

UTMB: Stopping for No Storm

John D. Stobo, M.D.
President

The Board of Regents
The University of Texas System
November 9-10, 2005



FORM NO. 291.

THE WESTERN UNION TELEGRAPH COMPANY
INCORPORATED
21,000 OFFICES IN AMERICA. CABLE SERVICE TO ALL THE WORLD.
THOS. T. ECKERT, President and General Manager.

Receiver's No. Time Filled Check

SEND the following message subject to the terms
on back hereof, which are hereby agreed to. } SEPTEMBER 11, 1900

To *Beauregard Buzon - Board of Regents*

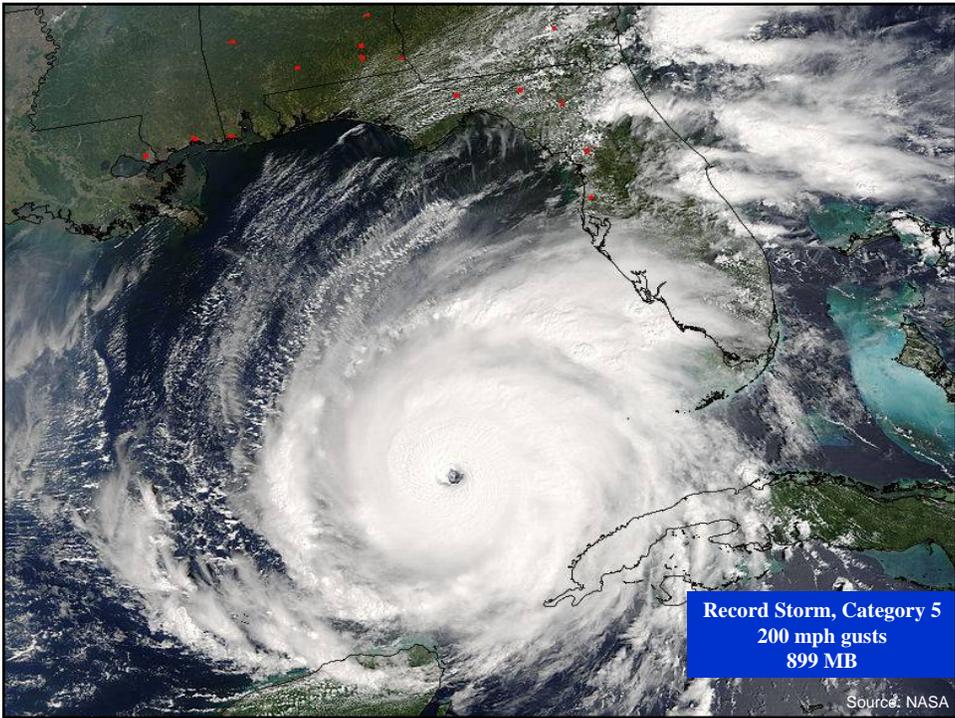
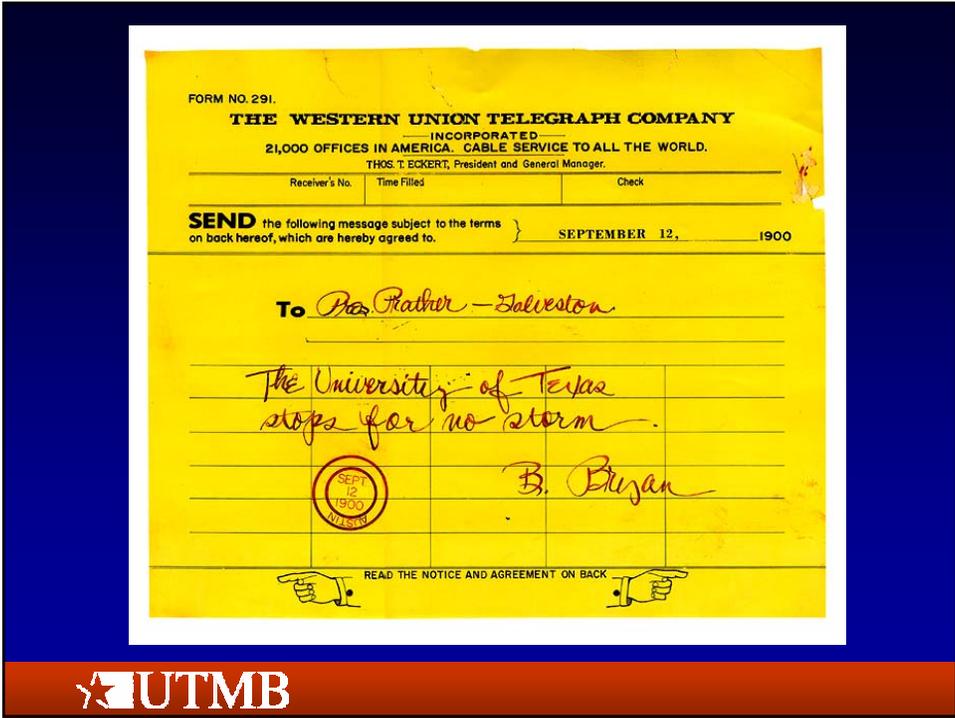
*Five feet of water in the basement -
school should not open
this term.*

Res. Prather

SEPT 11 1900

READ THE NOTICE AND AGREEMENT ON BACK





Monday, Sept. 19, 7:30 p.m.

TO: UTMB Community

RE: THREAT IN THE GULF

...We know that on the heels of Katrina, there's a great deal of anxiety along the entire Gulf Coast...Should Rita decide to call on us, we want to be able to tell a different story, a better story...



Tuesday, Sept. 20, 2:30 p.m.

TO: UTMB Community

RE: ACTIVATING EMERGENCY PLAN

In response to Hurricane Rita's predicted landfall, UTMB has enacted its emergency operations plan....



Wednesday, Sept. 21, 8:30 p.m.

TO: UTMB Community

RE: HOSPITAL & PATIENT EVACUATION

As you are fully aware, because of the awesome work from our staff and faculty, we are now almost totally evacuated....



Thursday, Sept. 22, 10:10 a.m.

TO: UTMB Community

RE: EMPLOYEE EVACUATION

We want to do the right thing for all. Yesterday we took care of our patients; today is for our employees...



Friday, Sept. 23, 7:40 a.m.

TO: UTMB Community

RE: HERE IT COMES...

Conditions will gradually worsen throughout today and tonight. To our skeleton crew on campus, my suggestion is to get some food and some rest while you can...People will be needing us.



Saturday, Sept. 24, 1:14 p.m.

TO: UTMB Community

RE: THE MORNING AFTER

...To all, the fact that I am able to communicate with you this morning means that we have been truly blessed...We narrowly escaped a direct hit and were able to keep everyone safe...



Key Points

- **Continue to foster the concept of “productive community”**
- **Move early/be nimble**
- **Can’t do it alone**
- **Education and research enterprises must be part of the emergency plan**
- **Communicate, communicate, communicate**



Media Highlights







THE UNIVERSITY OF TEXAS SYSTEM

Institutional Development Plans: Performance Measures and a Framework for Continuous Improvement

Executive Summary

Meeting of the UT System Board of Regents
November 10, 2005



Total Giving

All UT System Institutions

(with deferred gifts reported at present values)

\$660,779,000

- Record year of private support
- Several UT institutions ranked among the best in the country in individual, corporate and foundation giving
- Three UT institutions accounted for 75 percent (\$498,741,000) of total giving within the UT System ²



Why Measure?

- Private philanthropy plays an increasingly important role in UT institutions' ability to meet teaching, research and clinical care objectives
- Interest by Chancellor and Presidents to assess effectiveness of development operations on impacting institutions' revenue streams
- Enable CDOs to determine if human and financial resources might be reallocated to improve results
- System's service to institutions--commitment to support continuous improvement efforts
- Align philanthropic resources to institutional compacts, WAG report recommendations, and other institutional strategic and long-term plans
- Assist Presidents and CDOs to objectively evaluate development programs

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Strategy

- Design process for annual review of development performance
- Customize fundraising analysis and prepare report for each institution
- Offer availability to review findings and discuss strategies with Presidents and CDOs
- Offer support from System Administration to help address targeted needs

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Two Performance Indicators: (1) Private Giving as Percentage of G&E Expenditures and (2) Alumni Donors as a Percentage of Alumni of Record

Academic Institutions	Total Giving	Institution Expenditure	%	Alumni of Record	Alumni Donors	%
Institution 1*	\$ 309,484,000	\$ 1,061,751,000	20	341,770	37,116	11
Institution 2*	6,853,000	147,916,000	5	41,640	1,296	3
Institution 3*	6,276,000	232,937,000	3	96,607	3,184	3
Institution 4	14,607,000	185,376,000	8	86,541	4,937	6
Institution 5	6,763,000	42,264,000	16	20,249	57	< 1
Institution 6	5,748,000	197,385,000	3	52,658	1,046	2
Institution 7	3,898,000	155,264,000	3	27,371	451	2
Institution 8	1,355,000	88,610,000	2	5,433	48	< 1
Institution 9	886,000	26,350,000	3	13,404	93	< 1

■ At or above national average. ■ Less than 10% below national average. ■ Below national average by 10% or more.

Voluntary Support as Percentage of E&G Expenditures (Average)

* Public Research/Doctoral: 11.4%
Public Masters: 4.6%

Alumni Participation Rate – Alumni of record versus alumni donors (Average)

* Public Research/Doctoral: 11.6%
Public Masters: 7.1%

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Two Performance Indicators: (1) Private Giving as Percentage of G&E Expenditures and (2) Alumni Donors as a Percentage of Alumni of Record

Health Institutions	Total Giving	Institution Expenditure	%	Alumni Of Record	Alumni Donors	%
Institution 1	\$ 82,654,000	\$ 782,894,000	11	14,337	1,596	11
Institution 2	63,133,000	626,934,000	10	0	0	-
Institution 3	39,955,000	420,392,000	10	25,271	1,730	7
Institution 4	29,647,000	386,442,000	7	22,533	318	2
Institution 5	27,775,000	455,766,000	6	19,800	333	2
Institution 6	950,000	24,523,000	4	0	0	-

■ At or above national average. ■ Less than 10% below national average. ■ Below national average by 10% or more.

Voluntary Support as Percentage of E&G Expenditures (Average)

Public Specialized: 8.0%

Alumni Participation Rate – Alumni of record versus alumni donors (Average)

Public Specialized: 8.29%

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Alumni Participation

Carnegie Classification	At or Above National Average for Alumni Participation	Below National Average for Alumni Participation
Research/Doctoral	1	2
Masters	0	6
Specialized (Medical)	1	3

- The median for alumni participation among the 13 UT institutions with alumni was 2.5%

Carnegie Classification	National Average for Alumni Participation	UT Institution Average for Alumni Participation
Research/Doctoral	11.6 %	6.9 %
Masters	7.1	1.1
Specialized	8.2	5.5

- Participation by alumni requires significant improvement

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Ten Largest Gifts from all Institutions in 2003-04

Amount	Source	Institution
\$89.9 Million	Bequest	Academic
\$25.0 Million	Bequest	Medical
\$21.2 Million	Foundation	Medical
\$12.5 Million	Individual	Medical
\$11.3 Million	Foundation	Medical
\$10.9 Million	Bequest	Academic
\$10.9 Million	Corporation	Academic
\$ 9.8 Million	Foundation	Academic
\$ 7.8 Million	Bequest	Academic
\$ 6.5 Million	Foundation	Medical

- The top 10 gifts represent 30% of UT System gift totals
- These gifts particularly show the power of individual giving/bequests
- While all UT institutions reported a focus on major gift work, some of the basic elements to support a balanced fund-raising operation are missing
 - Ten UT institutions reported no FTE in Prospect Research to support major gift work
 - Nine UT institutions have no portfolio-carrying major gift officers
 - Seven UT institutions have no FTE in Corporate/Foundation Relations to support major gift work
 - Six UT institutions have no FTE in Planned Giving to support major gift work

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Deferred (Planned) Gifts in 2004

Deferred Gifts/Bequests Realized in 2004	Number of Institutions
0	2
1 - 5	6
6 - 10	1
10 or more	6

- The volume of planned gifts should increase significantly
- Nationally, bequests count for 20 - 25% of all giving received by institutions
- More than one-half (54.9%) of gifts to the UT System from individuals came from bequests. This is a strong result for planned giving and is due to a few exceptional bequests
- With little emphasis on planned giving work, UT institutions are losing out on opportunities to significantly enhance their respective endowments ⁹



Cost to Raise a Dollar

Median for UT System Institutions: \$0.079

- The cost to raise a dollar is driven down by larger gifts
- UT academic institutions range from \$.02 to \$.29
- UT health institutions range from less than \$.01 to \$.20

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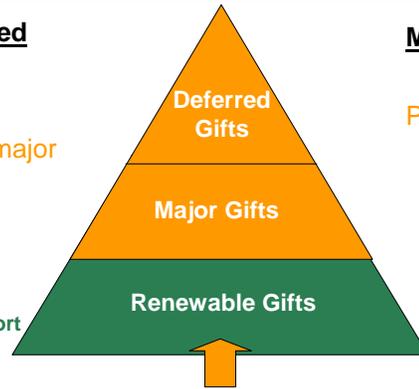


The Balanced Fund-raising Model

Amount Raised

10-90% from deferred and major gifts

10-30% from renewable support



Methods of Solicitation

Personal visits

Direct mail
Phone programs

The Prospect Pool: Foundations, Corporations, Parents, Non-Alumni Friends, Alumni, Trustees, Faculty, Staff, Individuals With Shared Values, Other Entities

Only five UT institutions (two academic and three health institutions) have a balanced fundraising model, with predictable, recurring support in the three major areas ¹¹



Progress to date

- Completed meetings with presidents and CDOs to review assessment findings and discuss recommendations
- High receptivity and immediate action already taken by presidents and CDOs to make changes, where necessary
- Development of metrics system and performance measures customized for campuses
- New planned giving counsel services by UT System
- Working with campus CDOs on conceptualization of UT System Development Training Institute
- Institutionalized an annual performance assessment of each campus development operation

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Conclusions

- Development programs vary dramatically by size, structure and performance
- The majority of development operations lack performance standards
- The majority of UT institutions don't have balanced fund-raising models and therefore do not have a predictable, sustainable funding stream
- Alumni giving should improve at virtually all UT institutions
- Two-thirds of all UT institutions need modifications of human and/or financial resources to support a sound philanthropic giving program
- Institutions need to integrate development into their overall strategic plans
- Sound infrastructural components, like prospect research, planned giving, annual giving programs and corporate and foundation relations are missing from most development operations
- Total giving is up, but in order to support the ambition of UT institutions, the trajectory must change from modest incremental increases to substantial, consistent increases

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Recommendations

- All new allocations or reallocation of human and financial resources should support a balanced fund-raising model and a specific course of action tied to continuous improvement
- The UT System, at the request of campus presidents, may play a leadership role in campus-based reorganizations of development
- The UT System may think broadly about the creation of a "Development Institute" designed to offer UT professionals training in fundamental areas and in sharing best practices
- Several UT institutions will need to commission comprehensive development audits in order to examine their operations with greater depth
- Senior leadership at the campuses should work with CDOs to establish goals and performance measures that position their institutions to compete more favorably with national peers

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THE UNIVERSITY OF TEXAS SYSTEM
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	3rd Quarter		4th Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			Material to Institution's Fin. Stmt. ("F"), Compliance ("C"), and/or Operations ("O")
1998-07	UTHSC-H	Federal Contracts & Grants Review		1		0	8/1/2005	Completed	C
2000-04	UTHSC-H	Medical Services, Research & Development Plan Summary of Operations Review		1		1	10/1/2005	Satisfactory	C
2001-08	UTMDACC	Lotus Notes Environment		2		2	11/15/2005	Satisfactory	O
2001-10	UTMDACC	Disaster Recovery/Business Continuity Planning		1		1	2/28/2006	Satisfactory	O
2002-08	UTHSC-SA	Institutional Compliance Program		1		0	9/1/2005	Completed	C
2002-08	UTSYS ADM	Travel and Entertainment Expenditures		1		1	10/31/2005	Satisfactory	C, O
2002-11	UTMDACC	Temporary Personnel		1		0	6/30/2005	Completed	O
2003-05	UTMB Galveston	Delivery of Operating Room Services		2		2	3/31/2006	Satisfactory	O
2003-06	UTD	General Controls		1		0	7/1/2005	Completed	O
2003-08	UTMB Galveston	Pharmacy Costs of Goods Sold Review		1		1	9/30/2005	Satisfactory	O
2003-08	UTMB Galveston	School of Medicine Office of Student Affairs		1		0	6/30/2005	Completed	C
2003-09	UTHC-T	Medical Services, Research & Development Plan AFR		1		1	8/31/2007	Satisfactory	F, O
2003-09	UTHSC-H	Quality Assessment of the Office of Auditing and Advisory Services		1		0	7/15/2005	Completed	C, O
2003-09	UTSYS ADM	System Available Balances		1		1	10/31/2005	Satisfactory	F
2003-12	UTD	Lab and Biological Safety		1		1	12/31/2005	Satisfactory	C, O
2004-01	UTEP	Information Technology - General Controls Review		1		1	1/31/2006	Satisfactory	O
2004-01	UTMDACC	2003 Mainframe Disaster Recovery Test		1		1	12/31/2005	Satisfactory	O
2004-01	UTMDACC	PeopleSoft Payroll		1		1	1/1/2006	Satisfactory	O
2004-02	UT Austin	Compliance Inspection: Account Reconciliation and Segregation of Duties		1		1	11/30/2005	Satisfactory	C
2004-02	UTHSC-SA	Medical Services, Research & Development Plan Front-End Billing		3		2	12/31/2005	Satisfactory	O
2004-02	UTMB Galveston	Compliance Inspection: Account Reconciliation and Segregation of Duties		2		2	12/31/2005	Satisfactory	F, O
2004-03	UT Austin	Information Security Management		2		2	11/30/2005	Satisfactory	C, O
2004-03	UTB	Contracts and Grants		1		1	12/31/2005	Satisfactory	C, O
2004-03	UTPA	Accounts Receivable and Allowance for Bad Debts		2		0	8/31/2005	Completed	C
2004-03	UTSA	Information Technology Organization and Planning Controls		2		2	11/30/2005	Satisfactory	F, O
2004-04	UTHC-T	Capital Assets FYE 8/31/03		2		1	9/30/2005	Satisfactory	C, O
2004-04	UTHC-T	Discretionary Funds		2		1	12/31/2005	Satisfactory	F, O
2004-05	UTA	Office of Research - Grants/Contracts		1		0	8/31/2005	Completed	C
2004-06	UTB	2003 Financial and Applications Controls Audit of the Financial Aid Office		1		1	12/31/2005	Satisfactory	C, O
2004-07	UTEP	Facility Services		1		1	3/31/2006	Satisfactory	O
2004-07	UTMB Galveston	Office of Sponsored Programs (OSP) & Contracts and Grants (C & G)		5		6	9/30/2007	Satisfactory	F, C, O
2004-08	UT Austin	Texas Box Office/Paciolan Ticketing System		1		0	8/31/2005	Completed	O

