- 10 members of the American Academy of Nursing.
- 4 programs ranked by the National Research Council in 1995.

UT M. D. Anderson Cancer Center

- 1 Institute of Medicine member.
- Ranked number 1 cancer hospital (2001, 2002, 2003).