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2004-09	UTHC-T	Cash and Cash Equivalents		1		1	10/31/2005	Satisfactory	C, O
2004-09	UTMB Galveston	Agreed Upon Procedures on Financial Statement Fund Balance		4		4	8/31/2006	Satisfactory	F, O
2004-09	UTMB Galveston	Endowment Compliance Program of the Office of University Advancement ("OUA")		2		1	9/30/2005	Satisfactory	C, O
2004-09	UTPB	Lab Safety		3		0	8/31/2005	Completed	C
2004-09	UTSA	Research Compliance - Time and Effort Reporting		1		1	10/31/2006	Satisfactory	C
2004-10	UTB	Physical Plant		3		3	1/2/2006	Satisfactory	C, O
2004-11	UTSA	Scholarship Management		1		1	10/31/2005	Satisfactory	O
2004-12	UTA	Texas Administrative Code 202 Information Security Compliance		1		1	12/31/2005	Satisfactory	C
2004-12	UTSA	Texas Administrative Code 202 Information Security Compliance		2		2	2/1/2006	Satisfactory	O
2005-02	UT Austin	Credit Card Processing		1		0	6/30/2005	Completed	O
2005-03	UTMB Galveston	Compliance Update with the HIPAA Final Security Rule (Institutional)		2		1	9/30/2005	Satisfactory	C, O
2005-03	UTSA	IT Vulnerability Assurance & Action Plan Follow-Up Report		1		0	7/1/2005	Completed	O
2005-04	UTHC-T	Texas Administrative Code 202 Information Security Compliance		1		1	9/1/2007	Satisfactory	C
2005-04	UTT	East Texas Rural Fiscal and Physical Outreach Program Grant		1		1	3/1/2006	Satisfactory	C
2005-05	UTEP	Office of the Registrar		4		3	3/1/2006	Satisfactory	O
2005-05	UTSA	DEFINE Access Controls		2		0	7/1/2005	Completed	O
2005-06	UTMB Galveston	Audit of Department of Neurosciences and Cell Biology Control Self-Assessment				1	10/31/2005	Satisfactory	C
2005-07	UTMB Galveston	Compliance Update with the HIPAA Final Security Rule (Correctional Managed Care)				3	12/31/2005	Satisfactory	C, O
2005-08	UTEP	Texas Success Initiative				2	5/31/2006	Satisfactory	C, O
2005-08	UTMB Galveston	Audit of IRB Human Subjects Protection				2	1/1/2006	Satisfactory	C, O
2005-08	UTPA	Contracts				1	12/31/2005	Satisfactory	O
Totals				76		63			

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THE UNIVERSITY OF TEXAS SYSTEM
Status of Outstanding Significant Recommendations

Report Date	Institution	Audit	3rd Quarter		4th Quarter		Targeted Implementation Date	Overall Progress Towards Completion (Note 1)	Ranking Significance
			Ranking	# of Significant Findings	Ranking	# of Significant Findings			Material to Institution's Fin. Stmts. ("F"), Compliance ("C"), and/or Operations ("O")
STATE AUDITOR'S OFFICE AUDITS									
2004-06	UT Austin	Protection of Research Data at Higher Education Institutions		3		1	10/1/2005	Satisfactory	O
2004-06	UT Southwestern	Protection of Research Data at Higher Education Institutions		3		3	12/31/2005	Satisfactory	O
2002-09	UTB	A Financial Review		1		1	10/31/2005	Satisfactory	F
2004-10	UTHSC-H	Cash Controls		6		3	1/1/2006	Satisfactory	F
2004-06	UTHSC-SA	Protection of Research Data at Higher Education Institutions		3		2	8/31/2006	Satisfactory	O
2002-11	UTMB Galveston	Security Over Electronic Protected Health Information at Selected Texas Academic Medical Institutions		1		1	9/30/2005	Satisfactory	C
2005-02	UTMDACC	Federal Portion of the Statewide Single Audit		2		2	9/1/2005	Satisfactory	C
2002-11	UTMDACC	Security Over Electronic Protected Health Information at Selected Texas Academic Medical Institutions		2		2	6/30/2006	Satisfactory	C
2002-05	UTMDACC	Statewide Single Audit report for Year Ended August 31, 2001		1		1	9/1/2006	Satisfactory	C
2004-02	UTSA	Financial Review		3		3	1/31/2006	Satisfactory	F
2004-06	UTSYS ADM	Protection of Research Data at Higher Education Institutions		1		1	10/1/2005	Satisfactory	O
Totals				<u>26</u>			<u>20</u>		

Color Legend:

- Any audit with institutionally significant findings. Not necessarily a failure - just an area that needs high level attention. Corrective action will be taken subsequent to the quarter in which the finding was reported.
- Significant progress toward resolution was made during the quarter in which the significant finding was first reported.
- A red or orange audit becomes a yellow when significant progress continues beyond the quarter in which the significant finding was first reported.
- All issues have been appropriately resolved, including any issues resolved during the quarter in which they were first reported.

Note: **Completed** - The institutional Internal Audit Director deems the significant issues have been appropriately addressed and resolved.
Satisfactory - The institutional Internal Audit Director believes that the significant issues are in the process of being addressed in a timely and appropriate fashion.
Unsatisfactory - The institutional Internal Audit Director does not feel that the significant issues are being addressed in a timely and appropriate fashion.

*** OTHER U. T. SYSTEM AUDITS COMPLETED - 6/2005 through 8/2005**

Month Received by System	Institution	Audit
2005-6	UT Arlington	Building and Classroom Inventory Audit
2005-6	UT Arlington	Advanced Technology/Advanced Research Program Grants Audit
2005-6	UT Dallas	Follow-up of Prior Audit Recommendations
2005-6	UT Dallas	Financial Statement Certifications
2005-6	UT El Paso	Cash Management Audit Report
2005-6	UT El Paso	Contracts and Grants Management Process
2005-6	UT El Paso	Contract Performance Monitoring Over \$100K Follow-Up
2005-6	UT San Antonio	Financial Aid Compliance Program
2005-6	UT San Antonio	Tuition and Fees Audit
2005-6	UT System Admin	UT Arlington NCAA Agreed Upon Procedures FYE 8/31/2004
2005-6	UT System Admin	UT Pan American NCAA Agreed Upon Procedures FYE 8/31/2004
2005-6	UT System Admin	West Texas Operation Oil and Gas Audit (Marathon Oil)
2005-6	UT Tyler	National Science Foundation
2005-6	UT Tyler	Texas Tech HSC Grant
2005-6	UTHC Tyler	Medical Services, Research and Development Plan AFR Audit FYE 8/31/2004
2005-6	UTHSC San Antonio	Financial Reporting Audit
2005-6	UTMB Galveston	Charge Automation Application Process Review
2005-6	UTMB Galveston	Control Self-Assessment of the Department of Neurosciences and Cell Biology
2005-7	UT Arlington	Health Services Cash Handling Procedures Review
2005-7	UT Austin	Construction Industry Institute Audit
2005-7	UT Austin	Bursar Services Audit
2005-7	UT Dallas	Audit Report on Travel
2005-7	UT El Paso	Texas Success Initiative Audit Report
2005-7	UT Southwestern	Lenel Security System Audit
2005-7	UT System Admin	UT El Paso NCAA Agreed Upon Procedures FYE 8/31/2004
2005-7	UTMB Galveston	Regional Maternal Child Health Program Cash Handling Procedures
2005-7	UTMB Galveston	Medical Services, Research and Development Plan Financial Review
2005-8	UT Arlington	Contract and Grant Follow-Up Report
2005-8	UT Arlington	Endowments Follow-Up Report
2005-8	UT Arlington	Cash Handling and Receipting Audit Report
2005-8	UT El Paso	Vice President for Finance and Administration Department, Audit Report Follow-Up
2005-8	UT San Antonio	Data Security
2005-8	UT Southwestern	Report on Expenditures for Advanced Research, Advanced Technology and Graduate Medical Education Programs
2005-8	UT Southwestern	Lenel Security System Audit
2005-8	UT Southwestern	Kronos Time Keeping System Audit
2005-8	UT Southwestern	Texas Administrative Code 202 and Business Procedure Memorandum 53 Follow Up Audit
2005-8	UT System Admin	UTIMCO Sarbanes Oxley Internal Controls Audit
2005-8	UT System Admin	Office of Facilities Planning and Construction Change in Management Audit
2005-8	UT System Admin	Office of the General Counsel Departmental Audit
2005-8	UTHC Tyler	Audit of the Office of the Vice President for Patient Care Operations and Chief Nursing Officer
2005-8	UTHSC Houston	Report on General Controls Review
2005-8	UTHSC Houston	Report on HIPAA and Texas Administrative Code 202 Security Follow-Up - Sunrise System
2005-8	UTHSC Houston	Report on Medical School Billing Compliance - Dept of Obstetrics and Gynecology
2005-8	UTHSC Houston	Report on Medical School Billing Compliance - Dept of Pediatrics
2005-8	UTHSC Houston	Follow-Up on Open Recommendations
2005-8	UTHSC San Antonio	Surgery - Internal Control Review

**The University of Texas System
Institutional Compliance Program
Annual Report Summary
Fiscal Year Ended August 31, 2005**

Program Executive Summary

The University of Texas System Institutional Compliance Program was established to ensure that the entire U. T. System (including its 15 institutions, System Administration, and UTIMCO) operates in compliance with all applicable laws, policies and regulations governing higher education institutions. In order to achieve this assurance, the institutional compliance offices at System Administration and each institution:

- Perform annual compliance risk assessments;
- Provide campus-wide compliance training and promote compliance awareness;
- Provide specialized training for high-risk compliance areas;
- Continuously monitor and inspect the institution's high-risk compliance activities;
- Manage the institution's confidential reporting mechanisms (hotline, etc.);
- Report compliance activities and significant compliance issues to executive management;
- Actively engage an Institutional Compliance Committee that meets at least quarterly

The System-wide Compliance Officer, Mr. Charles Chaffin, is responsible for apprising the Chancellor and Board of Regents of the status and activities of the institutional compliance function. Overall, approximately **116** employees system-wide provide direct support to the Institutional Compliance Program.

System-wide Program Activity

The System-wide Compliance Office provided oversight and support to the Institutional Compliance Program during the 2005 fiscal year through the following activities:

- **Coordinated institutional compliance program peer reviews** for 5 of the 15 institutions. During fiscal year 2004, the System-wide Compliance Office developed a peer review guide, standard engagement agreements and report formats, helped identify best practices, identified team members, coordinated preparatory review activities, and facilitated team meetings. Institutions receiving peer reviews in 2005 were:

U. T. Arlington	U. T. Brownsville	U. T. Southwestern
U. T. HSC San Antonio	U. T. M. D. Anderson Cancer Center	

The following institutions received peer reviews during the 2004 fiscal year:

U. T. Dallas	U. T. El Paso	U. T. San Antonio
U. T. Pan American	U. T. HSC Houston	U. T. System Administration
U. T. Tyler	U. T. HSC San Antonio	U. T. HC Tyler

U. T. Austin, U. T. M. B., U.T. Permian Basin and UTIMCO will receive peer reviews during the 2006 fiscal year. Benefits of the peer reviews have included the identification and sharing of best practices, improved identification and monitoring of compliance activities, an enhanced sense of community and synergy between U. T. institutions, clarification of compliance roles and responsibilities, and identification of next steps for improving individual institutional programs.

- **Collaborated with the Institutional Compliance Officers in the development of the Institutional Compliance Advisory Committee** to establish a self governing committee of the institutional compliance officers. By-laws have been developed and an Executive Committee was elected at the August 2005 Compliance Officers Meeting.
- **Coordinated and hosted Compliance Officer Meetings** in October 2004 and August 2005. Agenda topics included the external financial statement audit, hotline procedures, compliance peer reviews, time and effort reporting, biosafety, and the establishment of the Institutional Compliance Advisory Committee.
- **Facilitated and participated in meetings of the High-risk Working Groups**, including Environmental Health & Safety (EH&S), Information Technology, Medical Billing, and Endowment Compliance.
- **Actively participated in periodic meetings (via conference call) of the University Compliance Group** and hosted a face-to-face meeting with this group in Austin in conjunction with the April 2004 Compliance Conference. The UCG is comprised of compliance representatives from large research institutions, including Duke, Minnesota, UCLA, Michigan, Stanford, and Harvard.
- **Made presentations on the U. T. System Institutional Compliance Program and maintained a national presence** through professional organizations such as the National Association of College and University Attorneys, National Association of College and University Business Officers, the Open Compliance & Ethics Group, and the Association of College and University Auditors.

Institutional Program Activity¹

Risk Assessment and Monitoring Activities

Common significant institutional risk areas the Institutional Compliance Offices focused on during FY 2005 included:

- **Asset Management** - safeguarding of physical and financial assets
- **Clinical Billing** - medical billing that is not appropriately documented and coded
- **Endowments** - adherence to terms of endowment agreement
- **Environmental Health & Safety** - proper use and handling of dangerous materials, lab safety, and fire safety
- **Human Resources** - adherence to applicable rules, regulations and laws including equal opportunity/affirmative action, leave administration, and fair hiring practices
- **Information Resources/Security** - systems integrity/continuity/availability, security regulations, and external access
- **Intercollegiate Athletics** - adherence to the rules and regulations of the NCAA
- **Research** - research not conducted in accordance with approved protocol or federal regulations
- **Contract Administration / Effort Reporting** - improper effort reporting on federal grants, unallowable costs
- **Privacy (HIPAA, FERPA, Graham-Leach-Bliley)** – improper disclosure of private/sensitive/protected information

The monitoring activities in place to mitigate these risks include, but are not limited to:

- Reporting by parties responsible for each risk area on a quarterly basis
- Ensuring that compliance plans and/or institutional policies and processes are in place to address such risks
- Providing specialized training related to the risks
- Conducting reviews and remediation of high-risk area activities when appropriate

¹ Details regarding activities at the institutional level are published in the *Institutional Compliance Program Annual Report for Fiscal Year 2005*.

Assurance Activities and Significant Findings

The following types of assurance activities were performed at the institutions during the year:

- **Inspections** – Sampling and observation to ensure that mitigating activities defined in the monitoring plan are being appropriately performed for all high-risk areas.
- **Certifications** – Several institutions require budget authorities to annually assess and certify their compliance with laws, rules, and policies and the existence of sound internal controls in their departments.
- **Audits** – Internal and external audits were performed for high-risk areas based on priority risks, audit cycles, or the perceived readiness of high-risk areas for which compliance plan objectives had been accomplished.
- **Peer Reviews** – Peer reviews are conducted by area experts and serve to validate the existence of sound practices and controls within specialized functional areas and covered several high-risk areas, such as Environmental Health and Safety and Billing. In addition, internal and external reviews of the overall compliance program infrastructure and activities were completed in 2005 for 5 of the institutions with 8 institutions and System Administration being reviewed during 2004.

Training Activities

General Compliance Training was conducted using a variety of formats including web-based, classroom, and written materials. Approximately **60,000** employees completed this training during the year. Additionally, specialized training was conducted for high-risk areas, including: Endowments, Environmental Health & Safety, HIPAA, Human Resources, Intercollegiate Athletics, Research Administration, SSN Privacy, Medical Billing, Account Reconciliation, Effort Reporting, Clinical Documentation, and Human Subjects Protection.

Action Plan Activities

A majority of the Action Plans established by each institution for FY 2005 focused on the following activities: enhancement of General Compliance Training; enhancement of compliance awareness; updating compliance risk assessments to include new risks; revision of the Standards of Conduct Guide or Compliance Manual; and enhancement of the confidential reporting line tracking system. The majority of items identified in the 2005 Action Plans were completed. The remaining items are in the process of completion at this time.

Other Activities

Many compliance offices also engaged in a number of additional activities at the request of institutional management. These activities included, but are not limited to:

- Coordination of SSN remediation efforts in accordance with *Business Procedures Memorandum 66 – Social Security Number Confidentiality* implementation
- Assistance with Enterprise-wide Risk Assessments
- Oversight of FERPA awareness initiatives
- Coordination of HIPAA privacy compliance and training
- Assistance with internal control assessments related to the Sarbanes-Oxley initiative
- Completion of risk assessments and reporting in conjunction with the Governor's Fraud Initiative
- Time and effort reporting assessments and process improvement initiatives

Confidential Reporting

The institutions have established numerous mechanisms for confidential reporting including: third-party serviced telephone hotlines, anonymous electronic mailboxes, voicemail boxes, and postal mailboxes. The confidential reporting mechanisms are advertised to employees through websites, posters, payroll stuffers, and newsletters. Additionally, reports may be made directly to the Compliance Officer. The reports of suspected instances of non-compliance received in FY 2005 were categorized as follows:

Type	Number	% of Total
Improper Use of University Property & Resources	41	7
Human Resources	257	45
Healthcare	126	22
Research	12	2
Policy / Ethics	35	6
Safety	1	< 1
Fiscal Reporting/Audit	24	4
Miscellaneous	74	13
Total	570	100%

Each institution has established an appropriate triage process. Members of the triage teams may include: Compliance Officer, Chief of Police, Director of Internal Audit, Director of Human Resources, Legal Officer, or other members of the Compliance Committee. All confidential reports have been appropriately resolved or are currently under investigation.

The 2005 Annual Summary Report is submitted by:

Charles G. Chaffin, System-wide Compliance Officer



THE UNIVERSITY OF TEXAS SYSTEM

Strategic Financial Analysis

November 9, 2005

Scott C. Kelley
Executive Vice Chancellor for Business Affairs



Four Key Elements

- Monthly Financial Report and Analysis
- **Quarterly Key Strategic Indicators**
- Budget to Actual Comparisons
- Financial Modeling



Monthly Financial Report and Analysis

Purpose: To provide a monthly revenue and expenditure analysis for the U. T. System and each of its institutions

Tool: The current "Monthly Financial Report" as modified

3



Quarterly Key Strategic Indicators

Purpose: To provide a clear and useful quarterly snapshot of key indicators of current and future financial conditions. This will include longitudinal, peer, and industry standard comparisons

Tool: A new quarterly report presented for discussion

4



Budget to Actual Comparisons

Purpose: To provide a monthly comparison of actual versus planned revenue and expenditure results

Tool: Monthly budget to actual variance analysis yet to be developed

5



Financial Modeling

Purpose: To model future financial performance based on projected strategic and environmental changes

Tool: Still under discussion and development

6



Quarterly Key Strategic Indicators Report

- a. Key indicators of revenue
- b. Key indicators of expenses
- c. Key indicators of reserves
- d. Key indicators of capital needs and capacity
- e. Key indicators of combined financial health

7



Key indicators of revenue (continued)

- 7 largest revenues tracked
- State Appropriations
 - Gross Tuition and Fees
 - Clinical (Patient) Revenues
 - Sponsored Programs (Including Overhead)
 - Auxiliary Revenues and Net S&S of Educational Activities
 - Net Investment Income
 - Gift Contributions for Operations

8



Key indicators of revenue

(continued)

Information provided

- 3-year trend with 2-year projection
- Year-to-date actual versus same period in prior year
- A future volume indicator in some cases

9



Key indicators of revenue

(continued)

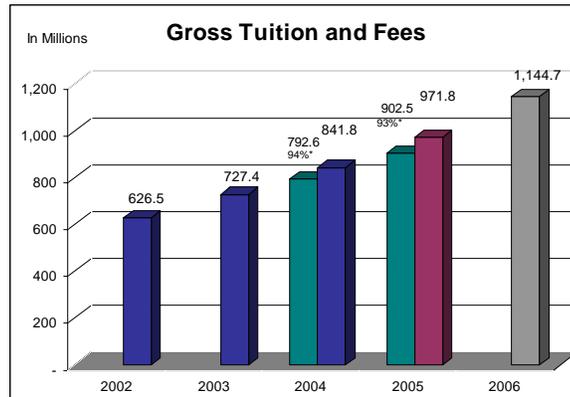
Questions answered

- Revenue trends
- Revenue performance against plan
- Future revenue expectations

10



Key indicators of revenue (continued)



*Actual through July 2004 and July 2005, respectively

11



Key indicators of expenses

6 largest expenses tracked

- Salaries and Wages
- Fringe Benefit Costs
- Materials and Supplies
- Utilities
- Interest Expenses on Capital Asset Financings
- Depreciation and Amortization

12



Key indicators of expenses (continued)

Information provided

- 3-year trend with 2-year projection
- Year-to-date actual versus same period in prior year
- Some additional employee expense data

13



Key indicators of expenses (continued)

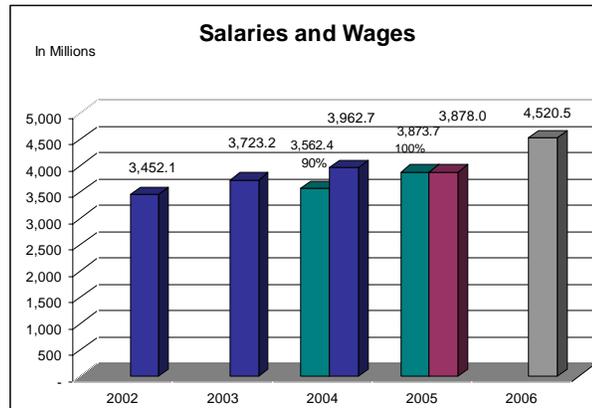
Questions answered

- Expense trends
- Expense performance against plan

14



Key indicators of expenses (continued)



*Actual through July 2004 and July 2005, respectively

15



Key indicators of reserves

Operating Margin

- Illustrates whether organization is making or losing money from operations
- Shows trends and performance against plan

16



Key indicators of reserves

(continued)

Annual Operating Margin Ratio

- Compares net operating income (margin) to total operating revenues
- Negative ratio indicates loss for the year
- Generally the larger the ratio the stronger the year's financial performance
- Must balance against mission-critical investment needs
- Ratio is normalized on 10-point scale*
- Benchmark (around 3) is set at anticipated expense growth level*

*Strategic Financial Analysis for Higher Education, 6th Edition: KPMG – Bearing Point; Prager, Sealy & Co., LLC 17



Key indicators of reserves

(continued)

Primary Reserve Ratio

- Compares expendable net assets (reserves) to total expenses
- Snapshot of financial strength
- Trend is important – decline over time indicates weakening financial position
- Reserve ratio is normalized on 10-point scale*
- A normalized score of 3 or better is advisable*

*Strategic Financial Analysis for Higher Education, 6th Edition: KPMG – Bearing Point; Prager, Sealy & Co., LLC

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Key indicators of reserves

(continued)

Return on Net Assets Ratio

- Compares change in net assets to total net assets
- Broad measure of change in total wealth
- Decline may be appropriate and strategic
- Market performance can significantly impact ratio
- Trend is most important – analyze over 5-year period
- Ratio is normalized on 10-point scale*
- Threshold should be set by organization*

*Strategic Financial Analysis for Higher Education, 6th Edition: KPMG – Bearing Point; Prager, Sealy & Co., LLC

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Key indicators of capital needs and capacity

Expendable Resources to Debt Ratio (Viability Ratio)

- Compares expendable net assets (reserves) to long-term debt
- Medians for Aaa/Aa1 and Aa2 rated institutions are provided
- Ratio is normalized on a 10-point scale*
- There is no absolute threshold of financial viability*
- With Primary Reserve Ratio can help define “margin for error”*

*Strategic Financial Analysis for Higher Education, 6th Edition: KPMG – Bearing Point; Prager, Sealy & Co., LLC

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Key indicators of capital needs and capacity (continued)

Debt Service Coverage Ratio

- Compares net operating income (w/o depreciation expense) to debt service
- The larger the ratio, the better
- Medians for Aaa/Aa1 and Aa2 rated institutions are provided

21



Key indicators of capital needs and capacity (continued)

Debt Service Operations Ratio

- Compares debt service to operating expenses
- The smaller the ratio, the better
- Medians for Aaa/Aa1 and Aa2 rated institutions are provided

22



Key indicators of capital needs and capacity (continued)

Facility Condition Index (FCI)

- In 2002, Pacific Partners Consulting Group worked to create a statistically valid, predictive model for facility renewal
- Estimated facility renewal requirements are gathered annually using this model
- Building subsystems (roofing, HVAC, plumbing, etc.) that are failing or beyond their estimated useful life are reported as part of the facilities backlog
- FCI compares the facilities backlog to the current replacement value
- Standardize ranges for the FCI are provided*

*Strategic Assessment Model: Association of Physical Plant Administrators (APPA)

23



Key indicators of combined financial health

Composite Financial Index (CFI)*

- Overall measure of financial health
- Uses:
 - Primary Reserve Ratio
 - Return on Net Assets Ratio
 - Net Operating Revenues Ratio
 - Viability Ratio
- Introduced in 1999
- Becoming widely accepted

*Strategic Financial Analysis for Higher Education, 6th Edition: KPMG – Bearing Point; Prager, Sealy & Co., LLC

24



Key indicators of combined financial health (continued)

Composite Financial Index (CFI)*

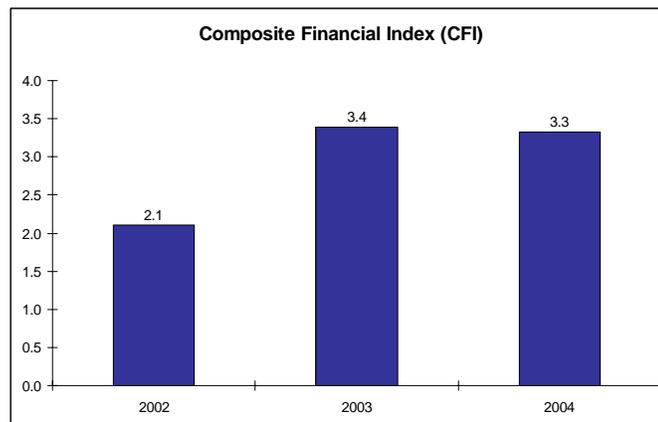
- Best used as a component of financial goals
- Best viewed over time

*Strategic Financial Analysis for Higher Education, 6th Edition: KPMG – Bearing Point; Prager, Sealy & Co., LLC

25



Key indicators of combined financial health (continued)



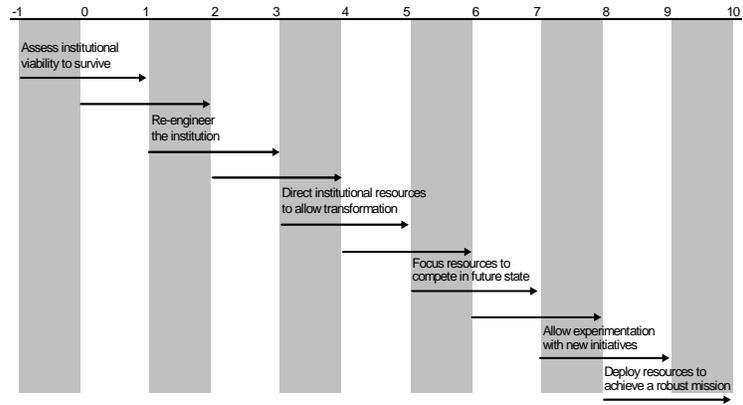
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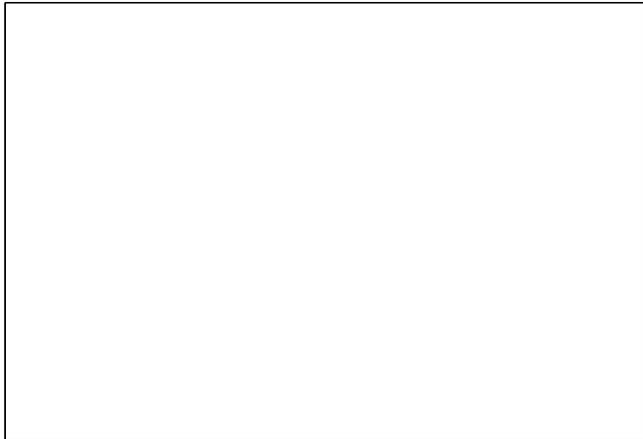
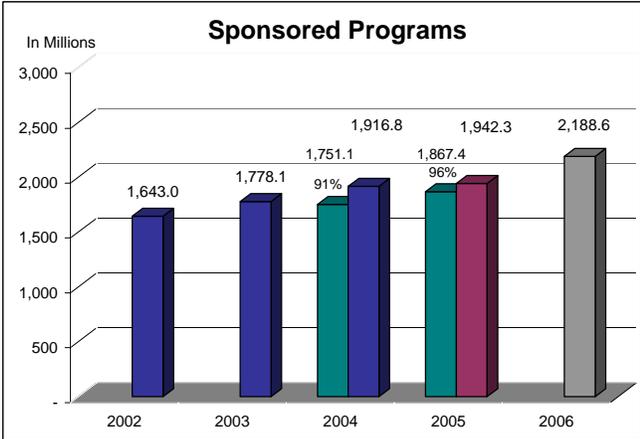
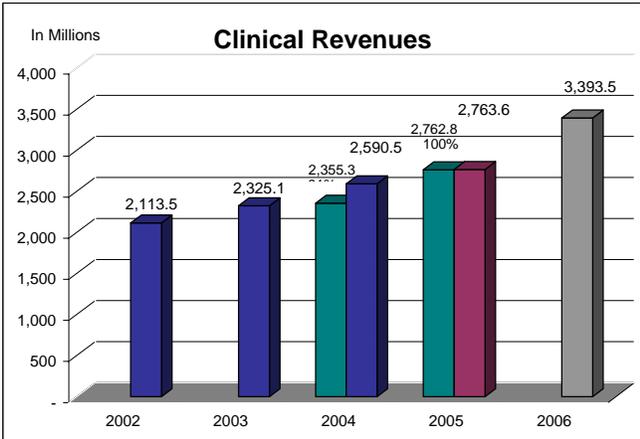
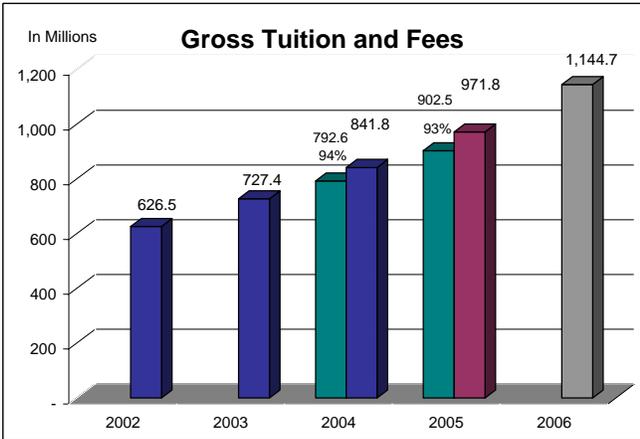
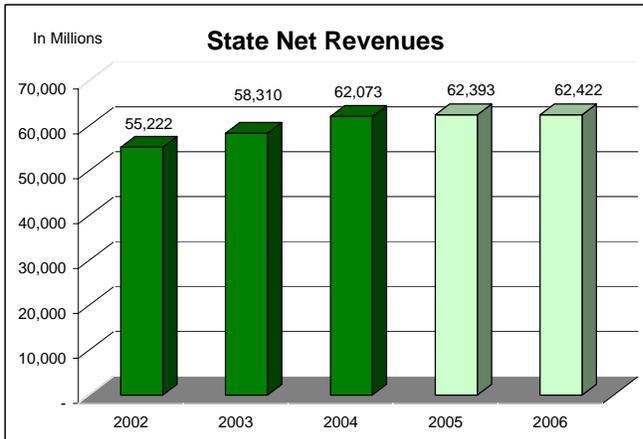
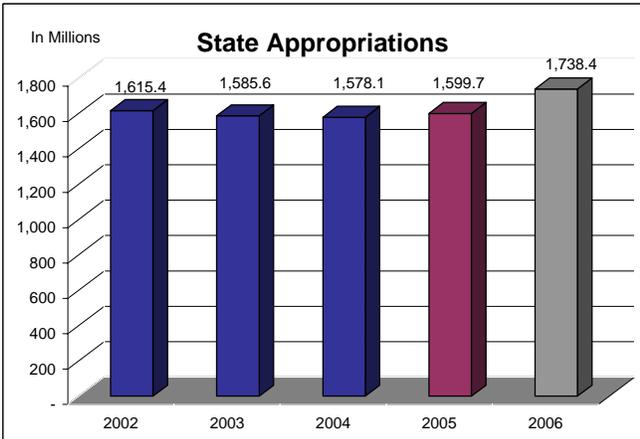
Key indicators of combined financial health

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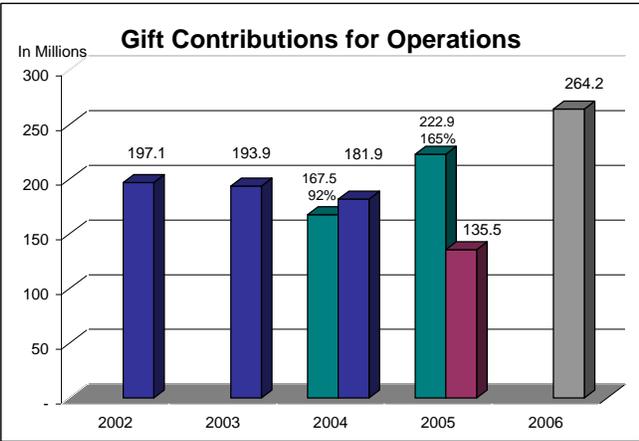
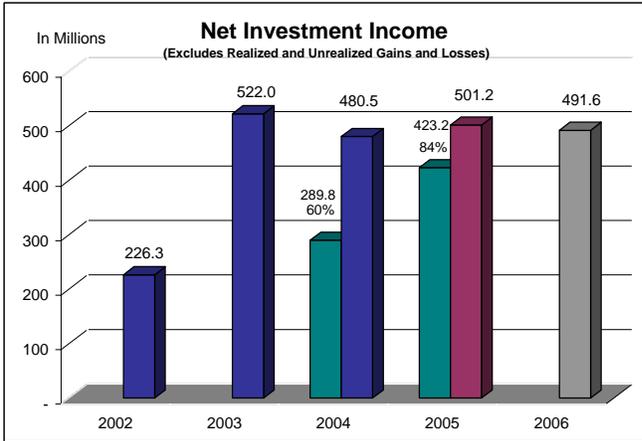
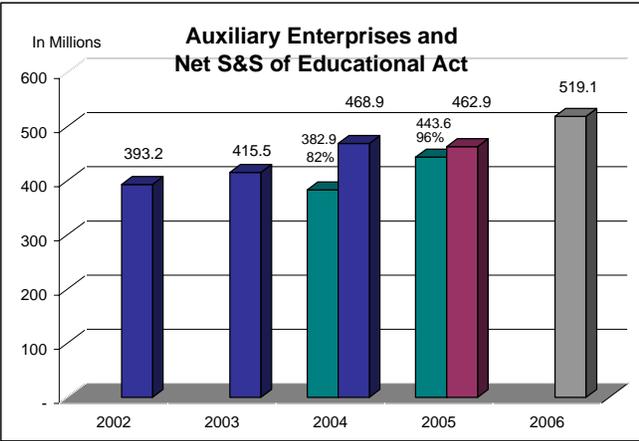
Scale for Charting CFI Performance



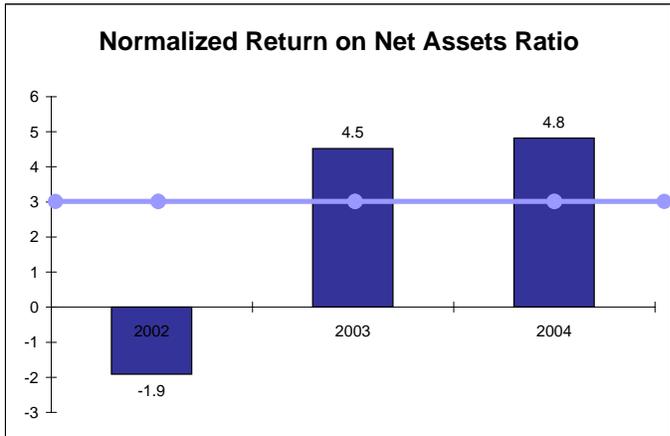
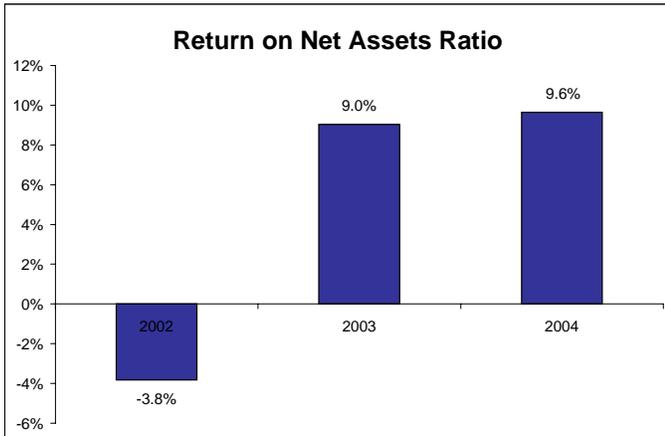
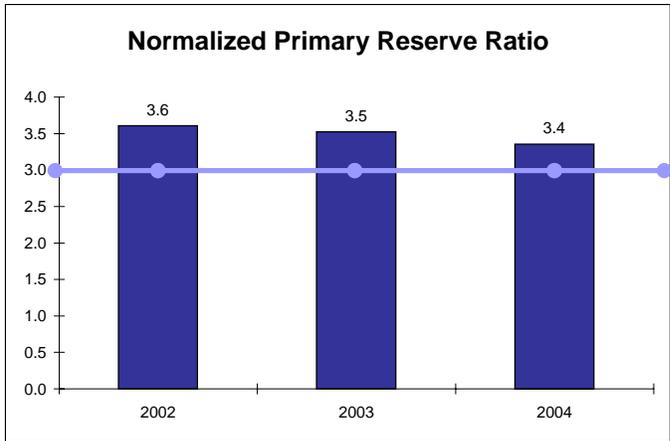
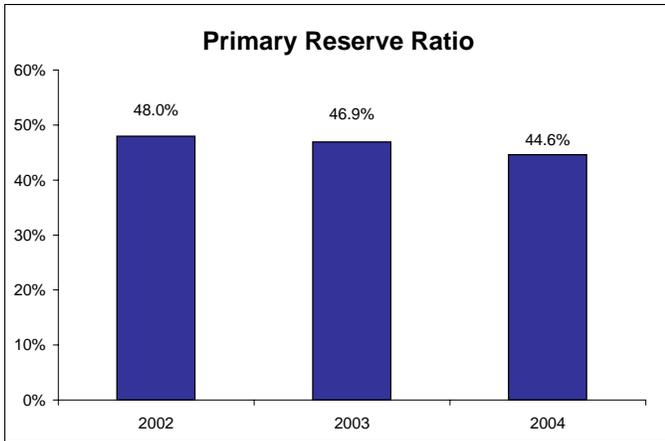
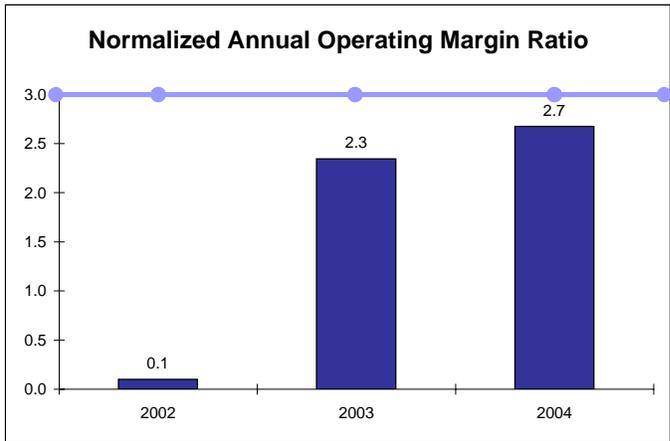
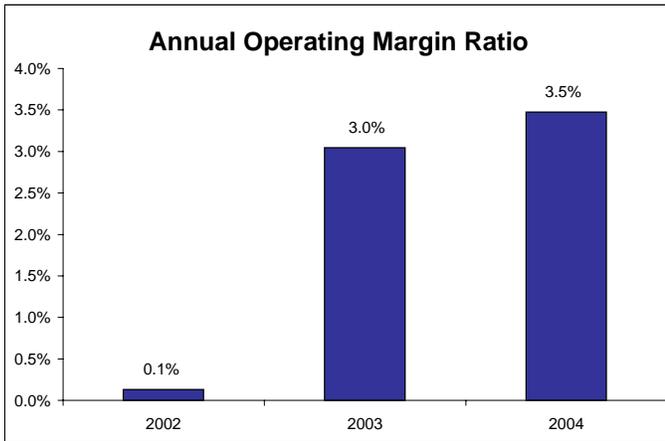
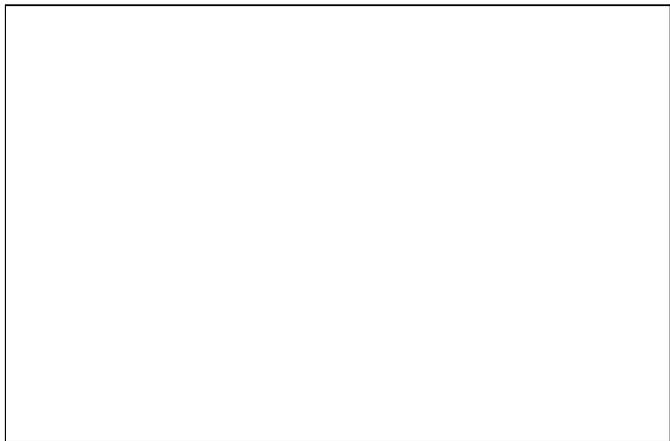
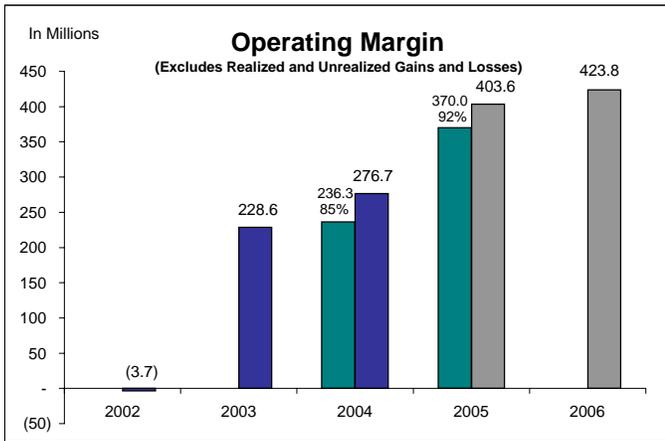
**KEY INDICATORS OF REVENUES
ACTUAL 2002 THROUGH 2004
PROJECTED 2005 AND 2006
YEAR TO DATE 2004 AND 2005 FROM JULY MONTHLY FINANCIAL REPORT**



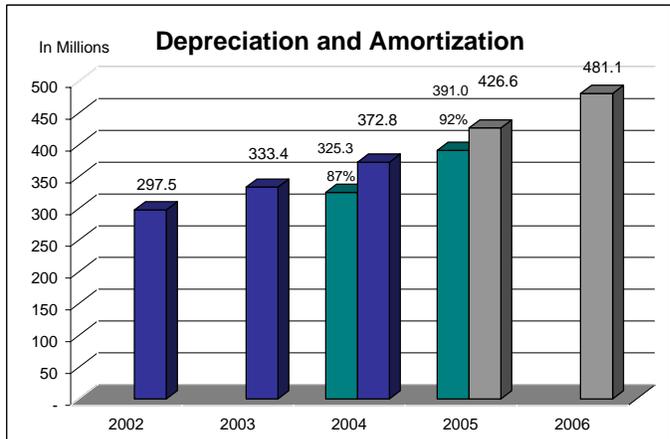
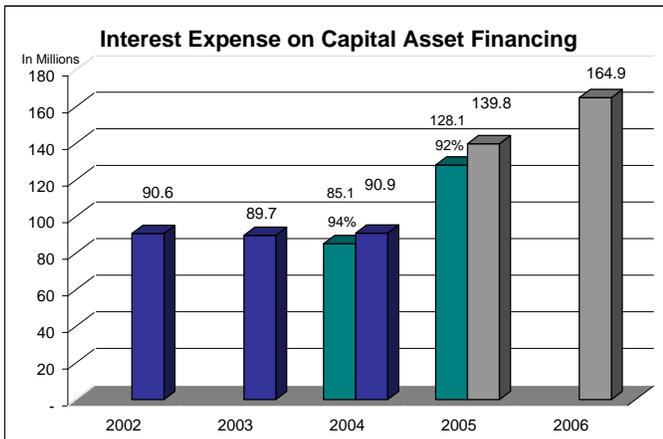
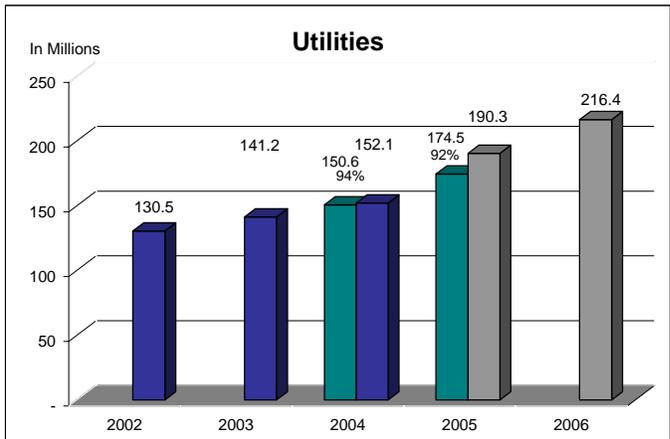
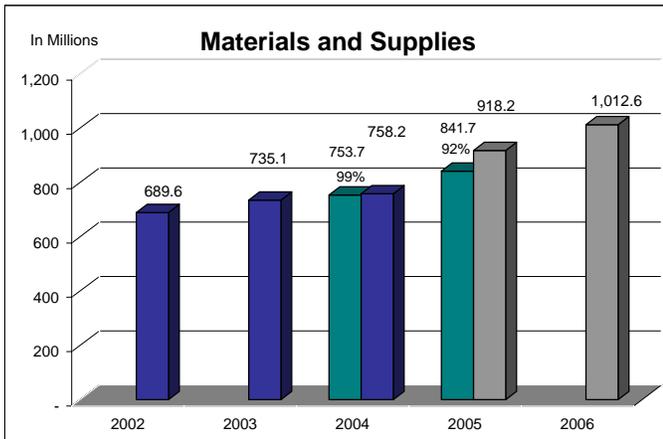
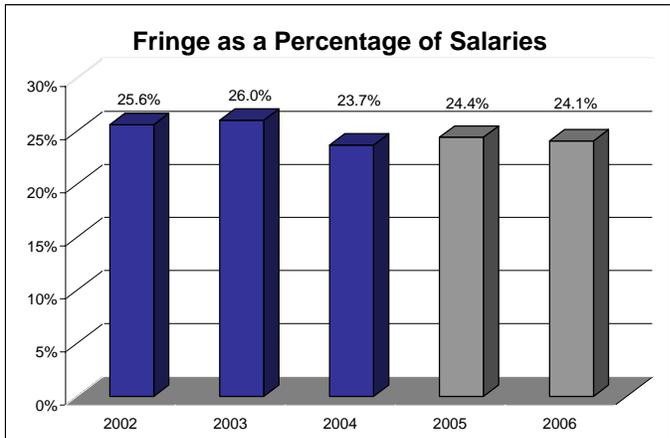
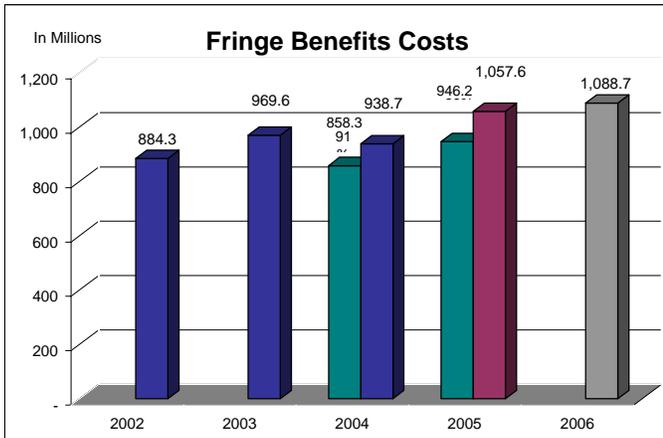
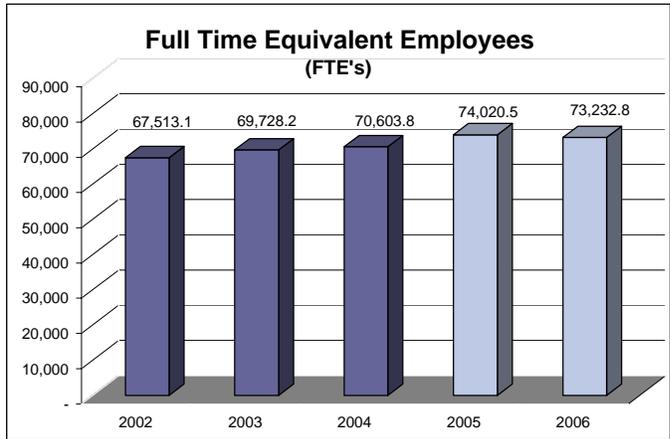
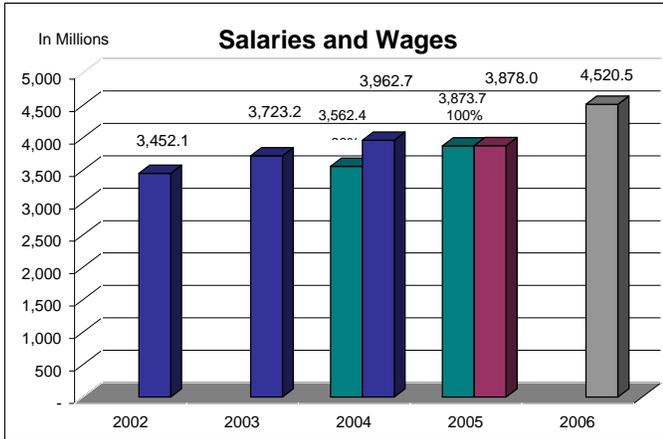
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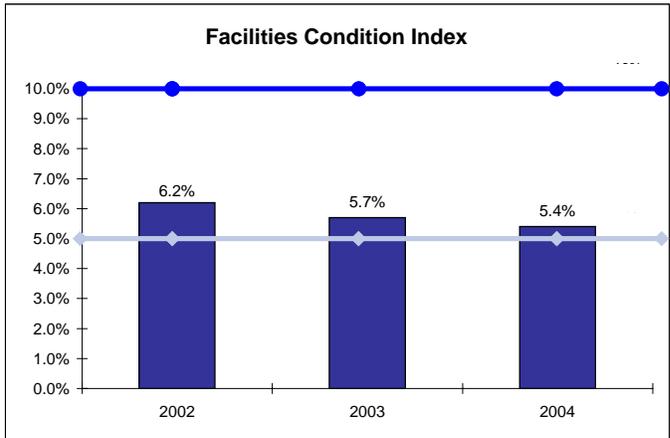
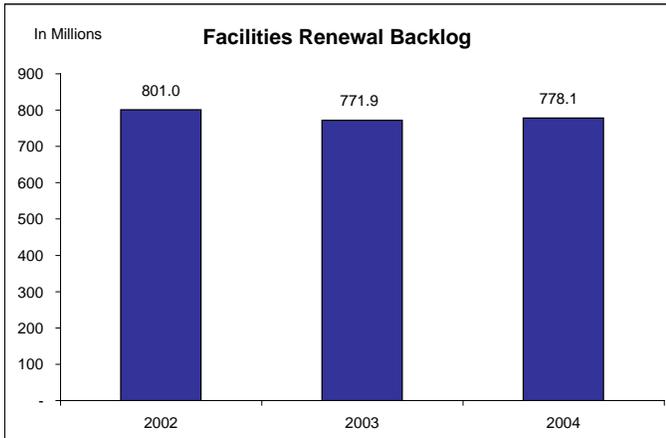
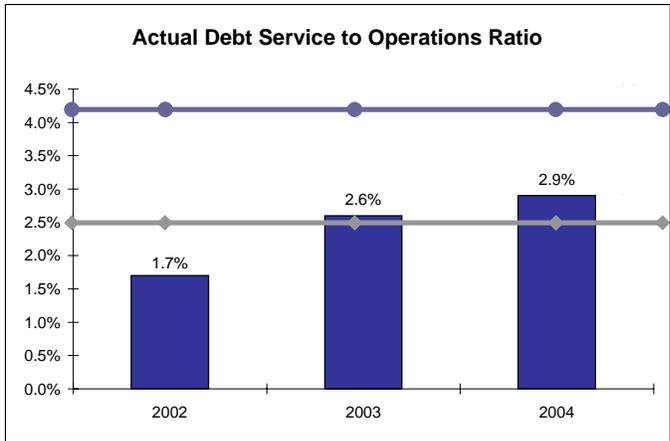
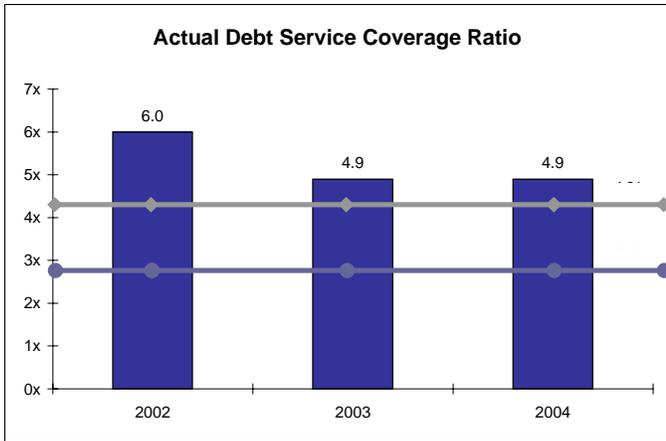
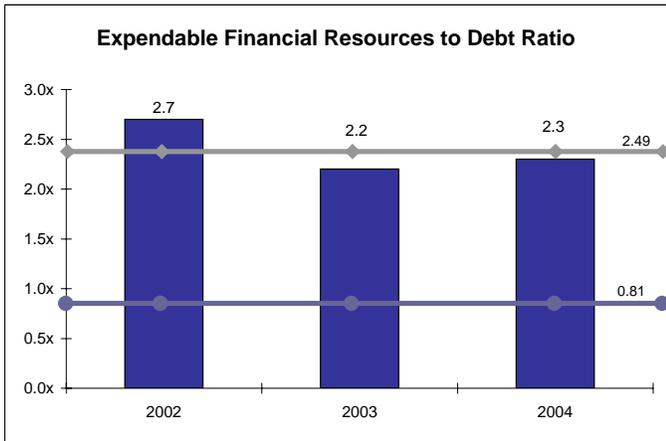
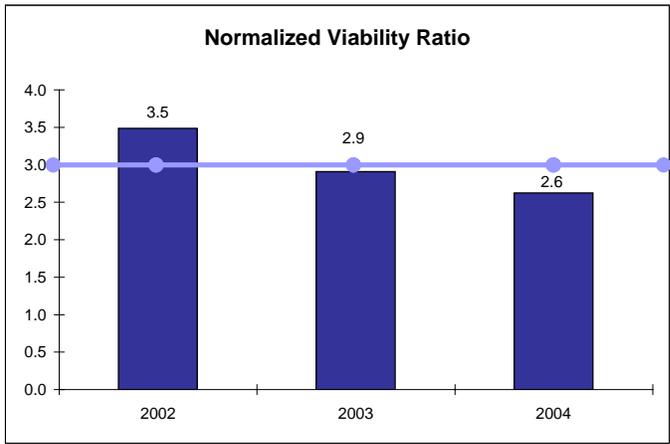
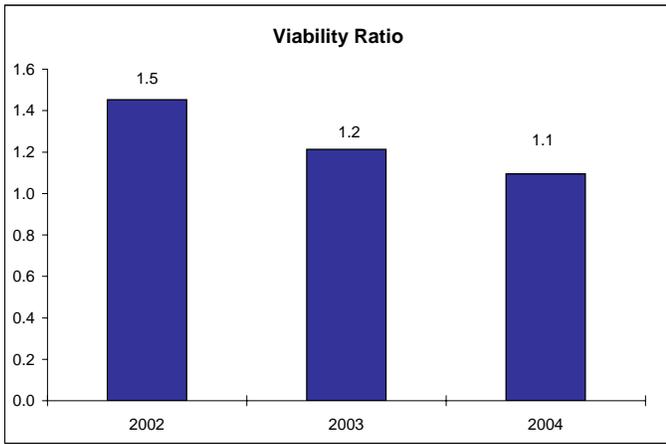
KEY INDICATORS OF RESERVES 2002 THROUGH 2004



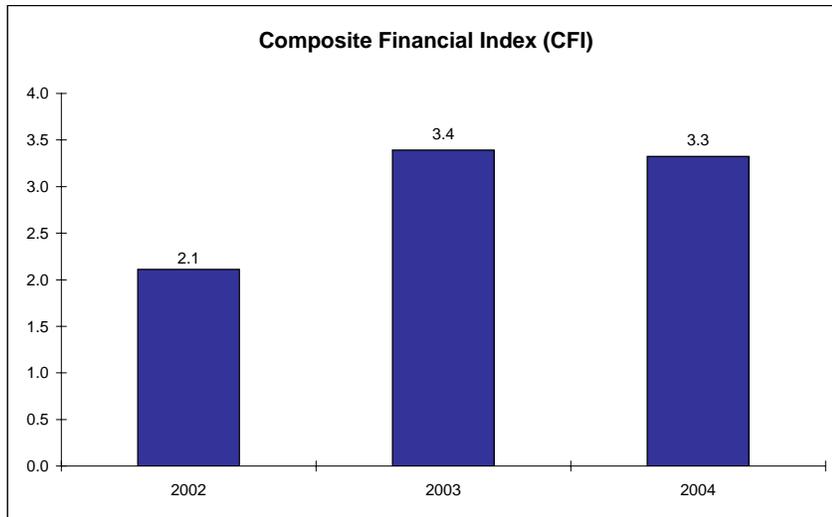
**KEY INDICATORS OF EXPENSES
ACTUAL 2002 THROUGH 2004
PROJECTED 2005 AND 2006
YEAR TO DATE 2004 AND 2005 FROM JULY MONTHLY FINANCIAL REPORT**



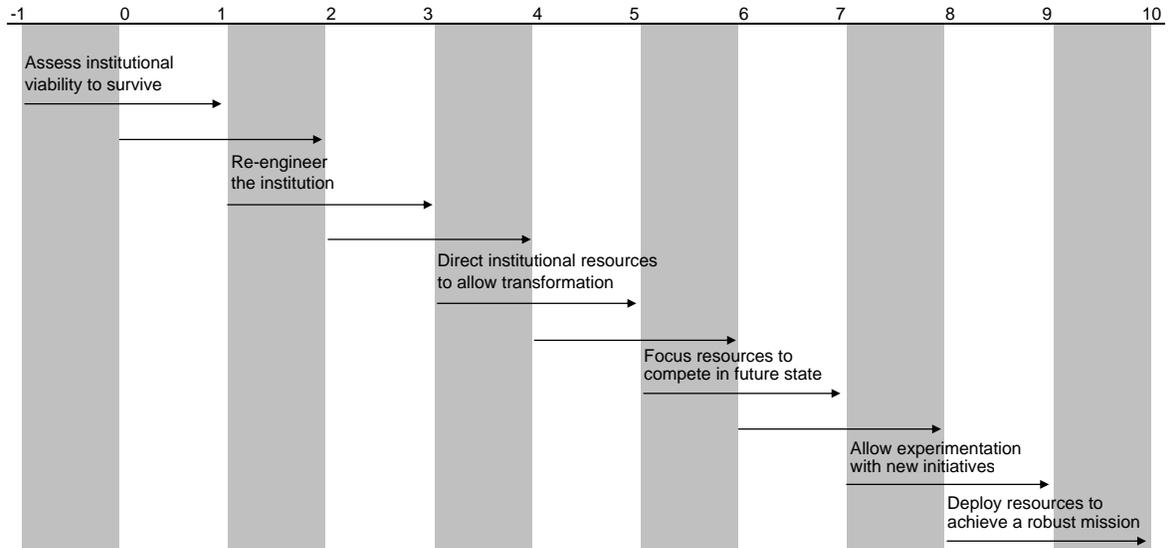
KEY INDICATORS OF CAPITAL NEEDS AND CAPACITY 2002 THROUGH 2004



KEY INDICATOR OF FINANCIAL HEALTH 2002 THROUGH 2004



Scale for Charting CFI Performance



KEY

-  Actual 2002 Through 2004 amounts
(SOURCE: Annual Financial Reports Fiscal Years 2002, 2003 and 2004)
-  Projected 2005 amounts are based on annualized Monthly Financial Report amounts; Projected 2006 amounts are a trend based on the average of the previous four years of data
-  Actual 2005 budget amounts
-  Monthly Financial Report Year-to-Date amounts for July 2004 and July 2005
-  Annual State Net Revenue Collections for 2002, 2003 and 2004
(SOURCE: Texas Revenue History by Source 1978-2004, State Comptroller's Office)
-  Estimated State Revenue Collections for 2005 and 2006
(SOURCE: Biennial Revenue Estimate 2006-2007 Summary Tables, State Comptroller's Office)
-  2002, 2003, and 2004 Annual Average of FTEs
(SOURCE: State Auditor's Office Quarterly FTE Report)
-  Projected 2005 amounts from quarterly averages of 2005 FTEs; Projected 2006 amounts are from the FY2006 Budget
-  Target Normalized Rates
-  Aaa/Aa1 Median
(SOURCE: Moody's)
-  Aa2 Median
(SOURCE: Moody's)
-  Fair Facilities Condition Index (5% - 10%)
-  Good Facilities Condition Index (Exceeds 10%)



The University of Texas System Office of Finance

Overview of U. T. System Debt Programs Fiscal Year 2001 through Fiscal Year 2005



U. T. System Debt Programs

- The U. T. System issues debt under three debt programs: The Revenue Financing System (RFS), the Permanent University Fund (PUF), and the Higher Education Assistance Fund (HEAF). Tuition Revenue Bonds (TRBs) are issued under the RFS program and are secured by the same legal pledge.
- All debt is issued in the name of the U. T. System Board of Regents (Board) and is issued centrally on behalf of the U. T. System institutions through the Office of Finance.



Approval Process for Debt

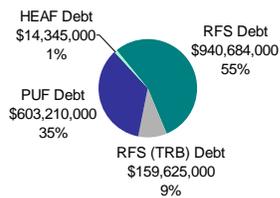
- The Board
 - Approves new capital projects greater than \$1 million or renovation projects greater than \$2 million
 - Approves final Design and Development of capital projects, including a “Finding of Fact” determination permitting the use of debt for that project
 - Approves the issuance of debt
- Texas Higher Education Coordinating Board – approves the capital project
- Texas Bond Review Board – approves the bond issuance
- Texas Attorney General – approves the legality of the bond issuance

3

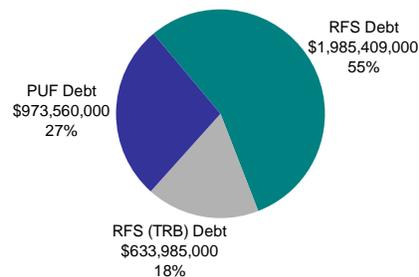


U. T. System Debt Outstanding

\$1.72 billion at August 31, 2000



\$3.59 billion at August 31, 2005

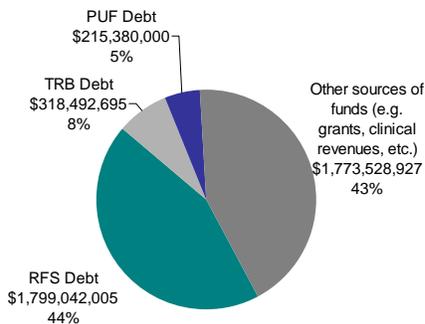


4



Capital Improvement Program (CIP) by Source of Funds

\$4.1 billion CIP as of August 31, 2005



5



Revenue Financing System

- The RFS is a cost-effective debt program secured by a System-wide pledge of all legally available revenues for debt issued on behalf of all 15 campuses and System Administration.
- RFS debt is currently rated Aaa, AAA, and AAA by Moody's, Standard & Poor's, and Fitch, respectively.
- As of August 31, 2005, there was \$2.62 billion of RFS debt outstanding, including \$634 million of TRB debt.

6



Revenue Financing System (continued)

- The Master Resolution establishing the Revenue Financing System requires that before any RFS debt is issued, the Board makes a determination that:
 - The Board will have sufficient “Pledged Revenues” to meet all financial obligations relating to the Revenue Financing System, and;
 - The Members (i.e., institutions) on whose behalf the debt is issued possess the financial capacity to satisfy their direct obligations.

7



Tuition Revenue Bonds

- Tuition revenue bonds (TRBs) are specifically authorized by the Legislature under Chapter 55 of the *Texas Education Code*.
- TRBs are issued under the RFS program and are secured by the same pledge of all legally available revenues of the U. T. System; however, the expectation is that the State will reimburse TRB debt service with general revenue.
- Despite the name, TRB debt service is not paid from tuition and fees. In fact, an institution need not have tuition to receive TRBs.

8



Tuition Revenue Bonds (continued)

- While not a legal obligation, the State has been reimbursing TRB debt service since 1971.
- TRBs are generally structured with level debt service over 20 years. The U. T. System bears the risk of repayment if the State does not honor its obligation and appropriate sufficient debt service each biennium.
- TRBs are a significant source of capital funding for core projects such as classrooms and research facilities; however, TRBs are dilutive to the U. T. System's overall credit ratios.

9



Permanent University Fund Debt

- The PUF debt program is used to fund Educational & General projects at 13 of the 15 U. T. System institutions plus System Administration. PUF debt is secured by distributions from the PUF to the Available University Fund (AUF).
- PUF debt is rated Aaa, AAA, and AAA by Moody's, Standard & Poor's, and Fitch, respectively.
- As of August 31, 2005, \$974 million of PUF debt was outstanding.

10



Permanent University Fund Debt (continued)

- The amount of PUF debt that can be issued by the Board is limited by the Texas Constitution to 20% of the book value of the PUF, or approximately \$1.7 billion as of August 31, 2005.
- The amount of tax-exempt debt that can be issued by the Texas A&M University System is limited to 10% of the book value of the PUF.
- The Board's AUF Spending Policy guidelines also require that
 - PUF debt service coverage must not be less than 1.5 times.
 - Forecasted end-of-year AUF balances must not be less than \$30 million.

11



Strategic Themes for the Debt Programs

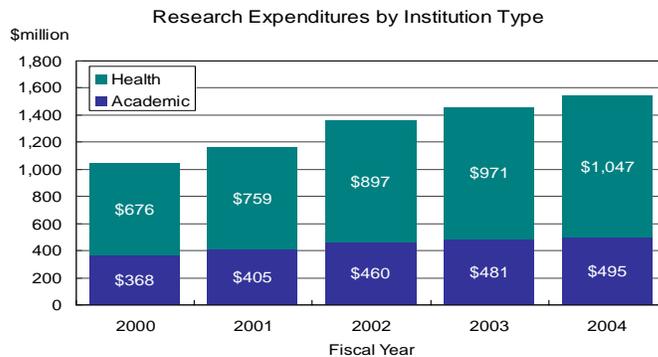
- Accommodating Greater Demand for Debt
 - Growth in research funding
 - Growth in enrollment
 - Low interest rates
- Repositioning the Debt Portfolio
 - Capitalize on historically low interest rate environment
 - Extend the average life of long-term debt
 - Refund high-cost debt
 - Expand floating interest rate capacity
- Debt Management
 - Reducing debt issuance costs
 - Maintaining credit quality

12



Research Funding Growth

- In five years, research expenditures grew by 55% at the health institutions and 35% at the academic institutions – 48% overall.

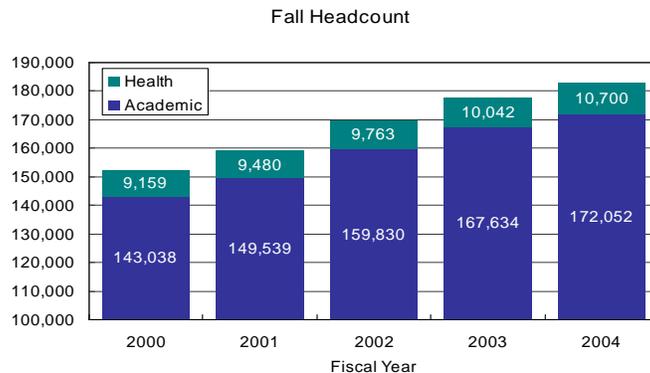


13



Enrollment Growth

- System-wide enrollment grew by 20.1% from FY 2000 to FY 2004.

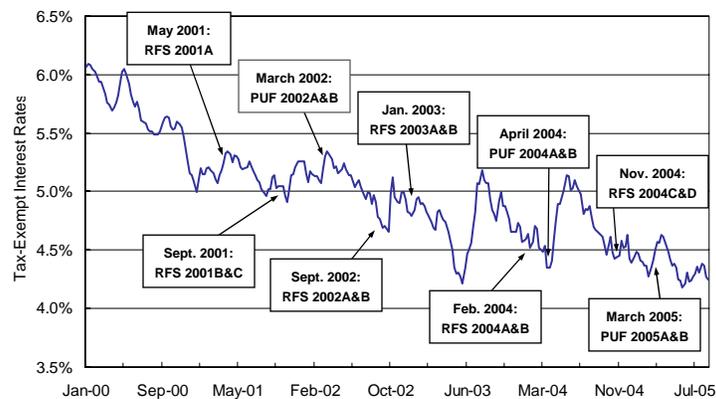


14



Capitalizing on Low Long-Term Fixed Interest Rates

- 79% of current debt outstanding has been issued since FY 2001



15



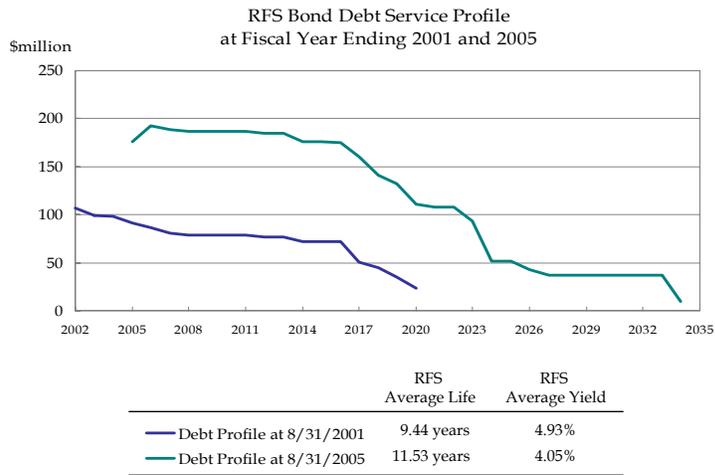
Extending the Average Life

- Prior to 2003, the U. T. System traditionally issued 20-year, long-term, fixed-rate debt. This financing strategy produced a relatively short 9.5-year average life for the RFS and PUF debt portfolios.
- In keeping with the State's practice, TRBs are still issued with a 20-year term, thereby keeping the average life of TRBs relatively short – 9.8 years – and mitigating appropriation risk.
- However, the average life of the remaining RFS debt and the PUF debt has been extended considerably, better aligning the average life of U. T. System debt with the average useful life of the underlying assets.

16



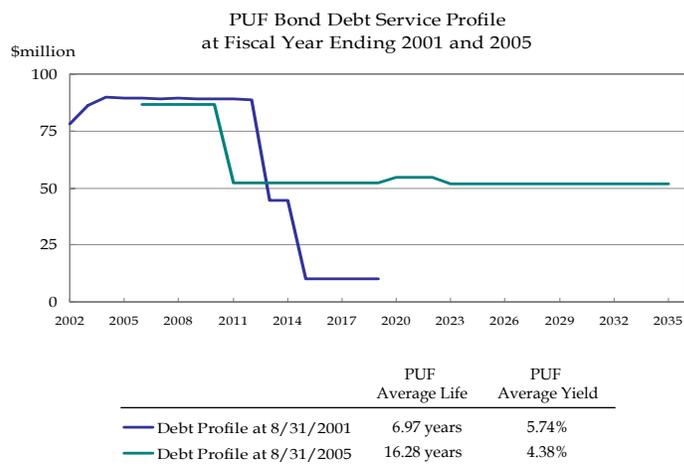
Extending the Average Life (RFS Debt)



17



Extending the Average Life (PUF Debt)



18



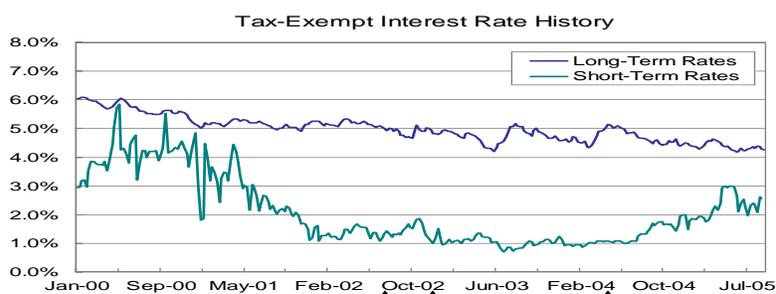
Refunding High Cost Debt

- Over the last five years, the Office of Finance has achieved \$54.9 million in present value savings through the issuance of refunding bonds, including several recent transactions:
 - \$17.4 million savings in February 2004 with RFS Series 2004A&B
 - \$2.0 million savings in March 2004 with PUF Series 2004A&B
 - \$6.4 million savings in April 2005 with PUF Series 2005A&B
- The Office of Finance has also restructured RFS and PUF defeasance escrows to achieve \$11.8 million of additional savings by generally replacing lower-yielding escrow securities with higher-yielding escrow securities.

19



Expanding Floating Rate Capacity



August 2002:
Tax-Exempt Commercial Paper Program
Expanded from \$350 million to \$750 million

November 2002:
PUF Note Program Expanded
from \$250 million to \$400 million

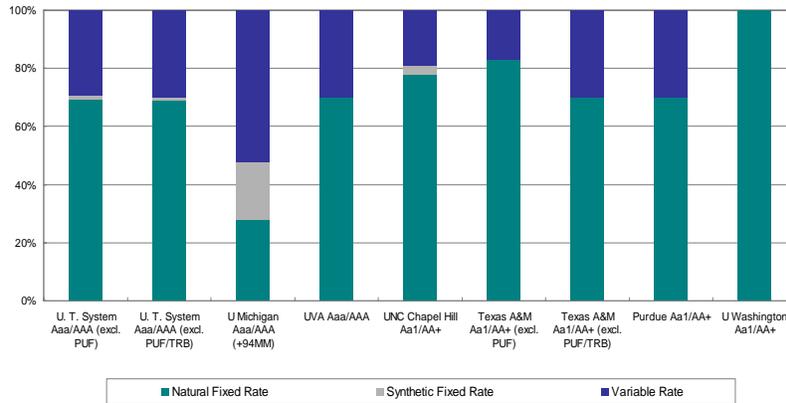
May 2004:
Establishment of \$50 million
Taxable Commercial Paper
Program

20



Fixed-Floating Ratio versus Public Peers

U. T. System Public Peer Group - Fixed-Floating Ratios



Source: Morgan Stanley, June 9, 2005

21



Reducing Debt Issuance Costs

The U. T. System is a Low-Cost Issuer in Texas

Average Cost of Issuance - FY 2004

	U. T. System (\$/bond)	All Texas State Agencies ¹ (\$/bond)	All Texas Cities (\$/bond)	All Texas Counties (\$/bond)	All Texas School Districts (\$/bond)
Underwriter's Spread	\$3.40	\$5.21	\$9.92	\$8.85	\$7.66
Other Issuance Costs:					
Bond Counsel	0.42	1.80			
Financial Advisor	0.00	1.62			
Rating Agencies	0.27	0.97			
Printing	0.01	0.09			
Other	0.06	0.67			
Subtotal	0.76	5.15	14.03	10.47	10.41
Total Cost per Bond	\$4.16	\$10.36	\$23.95	\$19.32	\$18.07
Average Issue Size	\$438 million	\$107 million	\$20 million	\$27 million	\$25 million

¹ Excludes U. T. System

Source: Texas Bond Review Board FY 2004 Annual Report and Staff Reports

22



Debt Management Value-Added

- The Office of Finance has contributed a net \$85.9 million of debt-related savings to the U. T. System in five years

Debt Refunding Savings since FY 2001	\$54.9
Issuance Cost Savings since FY 2001*	21.6
Escrow Restructuring Savings since FY 2001	11.8
Total "Investment" in the Office of Finance since FY 2001	<u>-2.5</u>
Office of Finance Value-Added	\$85.9

* As compared to the average Texas State issuer.

23



What's on the Horizon?

- Continued strong demand for debt
- More floating rate debt
- Potentially greater use of interest rate swaps to reduce interest expense and manage interest rate risk
- Increased focus on risk management
 - Debt Policy and Swap Policy in place
 - Comprehensive disclosure in place
 - Financial audit
 - "Spirit" of Sarbanes-Oxley

24



THE UNIVERSITY OF TEXAS SYSTEM

Fiscal Year 2005 Energy Utility Task Force Report

November 9, 2005

Office of Finance



Energy Utility Task Force (EUTF)

- The EUTF was created in February 2001 to evaluate and recommend strategies for U. T. System institutions to:
 1. *Reduce energy consumption*
 2. *Better manage commodity price risk*
 3. *Leverage System-wide purchasing power*
- In order to facilitate the achievement of these goals, a series of recommendations and energy consumption reduction goals were presented to the Board of Regents in November 2001.
- Energy Management Plans were completed by each institution in FY 2002. These serve as the “road map” for accomplishing the objectives of the EUTF.

2



FY 2005 EUTF Headlines

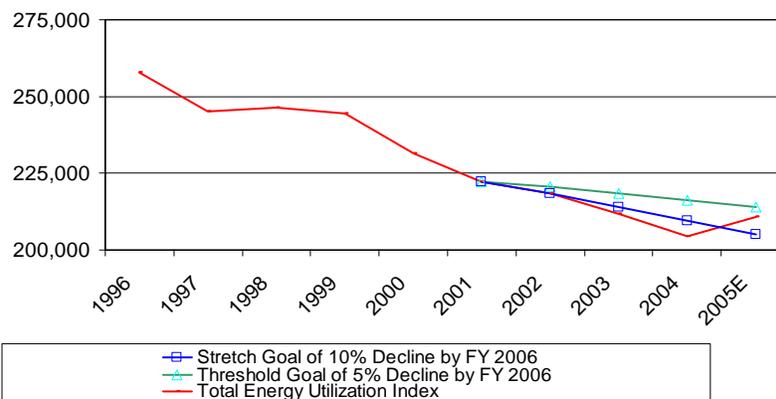
- A 5.0% - 10.0% reduction in System-wide energy use per square foot was targeted by the EUTF for FY 2006. The current FY 2005 estimate shows a 5.2% reduction from baseline levels.
- Several dozen discrete energy conservation projects were completed. These projects range in size from a few thousand dollars to \$25 million.
- The U. T. System institutions now have a portfolio of fixed and index-based (floating) utility contracts that have served to moderate the volatility in energy utility prices. The U. T. Austin fixed-price natural gas contract expired on August 31, 2005.
- Electricity and natural gas aggregation continues to reap significant benefits for U. T. System institutions.

3



Updated Energy Utilization Index (EUI)

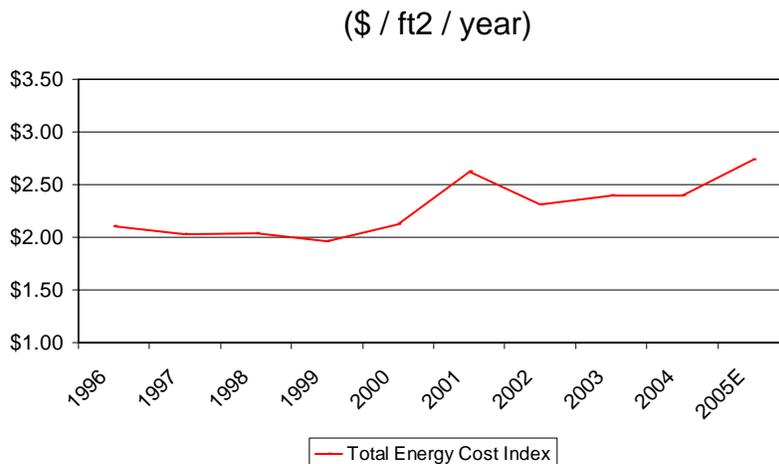
(Btu / ft² / year)



4



Updated Energy Cost Index (ECI)



5

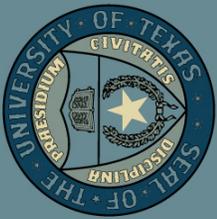


A Natural Energy Price Hedge?

- Question: Does the Permanent University Fund (PUF) provide a natural hedge against higher energy utility prices?
 - System-wide energy costs increased by \$25.9 million in FY 2005
 - Oil and gas royalty and bonus income to the PUF increased by \$46.8 million in FY 2005 -- \$31.2 million net to the U. T. System
 - The royalty and bonus income goes directly to the PUF corpus
 - At a current distribution rate of 4.75%, the FY 2005 incremental PUF royalty and bonus income translates into \$1.5 million of additional annual distribution to the Available University Fund (AUF)
 - AUF monies cannot be used for operating purposes at U. T. System institutions

- Answer: While the PUF lands provide a positive correlation to higher oil and gas prices, they do not effectively offset higher energy utility costs.

6



U. T. System Energy Consumption and Costs

Fiscal Year	Purchased Energy										Totals		
	Electricity Usage (Kwh)	Natural Gas Usage (Mcf)	Electricity Cost (\$/Kwh)	Natural Gas Cost (\$/Mcf)	Total Electricity Cost	Total Natural Gas Cost	Other Energy (MMBtu)	Other Energy Cost	Total Energy Cost	Gross Square Footage	Energy Utilization Index (Btu/H2/Yr.)	Total Energy Cost Index (\$/H2/Yr.)	
1996	827,474,008	6,339,050	\$0.043	\$2.38	\$5,713,888	\$15,066,131	52,915	\$22,256,631	\$95,411,303	45,326,560	258,282	\$2.10	
1997	929,746,528	6,773,047	\$0.045	\$2.74	\$41,591,080	\$18,539,034	27,059	\$24,583,570	\$97,767,351	48,182,721	244,161	\$2.03	
1998	1,003,307,037	7,146,175	\$0.045	\$2.72	\$45,026,159	\$19,451,796	49,426	\$26,131,767	\$101,093,039	49,657,076	245,876	\$2.04	
1999	1,006,136,057	6,972,357	\$0.044	\$2.48	\$44,763,535	\$17,305,073	28,863	\$25,298,997	\$99,614,128	50,881,399	243,204	\$1.96	
2000	1,059,087,750	7,057,246	\$0.046	\$3.40	\$48,672,004	\$24,017,260	7,804	\$27,862,519	\$114,201,844	53,881,962	234,887	\$2.12	
2001	1,064,912,766	7,173,448	\$0.057	\$5.95	\$60,041,513	\$42,701,958	13,640	\$28,682,667	\$149,020,315	56,944,770	223,851	\$2.62	
2002	1,084,142,327	7,161,616	\$0.056	\$3.82	\$61,167,838	\$27,316,386	9,853	\$31,269,056	\$136,272,824	58,815,769	218,459	\$2.31	
2003	1,111,095,048	6,938,533	\$0.056	\$5.02	\$61,916,189	\$34,414,715	13,551	\$30,863,465	\$144,883,219	60,303,662	211,740	\$2.40	
2004	1,164,660,799	7,544,840	\$0.056	\$5.03	\$65,579,540	\$37,984,849	12,200	\$36,653,919	\$159,593,014	66,486,836	204,603	\$2.40	
2005E	1,258,637,788	7,371,448	\$0.060	\$6.07	\$75,741,696	\$44,765,854	10,339	\$36,859,499	\$185,506,966	67,631,028	210,829	\$2.74	

The University of Texas at San Antonio
Compact with The University of Texas System
FY 2006 through FY 2007

I. Introduction: Institution Mission and Goals

Vision

The University of Texas at San Antonio is creating the future of Texas by developing leaders for a multicultural society and by building innovative partnerships that will transform the economy of the region.

Mission

The University of Texas at San Antonio is a premier public institution of higher education with a growing national and international reputation. Renowned as an institution of access and excellence at both the undergraduate and graduate levels, UTSA is committed to research, discovery, learning, and public service. UTSA embraces the multicultural traditions of Texas, serves as a center for intellectual and creative resources, and is a catalyst for the economic development of Texas.

Strategic Goals

UTSA has been developing a strategic plan framework designed to support and embrace its vision of becoming an institution that provides access to excellence and pursues becoming a top 100 research university. This framework is being defined by six strategic goals that the Institution would like to focus on both in the short-term and long-term periods.

- Enhance research and post-graduate learning.
- Attract a diverse student body and maximize each student's success.
- Create future leaders through a transformational life experience.
- Enhance infrastructure to maximize learning and discovery.
- Leverage partnerships to improve the economy of the region.
- Instill a sense of pride and ownership in UTSA.

This compact is designed to provide information about priorities and initiatives associated with these six strategic goals.

II. Major Ongoing Priorities and Initiatives

Short-Term Priorities

A. Establish intellectual excellence in graduate studies.

Priority: 1

Objectives.

This will be accomplished through the development of doctoral level programs and the recruitment of key faculty members.

Strategies.

1. Identify areas of academic excellence for which UTSA will be nationally recognized.
2. Increase the number doctoral programs in areas that have been targeted for excellence.
3. Increase both graduate enrollment, especially at the doctoral level, and also the number of degrees awarded.

Resources.

Will need to create a Vice President for Graduate Studies and Research. Infrastructure improvements in the areas of research support and administrative support and increased faculty members are needed.

Progress Measures.

1. Identify four areas of excellence for further development. The areas of focus for development of new doctoral programs are as follows: health, security, learning and development, and cross-cultural issues.
2. Implement doctoral programs in Counseling, Chemistry, and Physics. All programs have been approved by the Coordinating Board. The Counseling Ph.D. program was implemented in spring 2005. The Ph.D. programs in Chemistry and Physics will be implemented in fall 2005.
3. Implement masters program in Social Work. This program has been approved by the Coordinating Board and was implemented in spring 2005.
4. Increase graduate enrollment and degrees awarded by 10 percent per academic year. Doctoral enrollment and degrees awarded have increased by more than 10 percent per academic year.
5. Increase doctoral enrollment from 220 in fall 2003 to 350 students by fall 2005. It is too early to provide accurate enrollment figures for fall 2005. However, in fall 2004, 289 students were enrolled. For fall 2004, 109 new doctoral students were admitted. For fall 2005, 148 new doctoral students have been admitted, a gain to 39. In addition, recently-approved programs in Chemistry and Physics have not completed their admissions cycle for fall 2005. Their admissions will increase the total number of doctoral students admitted for fall 2005.
6. Increase doctoral degrees awarded from 6 to 15 by spring 2006. It is expected that at least 15 degrees will be awarded during the 2005-06 academic year.
7. Develop aggressive recruitment and mentoring strategies for graduate students. A Director of Recruitment position has recently been added to the Graduate School staff. This individual is actively increasing active, aggressive recruiting strategies. This individual is also working with other offices on campus to coordinate mentoring strategies designed to increase retention. Budget requests for the 2005-06 academic year from the Graduate School are primarily to support more aggressive recruitment and mentoring strategies.
8. Increase doctoral program enrollments by 10 percent from 2005 to 2007.

Major Obstacles.

Lack of adequate number of senior faculty members in key academic disciplines. Shortage of laboratory space.

B. Establish excellence in undergraduate teaching and learning.

Priority: 2

Objectives.

Increase access and student success by managing enrollment growth and targeted recruitment effort. 2) Increase student retention rates by enhancing freshman curricula, assessment of students for course placement and learning, freshman success programs, and financial support for freshmen. 3) Increase student graduation rates by enhancing undergraduate curricula, assessment of student learning, student success programs, and financial support for students.

Strategies.

Strategies to enhance targeted recruitment.

1. Determine optimum enrollment for graduate and undergraduate programs and develop recruitment plans based on determination. In progress.
2. Review admissions standards and success of student cohorts and modify admission standards if appropriate, expanding recruitment and provisional admissions programs to continue focus on access.

We have modified admission standards and created a third tier: admitting our top applicants to the Honors College and colleges, the second tier to our provisional program with a requirement that they participate in special advising and a sequence of courses (this group out-performed our "regular" admits when we piloted this program last fall), and a third tier offering deferred admission pending completion of coursework at a community college. We are reviewing outcomes of each group and may change criteria for each tier pending outcomes.

3. Develop transfer advising center and increase collaboration with Texas community colleges. Transfer staff are on board and have increased collaboration with Texas community colleges; we are trying to locate space for the center. Increasing transfer student admits is one of our enrollment management goals.

Strategies to increase student retention.

1. Assess success of student cohorts and develop programs for appropriate academic assessment, placement, and student success programs to reduce the 30 percent of freshmen on probation at the end of their first semester.
2. Add academic content related to student success to orientation program and two-day pre-class experience for incoming freshmen.
3. Review undergraduate curriculum and develop plans, including time frames, for modifying freshman composition, writing across the curriculum, math curriculum alignment, international/multicultural emphasis, and critical thinking/quantitative analysis initiatives.
4. Continue learning communities program; expand freshman seminar and freshman initiative programs; expand supplemental instruction to include 70 sections of sophomore "gateway to the major courses" for students with D or F grades and withdrawal rates of 30 percent or more; expand tutoring, academic coaching programs, and Academic Development Program. SI expansion will be phased in during the coming academic year.
5. Make retention and probation recovery part of performance goals for colleges and student affairs units.
6. Review financial aid awarding system to ensure that neediest students receive funds; increase number of freshmen receiving scholarships and grants.
7. Increase outreach to high schools by financial aid staff; hold mandatory financial aid sessions for incoming freshmen.

Strategies to increase student graduation rates.

1. Develop sophomore and junior retention programs in coordination with colleges/departments and make them part of performance goals for colleges and student affairs programs.
2. Develop assessment tools to measure student learning and success.
3. Develop senior capstone courses.
4. Require advising plans for all students with targeted graduation dates.

5. Review advising system; expand advising hours to include evenings and weekends; add advising staff and degree evaluators to better address transfer coursework; require all students to have semester-by-semester degree plans with anticipated graduation date; require all students withdrawing to see academic advisor rather than withdrawing at Enrollment Services Center.
6. Develop probation recovery programs for upper class students.
7. Use 25 percent of tuition flexibility funds to expand financial aid and work study opportunities.
8. Develop tuition rebate program for graduating seniors with tuition flexibility funds.
9. Review course sequences and offerings and academic policies and procedures.
10. Implement programs to enhance undergraduate teaching, including teaching and learning technology (“laptop”) initiative; research and professional development programs on teaching effectiveness; and creation of master teacher and teaching academy programs.

Resources.

Will need to create a Dean of Undergraduate Studies, increased staff for retention and student success programs, funds to support the Learning Communities Program when Title V grant ends, funds for two-day freshman experience program, funds for transfer advising center, and faculty/staff curriculum committees. Allocate 25 percent of tuition deregulation funds to student financial aid. Work with Office of Advancement to generate additional funds for student aid and endowments for student success programs and undergraduate teaching.

Progress Measures.

1. Enrollment growth that meets established targets. Targets are being developed for future years by a recently established Enrollment Management Task Force; the three-tier enrollment management system at the undergraduate level is being implemented.

Target for fall 05: Admit 4,000 students as first-time freshmen and 300 transfer students.

	Regular admits	CAPP students	Provisional	Deferred
First-time freshmen	2,500	800	400	+500
Transfer students	300			

2. Creation of Dean of Undergraduate Studies position and hiring of Dean. Action completed.
3. Plan and timelines to realign undergraduate curriculum in place. Conversations have taken place with deans; extensive data collection is underway to review curriculum in relation to student success; blue ribbon committee is being established to conduct extensive review of curriculum. We have determined a major barrier to graduation is courses not being offered regularly and not enough sections offered when they are. We are requiring colleges to develop three-year-out course schedules for all majors, moving toward having all students required to have semester-by-semester advising plans with anticipated graduation dates, and focusing on strengthening our math and writing courses.
4. Increase in numbers of students receiving financial aid, including scholarships and work study funds.
 - Total Awards Summary: For 2003-04, 16,187 students awarded. For 2004-05, 17,630 students awarded to date. This represents an increase of 1,443 students.

- Scholarships: The annual President's Dinner raised approximately \$1M in new scholarship funds.
 - Workstudy: For the 2004-05 award year, we took the additional \$300,000 of institutional work-study and increased the number of positions and also increased the total dollar award per student from \$3,400 to \$4,000 for the fall/spring. We also increased the summer award from \$1,500 in summer 2004 to \$1,700 for summer 2005.
5. Reduction in number of freshmen on academic probation. Assembling this information. The institution is conducting an extensive look at our student data and we have discovered problems in how the cohorts have been maintained. Our first step in these measures has been to reexamine at data definitions. We have three new people who are working on this effort and also doing an extensive review of our retention rates and related data.
 6. Comparison of semester and overall GPAs and retention by cohorts defined by participation in programs delineated above, with increase in retention rates for program participants, overall retention rates, and graduation rates. Freshmen in the Academic Development Program (provisional admits), Supplemental Instruction, and Learning Communities outperformed other students re GPA and retention. Institution is continuing to gather and analyze pertinent information. We have made looking at this a very top priority for the institution, and we are focusing on developing research questions we want to address regarding student success and gathering data to address these questions. Although we are enhancing our student success programs, looking at admission standards, etc., we do not have adequate data to support decision-making and so have made this a critical first step. We have a think tank team focusing on these efforts.
 7. Increase in teaching effectiveness measured by teaching evaluations and other teaching assessment tools. We have appointed a workgroup that is looking at teaching and revising the focus/mission of our Teaching and Learning Center. We are creating a Master Teachers Program with selected faculty whose primary emphasis will be teaching, curriculum development, and mentoring/advising of undergraduate students. We are also creating a teaching academy of the exemplary teachers at UTSA.
 8. Establish long-term and short-term targets for retention and graduation rates. Increase retention rates by 2 percent each year; increase graduation rates by 5 percent by 2010.
 9. Meet *Closing the Gaps* enrollment targets for 2007.
 10. Decrease student/faculty ratio from 24.1:1 to 23.8:1 by fall 2007.

Major Obstacles.

Limited funding to hire needed staff; space for programming; need to continue dialogue with faculty and other campus constituents to ensure buy-in for both graduate and undergraduate programs.

C. Strengthen opportunities for student involvement in campus life.

Priority: 3

Objectives.

Enhance campus life through the expansion of (1) student housing and residence life programming, (2) university center and student activities programming, (3) campus recreation and athletics programming and facilities, and (4) student support services.

Strategies.

1. Open 1,000 bed residence facility in fall 2004, residence dining hall in spring 2005, and 700 bed residence facility in fall 2006; increase residence life programs for students living on campus.
2. Finalize plans for Phase III expansion of University Center with estimated completion date of 2007.
3. Develop and implement plans for Phases II and III of campus recreation center facility and intramural fields with estimated completion date of 2007.
4. Enhance athletics programs by adding women's soccer and golf and exploring options for adding other sports; develop and implement plans for expanded athletics facilities, including new soccer and track stadium and renovated indoor and outdoor facilities with estimated completion date of 2008.
5. Increase student programming and services, including food venues, on UTSA campuses with increased evening and weekend programming.
6. Improve campus transportation services by developing and implementing a systematic campus-wide parking plan that includes shuttle service within and between campuses, neighboring apartment complexes, and local shopping areas on weekends for students living on campus; construction of parking garages; and appropriately designated parking lots.
7. Expand health and mental health services by adding a physician, additional counseling staff, and a campus-wide substance abuse prevention and intervention program and completing Phase II expansion of Health Services Center by spring 2007.
8. Expand opportunities for international students to interact with the campus community and each other.

Resources.

Programs and facilities depend on student fees; housing and dining hall are already funded; University Center Phase III, athletics, and campus recreation facilities and programs have already been approved by students; it is anticipated that funding from increased enrollment will cover other strategies needed. Problem will be finding space for expansion of programs and services until new facilities are built. Limit on 5 percent funding severely jeopardizing above goals.

Progress Measures.

1. Completion of facilities plans and buildings as delineated. 1,000 beds opened in fall 2004; dining hall delayed until summer 2005 due to problems with weather and construction management. 700-bed residence facility delayed until fall 2007 due to change in site location; residence life programs enhanced, including residential learning communities and honors wings.
2. Plans for University Center expansion completed and approved by BOR in May; date changed to fall 2008; note that this construction requires a fee increase in fall 2008 already approved by students in a campus-wide referendum.
3. Plans for Campus Recreation Center and Health Services Center expansion approved by BOR in May; scheduled for completion fall 2007. Note that this construction requires a fee increase in fall 2007 already approved by students in a campus-wide referendum. Approval to increase fee cap approved during recent legislative session.
4. Plans slowed due to inability to increase student-approved fee increase this coming fall; proposal to increase fee in spring 2006 goes to the UT System Board of Regents in August.

Golf and soccer coaches have been hired; golf will begin this fall; soccer, the following fall. Planning of facilities is underway with exploration of joint city/county/corporate partnerships.

5. Results from student satisfaction surveys. Overall positive; implementing customer service/secret shopper program.
6. Enrollment and retention rates and GPAs of students participating in programs. See above.
7. Student use of facilities. Increased significantly; some portions of campus rec building have to be closed at peak hours for fire/safety reasons; students concerned about no places to sit and eat or study. Food contractor reluctant to expand hours due to costs; limited staff resources also preclude longer hours in many areas. We are trying to develop a "second shift" concept with evening and weekend staff in many student service areas. A recreation facility will open at the Downtown Campus this fall.
8. New parking and transportation office created and director hired. Director will oversee development of master parking and transportation plan with consideration given to implementing transportation fee. Shuttle service between apartment complexes was cancelled this spring due to lack of funds given other priorities but limited service will be provided in fall 2005 because all campus housing is full; we are trying to get apartment complexes to contribute funds; shuttle service on campus has been expanded with service to outlying parking lots; construction of a parking garage is underway.

Major Obstacles.

Because UTSA is a young institution, there is no equity available for building student life facilities; thus, they must be completely funded by student fees. UTSA wants to expand the quality and quantity of campus life without jeopardizing access of the students we have traditionally served. Student demand for parking close to buildings in which their classes are held will make satisfaction about parking problematic no matter what is done to alleviate the problem.

Again, funding/lack of ability to implement planned fees is major obstacle. We could not increase Student Service or Health Services fees, limiting availability of healthcare, counseling, financial aid, tutoring/academic support, academic advisors, and other personnel.

D. Diversify the campus environment in support of academic excellence.

Priority: 4

Objectives.

To better serve the citizens of Texas as it becomes more diverse racially, ethnically, and socioeconomically, UTSA must continue to "close the gaps" through its commitment to diversity. Implement a professional development program related to diversity awareness and management. Continue initiatives that create a more diverse administration, faculty, and staff. Additionally, recruitment efforts at the graduate and undergraduate levels must aggressively pursue a diverse pool of students.

Strategies.

1. Conduct cultural competence assessment of UTSA and develop plan to strengthen institutional commitment to diversity, including student access, faculty and staff hiring, curriculum, academic support services, policies and procedures, and marketing and promotional materials.
2. Develop proactive programs relating to diversity and promote the resources available through the Office of Institutional Diversity.

3. Develop and implement plan for diversity training.
4. Establish campus National Coalition Building Institute college chapter.
5. Continue to strengthen faculty recruitment processes.
6. Enhance student programming related to diversity and opportunities for dialogue among members of the UTSA community.

Resources.

Office of Institutional Diversity, Division of Student Affairs, interested faculty, and staff.

Progress Measures.

1. Change in number and type of complaints to Office of Institutional Diversity (may increase if office becomes more active). For Academic Year 2004-05, there were nine formal diversity-related complaints and 20 informal complaints.
2. Pre and post assessment on cultural competence continuum and NCBI workshop participation. In progress: staff members have attended national training; plan to conduct student-faculty-staff session on September 17, 2005, and establish base for chapter with participants. Working on Ford Foundation grant; NCBI.
3. Develop and implement plan for diversity training. The University-wide Diversity committee developed the initial plans for expanded diversity training for faculty and staff. Training will begin in Academic Year 2005-06.

Major Obstacles.

None anticipated.

Long-Term Priorities

A. Establish intellectual excellence in research.

Priority: 1

Objectives.

This will be accomplished through the development of a variety of research opportunities as well as through the recruitment of research-oriented faculty.

Strategies.

1. Build a research-oriented faculty that is both committed to the mission of UTSA and also capable of moving the institution to Tier 1 research status.
2. Increase the number of endowed chairs, endowed professorships, graduate fellowships, and post-doctoral appointments to help attract the faculty who can move UTSA to Tier 1 status.
3. Increase the number of research and development partnerships with other institutions to expand the research capability of UTSA.
4. Implement research centers/institutes and core facilities designed to enhance federal, state, and private funding.
5. Develop an infrastructure that will support a rapidly growing research effort.
6. Implement the facilities plan to insure that UTSA has the laboratory space needed for expanding its research.

7. Increase funded research so that UTSA can become a Tier 1 research institution.

Resources.

Will need to create a Vice President for Graduate Studies and Research. Infrastructure improvements in the areas of research support and administrative support and increased faculty members are needed.

Progress Measures.

1. Hire 75 new faculty members per year for eight years to bring the total tenure/tenure-track faculty number to 1,000. Hired over 75 for the start of fall 2005.
2. Fill 15 Endowed Chairs/Professorships with nationally prominent faculty members.
3. Increase the number of endowed positions, graduate fellowships, and post-doctoral appointments by 20 percent over the next two academic years.
4. Complete implementation of the San Antonio Life Sciences Institute with The University of Texas Health Science Center at San Antonio (UTHSCSA). Fully implemented during Academic Year 2004-05.
5. Complete implementation of the Center for Bioprocessing and Biotechnology Education and Research (CEBBER) with Brooks City Base. Fully implemented during Academic Year 2004-05. Over \$2 million funded.
6. Implement a joint doctoral program in Physics with Southwest Research Institute. Fully approved with first class admitted for fall 2005.
7. Develop a Center of Cell and Molecular Primatology with Southwest Biomedical Foundation and UTHSCSA.
8. Expand the Office of Research Development and the Office of Grants Management and Contracts to support enhanced pre- and post-award activity. Added six positions in Academic Year 2004-05 and created position of Vice President for Research and Graduate Studies.
9. Reduce faculty member teaching loads to nationally competitive levels.
10. Increase travel funding related to research and developmental leave for faculty by 10 percent per year.
11. Increase federal research expenditures by 20 percent per year so that they exceed \$11 million by 2007. FY 2004 expenditures totaled \$11.7 million. FY 2005 federal research expenditures are likely to exceed \$11 million. FY 2004 total research expenditures totaled \$16.5 million.
12. Increase sponsored funding expenditures (including research- and non-research expenditures for public service and training) by 10 percent per year so that they exceed \$38 million by 2007. FY 2004 expenditures totaled \$33.6 million. Total FY 2005 sponsored expenditures expected to exceed \$38 million.
13. Consolidated CEBBER and CIAS under the Institute for Protection of American Communities and employed LTG Lawson Magruder (retired) as Executive Director, February 2005.
14. Created Institute for Aging Research aligned with the Barshop Center at UTHSCSA.

Major Obstacles.

Lack of adequate number of senior faculty members in key academic disciplines. Shortage of laboratory space.

B. Increase investment in our service area to strengthen communities we serve.

Priority: 1

Objectives.

UTSA will support the region's social, cultural, and economic development through the creation of new programs and initiatives, the close collaboration with the private sector and government agencies, and the expansion of the institution's infrastructure and resources.

Strategies.

Cultural Investment.

1. Expand and diversify existing cultural programs and events with a focus on regional and international cultures and increase the participation of students, faculty, and staff in these activities
2. Develop and expand mechanisms for informing the UTSA internal and external communities about its cultural programs and initiatives

Educational Investment- College Level.

1. Increase the number of internships, co-ops, and part-time and full-time employment opportunities for UTSA students and alums through closer collaboration with industry and governmental agencies
2. Increase industry's involvement in UTSA advisory boards and curriculum design initiatives to better prepare students in areas of importance to the community

Educational Investment - K-14 Levels.

1. Increase the number of AP courses and college preparatory programs provided for high school students to enhance their academic preparation
2. Continue to strengthen partnerships with local and regional school districts by serving as a resource on curriculum development initiatives
3. Expand the number of summer enrichment and academic year programs provided for high school, middle school, and elementary students
4. Promote the expansion of early childhood development and initiatives conducted by UTSA to further strengthen the pre-kinder and elementary students' academic development and preparedness

Industry Workforce Development.

1. Promote and publicize UTSA's partnerships with industry and government agencies to strengthen initiatives and to foster new collaborations
2. Expand the number of and enhance the quality of conferences and training programs conducted by UTSA to support the economic development of local and regional industries
3. Expand educational offerings such as online courses, evening programs, and executive programs to support the economic development of the region in areas of strategic importance
4. Promote the engagement of faculty, staff, and students as consultants, advisors, and volunteers capable of supporting key community initiatives
5. Provide extension services (technical assistance and training) for business and entrepreneurial development, reaching 15 percent of all businesses in the region on an annual basis.

Resources.

Strong leadership in the College of Liberal and Fine Arts and its Advisory Board capable of supporting the development of new cultural programs and initiatives. Extensive interest and support from industry and governmental agencies to partner with UTSA for the academic and professional development of the student population served by UTSA. Increased activity by the UTSA Development Office to identify regional and national private sector partners. Increased activity by the UTSA Office of External Affairs to identify support from state and national governmental agencies. Existence of a strong UTSA K-16 Outreach Office and TexPREP Program with experience in collaborating with local school districts and in conducting academic preparedness programs. Strong College of Education and Human Development faculty and staff with extensive experience in designing successful early childhood development and teacher preparation programs. Ability to direct the efforts of Communications team to promote collaborations and partnerships with local community. Extensive experience in providing workforce development programs targeted at small and large businesses through the Institute of Economic Development. Extensive experience in conducting executive masters programs and on-line courses by faculty and staff at UTSA.

Progress Measures.

1. Increase the number of cultural events and programs provided by UTSA for the community.

The UTSA Institute of Texan Cultures is a museum dedicated to enhancing the cultural history, the heritages and futures of Texas, through educational exhibits, products, and programs.

From September of 2004 through mid-July 2005 of this fiscal year, a ten-month period, some 183,735 visitors came to the ITC including those in K-12 school tours and those tours given for college and professional groups. Videoconferencing and Tex-Kit presentations to schools reached 15,543 students in their home schools. Content materials on the ITC web site were used by thousands of students and other interested individuals during the year.

The ITC is now engaged in establishing new priorities for exhibits that will center on the evolution of Texas cultures. Future plans include continuing to produce products and public programs in conjunction with community needs and desires.

2. Expand the total number of programs and participants in K-16 programs conducted by UTSA.
3. Improved academic performance by K-12 students in schools associated with UTSA outreach and enrichment programs.
4. Improved academic preparation of students enrolling at UTSA from the local community.

The Texas Prefreshman Engineering Program (TexPREP) provides a challenging academic program designed to motivate and prepare middle and high school students for success in advanced studies leading to careers in science, technology, engineering, or mathematics fields. TexPREP is a statewide program with an emphasis on increasing the number of women and underrepresented minorities in these fields. TexPREP was established in 1986 with the replication of San Antonio PREP in the following Texas cities: Arlington, Austin, Brownsville, Corpus Christi, Edinburg, El Paso, Fort Worth, Harlingen, Houston, Laredo, and Lubbock. Over 2,600 students participated in the summer program throughout the state and program results through April 2005 include:

- 99.9% graduate from high school
- 96% attend college

- 89% of the college attendees are college graduates
- 78% of the college graduates are members of minority groups
- 50% of the college graduates are science, mathematics, or engineering majors
- 74% of the science, mathematics, and engineering graduates are members of minority groups
- 86% attend Texas colleges

The Ford Partnership for Advanced Studies (PAS) program will be taught to a mixture of third year PREP graduates and non-PREP students. Ford PAS will round out students' math and science training with courses that show them *how to apply* what they have learned through practical application in the areas of entrepreneurship, engineering, global economics, marketing, and environmental sustainability. Ford PAS will be offered both during the summer and year-round as a pilot program at three school districts in San Antonio.

5. Increase the number of students securing internship experiences and employment opportunities with industry.

From September 2004 through April 2005, funded by the Alamo WorkSource, Inc., UTSA offered the following programs and services to low-income, minority and First Generation College (FGCS) bound high school students:

- From September 2004 through April 2005, 220 FGCS students participated in UTSA sponsored "College Experience Days" – a total immersion experience on what's it like to be a college student. Another 118 FGCS were sponsored to participate in UTSA's Pre-Engineering Freshmen Program.
- The Summer Academy was offered at UTSA over two weeks to 50 students from neighboring rural towns and the inner city schools in San Antonio. The Summer Academy offered the Princeton Review Smart Start Course to improve the students' scores on PSAT, ACT, and/or SAT college entrance examinations; the UTSA Tomas Rivera Student Success Skills seminars; the UTSA Career Center "Career Awareness Program;" speakers representing different professions in the local business community; the Junior Achievement Personal Success Skills program; mentoring and tutoring by UTSA students; and two educational and fun-filled field trips.
- More than 700 high school and middle school students participated in the "Alamo Area Career and Education Forum" where 100 professionals from a variety of professional occupations served as speakers and 25 area colleges and universities promoted their academic degree plans on Saturday, February 5, 2005.

6. Increase in the amount of support for UTSA faculty from the private sector and governmental agencies.
7. Increase in the number of students enrolling in programs designed to support the community's workforce preparation needs.

Progress will be determined through setting numerical targets for new businesses served and client economic impacts that contribute to UTSA enrollment growth.

The UTSA Institute for Economic Development (IED) provides consulting, training, technical, research, and information services to facilitate business growth and economic, community, and business development in San Antonio and South Texas. Results from IED activities FY 05 YTD (9 months) as documented with client signatures:

- Consulting services to 4,797 small businesses, with 32,306 consulting hours year-to-date

- Training services to 13,038 small businesses, through 778 workshops year-to-date
- New business formations: 293 year-to-date
- Business expansions: 134 year-to-date
- New capital access: \$65,771,548 debt & equity financing
- Revenue growth: \$89,375,065
- Jobs created: 1,975
- Jobs saved: 973

Major Obstacles.

Limited UTSA financial resources for launching new initiatives and hiring staff for further servicing the community. Currently building needed research infrastructure to support new collaborations with industry partners, especially in the areas of technology transfer and intellectual property sharing. Limited experience by faculty and staff in partnering with industry and in managing collaborations and large-complex projects. Lack of awareness of the extensive resources available at UTSA for the benefit of community due to a limited profiling of the Institution as an educational entity. History of limited funding support from private sector for UTSA.

III. Future Initiatives of High Strategic Importance

A. Create a quality, service-centered environment on campus.

Priority: 1

Objectives.

Through tremendous student growth since 1998 and as the University moves to a Tier 1 status, a campus atmosphere must be created that is more supportive to our overall student community and residential students. This will impact recruitment, retention, and graduation rates at both the undergraduate and graduate levels.

Strategies.

1. Extend on-campus services to better support after-hour student needs.
2. Improve information technology resources to support expansion of technology-based teaching and learning environment.
3. Develop and implement a University-wide initiative to improve customer service.

Resources.

More information technology and campus support service positions will be necessary to successfully accomplish this future initiative. Additional computer hardware and networking will be required.

Progress Measures.

1. Create benchmarks for current on-campus services and set targets for increasing them. A university-wide compliance subcommittee on customer service was established in spring 2005 and will begin to develop performance targets.
2. Track information technology resources improvements relative to teaching and learning environment. Set annual goals and determine organization progress. The development of a tracking mechanism began in Academic Year 2004-05.

3. Develop a campus-wide customer service plan during Academic Year 2004-05. This will be created as part of the university-wide compliance subcommittee efforts.

Major Obstacles.

The major obstacles with respect to this initiative are the availability of adequate financial and human resources to accomplish the first steps. More campus service support and information technology personnel will be needed. Additionally, more information technology equipment will be required.

IV. Other Critical Issues Related to Institutional Priorities

A. Impact of initiatives.

Enrollment Management. The UTSA comprehensive outreach program to communities in South Texas parallels and is in concert with the statewide *Closing the Gaps* initiative. The UTSA outreach initiative enhances student recruitment by developing and cultivating the student pipeline through community engagement. The UTSA outreach initiative is integral to the institution's enrollment management plan that ultimately will impact the college going rates of South Texas communities. Conversely, the institution's visibility in South Texas communities will be heightened by virtue of the outreach initiative.

Diversity of Faculty and Staff. UTSA has implemented a number of initiatives over the past ten years to diversify the composition of faculty and staff. Since fall 2002, about 20 percent of new faculty hires have been individuals from underrepresented minority groups. Women faculty members have increased substantially, also. Plans over the next two years (Academic Year 2004-05 and 2005-06) will emphasize continued diversity efforts in the faculty hiring process.

The University Committee on Affirmative Action and Diversity was reconstituted during the 2003-04 academic year. It is comprised of a variety of faculty, staff, and administrative personnel. This committee will develop initiatives to enhance faculty and staff diversity, determine the campus diversity climate, and provide direction for long-term diversity planning. The level and scope of current organization diversity training will be evaluated, also.

Facilities. There are a variety of facility requirements essential for addressing our institutional priorities. UTSA is planning for approximately \$622 million in facilities construction and improvements from 2004 through 2009. For the 2004-05 Academic Year: fall 2004 will open with the new academic building (Academic 3) opening along with a 1,000-bed dorm and dining hall on the 1604 Campus; the Downtown Campus will expand with acquisition of the BTC building and the Cattleman's Square property; and in spring 2005, new wet lab space will come on line on the 1604 Campus.

In Academic Year 2005-06: the biotechnology building and the sciences and engineering building will open on the 1604 Campus; Parking Garage 3 will come on line (630 car capacity); and connector roads in the East 1604 Campus area will be completed.

In Academic Year 2006-07, more facility completion will occur on the 1604 Campus: Phase 2 of the housing plan will be completed (700 beds); additional wet labs will be added; and the new thermal plant will be operational in the eastern portion of the 1604 Campus; and the University Center expansion will be completed as well as the adjoining parking garage (480 car capacity).

In fall 2008, the expansion of the recreation wellness and childcare center will be completed. Additionally, Phase 3 of the housing plan will be operational. This will provide an additional 1,200 beds (located on 1604 East Campus) and a dining hall.

V. System and State Priorities

[Addressed in previous sections.]

VI. Compact Development Process

The internal process used by UTSA to develop the Compact entailed a visioning process involving the President, Vice-Presidents, and other executive level officials. Related to the visioning process was a parallel goal-setting process in Academic Affairs, Student Affairs, Business Affairs, and Development. The merger of these two initiatives resulted in the development of the UTSA Compact. This Compact will serve as a single tactical document that tracks current University objectives as well as projects future key objectives.

The faculty Senate has been involved in the initial development of the Compact. Members have provided suggestions and comments relative to initiative areas. Additionally, updates on Compact development progress are provided to the Senate during its monthly meetings.

VII. System Contributions

- UTSA will require extensive contributions from fundraising efforts through activities with External Relations.
- Obtaining additional financial aid resources through the efforts of External Relations, Academic Affairs, and Governmental Relations.
- Research infrastructure development is key through activities within Academic Affairs.

VIII. Appendices

A. Budget Summary

**The University of Texas at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2005**

	FY 2004 Adjusted Budget	FY 2005 Operating Budget	Budget Increases (Decreases) From 2004 to 2005	
			Amount	Percent
Operating Revenues:				
Tuition and Fees	\$ 98,287,749	138,370,119	40,082,370	40.8%
Federal Sponsored Programs	40,212,989	47,411,758	7,198,769	17.9%
State Sponsored Programs	8,775,517	8,064,621	(710,896)	-8.1%
Local and Private Sponsored Programs	2,002,566	2,018,360	15,794	0.8%
Net Sales and Services of Educational Activities	6,572,278	5,696,850	(875,428)	-13.3%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	3,835,530	11,710,695	7,875,165	205.3%
Other Operating Revenues	373,095	323,420	(49,675)	-13.3%
Total Operating Revenues	160,059,724	213,595,823	53,536,099	33.4%
Operating Expenses:				
Instruction	76,997,553	87,046,834	10,049,281	13.1%
Academic Support	20,098,910	27,195,579	7,096,669	35.3%
Research	12,948,209	14,038,344	1,090,135	8.4%
Public Service	16,628,769	15,405,351	(1,223,418)	-7.4%
Hospitals and Clinics	-	-	-	-
Institutional Support	26,360,161	33,080,435	6,720,274	25.5%
Student Services	18,871,312	18,985,207	113,895	0.6%
Operations and Maintenance of Plant	16,796,062	24,455,813	7,659,751	45.6%
Scholarships and Fellowships	31,448,419	42,339,763	10,891,344	34.6%
Auxiliary Enterprises	9,292,639	15,150,844	5,858,205	63.0%
Total Operating Expenses	229,442,034	277,698,170	48,256,136	21.0%
Operating Surplus/Deficit	(69,382,310)	(64,102,347)	5,279,963	-7.6%
Nonoperating Revenues (Expenses):				
State Appropriations & HEAF	80,220,143	81,165,462	945,319	1.2%
Gifts in Support of Operations	2,838,382	2,953,680	115,298	4.1%
Net Investment Income	2,259,923	1,914,000	(345,923)	-15.3%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	85,318,448	86,033,142	714,694	0.8%
Transfers and Other:				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(15,676,835)	(18,355,873)	(2,679,038)	17.1%
Other Additions and Transfers	19,184,585	29,566,882	10,382,297	54.1%
Other Deductions and Transfers	(21,031,817)	(30,037,982)	(9,006,165)	42.8%
Total Transfers and Other	(17,524,067)	(18,826,973)	(1,302,906)	7.4%
Surplus/(Deficit)	\$ (1,587,929)	3,103,822	4,691,751	-295.5%
Total Revenues	\$ 245,378,172	299,628,965	54,250,793	22.1%
Total Expenses and Debt Service Transfers	(245,118,869)	(296,054,043)	(50,935,174)	20.8%
Surplus (Deficit)	\$ 259,303	3,574,922	3,315,619	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

B. Statistical Profile

UT San Antonio

<i>fall</i>	2000	2001	2002	2003	2004
Undergraduate enrollment	16,707	17,599	19,244	21,242	22,537
Graduate and professional enrollment	2,123	2,284	2,772	3,423	3,638
Total	18,830	19,883	22,016	24,665	26,175

<i>yr of matriculation</i>	1995	1996	1997	1998	1999
4-year graduation rate	5.2%	5.5%	6.3%	6.3%	6.1%
5-year graduation rate	18.7%	17.8%	18.7%	19.6%	
6-year graduation rate	26.6%	25.5%	27.6%		

<i>yr of matriculation</i>	1998	1999	2000	2001	2002
1st year persistence	58.1%	57.8%	62.8%	60.0%	58.6%

<i>academic year</i>	99-00	00-01	01-02	02-03	03-04
Baccalaureate degrees	2,487	2,590	2,637	2,873	2,912
Master's degrees	616	570	683	641	769
Doctorate degrees	4	4	5	6	5

<i>fall</i>	2000	2001	2002	2003	2004
All instructional staff	949	999	1,089	1,159	1,312
Classified employees	1,184	1,429	1,477	1,434	1,509
Administrative/professional employees	300	330	387	632	742
Student employees	547	608	627	717	870

<i>fiscal year</i>	2000	2001	2002	2003	2004
Federal research expenditures	\$7,421,650	\$8,032,790	\$7,641,990	\$10,049,314	\$11,705,185

<i>fiscal year</i>	2000	2001	2002	2003	2004
Revenue/FTE student (nearest thousand)	\$10,000	\$10,000	\$9,000	\$9,000	\$9,000

<i>as of</i>	8/31/99				8/31/04
Endowment total value	\$20,675,000				\$30,218,000

Vision

The University of Texas at San Antonio is creating the future of Texas by developing leaders for a multicultural society and by building innovative partnerships that will transform the economy of the region.



Mission

The University of Texas at San Antonio is a premier public institution of higher education with a growing national and international reputation. Renowned as an institution of access and excellence at both the undergraduate and graduate levels, UTSA is committed to research, discovery, learning, and public service. UTSA embraces the multicultural traditions of Texas, serves as a center for intellectual and creative resources, and is a catalyst for the economic development of Texas.



Strategic Goals

- Enhance research and post-graduate learning.
- Attract a diverse student body and maximize each student's success.
- Create future leaders through a transformational life experience.
- Enhance infrastructure to maximize learning and discovery.
- Leverage partnerships to improve the economy of the region.
- Instill a sense of pride and ownership in UTSA.



Enhance research and post-graduate learning

- **Accomplishments**
 - Implementation of PhD in Counseling and Masters in Social Work and Communications
 - Approval of PhD in Chemistry and Physics
 - Doctoral enrollment increased by 69 students (31%); 222 students (331%) since 1999
 - Increased Doctoral Degrees granted from 4 in 2003 to 10 in 2004 academic year (summer not yet included)
 - Increase of 35% in research funding since 1999 and 12% since last year
 - Acquired funding for 6 new endowed chairs and professorships



Attract a diverse student body and maximize each student's success

- **Accomplishments**
 - Increase in total enrollment of 1,510 students (6%) from 2003-04; 41% since 1999
 - 13% increase in students from outside of Bexar County from 2003 to 2004; 73% since 1999
 - African-American student population has increased 75% since 1999; 17% from 2003 to 2004
 - 5% increase in degrees awarded from 2002-2003 to 2003-2004; 19% since 1999
 - 6% increase in 6-year graduation rates over last 5 years



Create future leaders through a transformational life experience

- **Accomplishments**
 - Hired 75 new tenure-track faculty this year
 - Increased academic support staff
 - Added 1,000 bed housing complex and expanded campus life programming
 - Expanded learning communities, supplemental instruction and other student success programs



Enhance infrastructure to maximize learning and discovery

- **Accomplishments**

- Added 90,000 square foot building which houses the School of Architecture at the Downtown Campus
- Opened 219,000 square foot Main Building which houses two colleges, classrooms, and labs
- Improved services including automation of travel and human resources processes
- Moved to Internet 2 and established centers for wireless communication



Leverage partnerships to improve the economy of the region

- **Accomplishments**

- Provided training and consultation to 25,000 small businesses
- Created partnership with Southwest Research Institute for PhD in Physics
- Established the Institute for the Protection of American Communities (IPAC)
- Partnered with school districts and communities to strengthen K-16 education
- Created international exchange programs in China, Italy and Mexico



Instill a sense of pride and ownership in UTSA

- **Accomplishments**

- Hosted 35th Anniversary Celebration
- Honored Gov. Dolph Briscoe at President's Dinner and raised \$1.4 million for scholarships
- Established annual giving call center and added 2,000 new alumni donors
- 38,204 guests attended UTSA's graduation ceremonies in the past year
- Over 350,000 adults and students visited UTSA's Institute of Texan Cultures
- UTSA now has over 60,000 alumni



The University of Texas at Arlington
Compact with The University of Texas System
FY 2006 through FY 2007

I. Introduction

The University of Texas at Arlington is a Carnegie Doctoral Research Extensive institution whose mission is the advancement of knowledge and the pursuit of excellence in research, teaching, and public service. The institution is authorized by the Texas Higher Education Coordinating Board to offer 92 baccalaureate, 76 master's, and 35 doctoral degree programs. The mission statement supports comprehensive academic research; attracting and retaining high quality faculty scholars who actively engage students; a well-rounded academic experience promoting student involvement, service learning, and free discourse; alternative access venues to meet students' needs; and the development of public and private partnerships.

As an emerging major research university within The UT System, the institution serves over 25,000 students, including more than 6,000 graduate students. Presently, as in the past, the primary student base is the Dallas-Fort Worth-Arlington area and surrounding regions. In fall 2004, 10,651 (42.1%) students listed Tarrant County as their county of origin and 5,014 (19.8%) listed Dallas County. Approximately one-third of the graduate student population, however, is from outside the U.S. The student body is non-traditional in many ways. Most students enter UT Arlington as transfers, many with 60 or more hours already completed. The average age of students in fall 2004 was 26, and 34.5% attended the University on a part-time basis. According to the 2004 Student Survey, 73% of UT Arlington students hold jobs with 43% working more than 20 hours per week. It should be noted, however, that the cohort of traditional first-time freshman is growing. The size of the incoming freshman class has almost doubled since 1999, reaching 1,985 in fall 2004. These students have an average age of 18, almost all attend full-time, and approximately 41% live in campus residence halls or apartments. Ethnic enrollment illustrates the diversity of the UT Arlington population. In fall 2004, the overall student body was 12.2% African American, 11.7% Hispanic, 9.6% Asian, 0.6% Native American, and 11.9% International. It is estimated that the Hispanic student population will be UT Arlington's fastest growing student segment in the coming decades.

The University of Texas at Arlington is the second largest employer in the City of Arlington, utilizing over 4,900 persons in a variety of teaching and non-teaching positions. In fall 2004, there were 1,081 instructional faculty (not including graduate teaching assistants), 758 of whom were full-time, and 551 of whom were tenured or on tenure track (T/TT). The full-time faculty is approximately 36% female and 19% minority. Approximately 85% of the full-time faculty hold doctorates or other terminal degrees. Research expenditures generated by this faculty topped \$22 million in FY2004.

With an annual budget of \$310 million, the institution plays a critical role in the economic and social well being of the region, through direct and indirect expenditures, enhanced earning potential of its graduates, and improvements to the community's social and cultural fabric. A 2000 study estimates that UT Arlington's annual impact on local business volume exceeds \$260 million in Arlington and \$487 million in the Dallas/Fort Worth region. At present, the University owns about 400 acres of land in central Arlington, and 15 acres in Fort Worth. The UTA/Fort Worth Education Center offers classes on the site of the Automation and Robotics and Research Institute (ARRI).

II.A. Major Short-Term Priorities and Initiatives

The University of Texas at Arlington has three major short-term priorities and initiatives: (1) an excellence initiative with significant hiring of new research faculty and improvement in supporting systems and facilities, (2) a long-range visioning and planning exercise, and (3) expansion of the UTA/Fort Worth Education Center programming and enrollment.

Excellence Initiative I

In order for UT Arlington to continue on its trajectory of improvement as a Carnegie Doctoral Extensive Research Institution, it is most important to enhance the academic profile and overall reputation of the institution, increase and strengthen research programs, and establish a center of research excellence. Nine (9) objectives, established by the institution's internal constituencies, should be reached to achieve the desired short-term improvement level. The objectives include: (1) improving the overall academic reputation of UT Arlington, (2) raising the national rankings of selected programs, (3) improving the academic profile of the student body, (4) increasing the retention rates of enrolled students, (5) decreasing the time to graduation for enrolled students, (6) increasing the level of scholarly and creative activity, (7) increasing the level of sponsored research, (8) establishing a center of research excellence focused on nanotechnology, and (9) fueling technology-driven economic development. These objectives are related to the following institutional goals: enhancing the quality of UT Arlington's research environment, sustaining an ongoing effort to make the salary structure for faculty and staff fully competitive with peer universities, and aggressively promoting the university as a nationally respected university and the best comprehensive university in the region.

To achieve the first six objectives listed above, the Office of the Provost will continue moving forward with the application process for securing a Phi Beta Kappa (PBK) chapter.

UPDATE: An application was submitted requesting a site visit and consideration for a PBK chapter. The request was denied and constructive feedback was supplied regarding steps that must be taken prior to a successful application. Key steps are (1) improved graduation rates and (2) instituting a foreign language requirement across all fields. We will strive to accomplish the former and are taking many steps to ensure progress. The latter, however, is problematic given our mix of programs (e.g., engineering and various professional programs with accreditation-mandated, intensive credit hour requirements in the discipline). Given this we do not intend to pursue a PBK chapter in the near term.

Within the appropriate academic bodies, transfer student admission standards and graduate student admission standards will be reviewed and recommended to the UT System for increase. These steps follow upon the recent Board of Regents' approval to increase first-time freshmen admission standards.

UPDATE: New transfer admission standards have been approved and will be implemented for Fall 05. Graduate admission standards are being reviewed on a program by program basis.

Enhancement of UT Arlington's profile and reputation require financial investment in the University's faculty and recruitment of quality students. Faculty salaries must be reviewed and increases made to move them toward regionally competitive levels. The estimated cost of this endeavor over the next two years is \$3.5 million with funding derived from enrollment and designated tuition increases. An additional investment in faculty members will be accomplished through the establishment of a faculty mentoring program. It is believed that the camaraderie generated by this program will improve faculty retention and satisfaction.

UPDATE: A comprehensive salary review has been completed. UTA faculty salaries have been compared by discipline and faculty rank to all Doctoral Extensive institutions as well as peer institutions identified in the UT System Accountability Report. Limitations on tuition changes have restricted funds available for salary increases. A 3% merit pool will be provided for faculty salary increases effective September 2005. The faculty mentoring program was established, and 32 new faculty were matched with mentors.

To attract quality students, UT Arlington will dedicate \$100,000 of its increased designated tuition funds to recruit and retain national merit scholars. To enhance doctoral level enrollments, \$195,000 from the enhanced designated tuition financial aid set-aside will be used to fund one-year doctoral dissertation fellowships, and an additional \$300,000 will be used for Ph.D. engineering and science student fellowships to offset designated tuition and fees. Additionally, the University will continue to increase its investment in the Computer Science and Engineering "Top 25 Initiative" by providing \$750,000 in faculty

hires and start up costs for 2004-2005. The source of these funds will be the enhanced designated tuition.

UPDATE: These funds were made available as indicated.

It is believed that an increase in sponsored research can be achieved by the implementation of a number of strategies. First, UT Arlington has established an Academy of Distinguished Scholars to recognize, reward, and promote research excellence. Inductees receive a \$2,500 salary increase and recognition at a university-wide ceremony. The annual cost of the initial inductees will be \$25,000.

A special effort will be made to hire established, senior-level faculty members who can bring funding and recognition to UT Arlington in key areas. The estimated cost of adding these senior research productive faculty is \$1.9 million in annual salaries and \$2.5 million in one-time start up costs. These items will be funded from designated tuition increases and academic "balance forward" funds. It is expected that an additional \$2.7 million in salary funds and \$3.9 million in start up funds can be provided in 2005-2006 to retain the progress of this crucial strategy.

UPDATE: Faculty hires were completed as described. Twenty-six new faculty have been hired, and searches are still underway for several replacement faculty.

To further assist these research faculty members, over \$900,000 in increased designated tuition funds will be directed to making graduate assistant stipends more competitive. In addition to these funded items, collaborations across campus and with other institutions will be encouraged with specific assistance provided to faculty seeking large grants and/or congressional earmarks in areas of national need. Ongoing industrial partnerships, such as the recently signed agreement with Vought, the MOU with Sandia National Laboratories, and the Metroplex Medical Imaging initiative will be supported with targeted faculty hires, and new industrial partnerships will be fostered where appropriate for the University's mission. UTA's Grants and Contracts Office will work with each college/school to increase the number of research proposal submissions. An estimated \$65,000 will be dedicated to increase the staffing in that unit to carry out this task.

UPDATE: Funds were added to the Office of Research, and a new Director of Research Compliance was hired. Small seed grants have been provided to encourage faculty collaborations with researchers at The University of Texas Southwestern Medical Center at Dallas (UTSW), The University of Texas at Dallas (UTD), Rice University, The University of Texas at Austin, and University of North Texas Health Science Center (UNTHSC).

The final two objectives listed above, a nanotechnology research center of excellence and technology-driven economic development will be supported by six specific strategies. Over \$1 million will be spent on improvements to the NanoFAB center to accommodate new faculty hires and new instrumentation. The source of these funds will be increased designated tuition funds and the allocation of balance forward funds. Space for a new Center for Nanostructured Materials will be provided in the new chemistry and physics building, currently under construction on campus, and expected to be completed in early 2006. The Grants and Contracts Office and the Arlington Technology Incubator will encourage the development of large-scale, cross-cutting nanotechnology center research proposals and facilitate technology transfer of intellectual property. The Institute for Nanoscale Science and Engineering Research and Technology (INSERT) will be included as a national demonstration project in Arlington to promote workforce development, and INSERT laboratories will be used for training students interested in nanotechnology. Lastly, a vehicle will be developed to engage the Hispanic population of Texas as a workforce initiative within the Nano-at-the-Border Memorandum of Agreement.

UPDATE: NanoFAB facilities renovations were completed in AY 2004-05, and supporting faculty hires were made.

Progress measures for the above objectives and strategies are:

Progress Measure	Report
The number of graduate programs ranked in the top 50 by US News & World Report in AY2006-07 compared to AY2004-05	In 2004, the School of Urban and Public Affairs ranked 26 th in the specialty category of City Management and Policy Administration and the School of Social Work ranked 33 rd among graduate social work programs.
% of entering degree-seeking freshman in Fall 2005 who ranked in the top 10% of their high school class, compared to % in the Fall 2003 cohort	Fall 02: 15.5% Fall 03: 15.5% Fall 04: 19.6%
% of entering degree-seeking freshman in Fall 2005 who ranked in the top quartile of their high school class, compared to the % in the Fall 2003 cohort	Fall 02: 42.4% Fall 03: 48.6% Fall 04: 58.4%
Mean SAT scores of entering freshman cohort in Fall 2005 compared to Fall 2003	Fall 02: 1046 Fall 03: 1081 Fall 04: 1077
Number of National Merit Scholars enrolled at UTA in Fall 2005 compared to Fall 2003	Fall 02: 2 (2 new) Fall 03: 7 (5 new) Fall 04: 9 (3 new)
Funds awarded for graduate assistantships in FY2006 compared to FY2004	FY02: \$7,744,051 FY03: \$9,621,643 FY04: \$10,329,011
One-year retention rate for first-time full-time degree seeking freshmen entering in Fall 2004 compared to the Fall 2002 cohort	Entered Fall 02, retained in Fall 03: 70.4% Entered Fall 03, retained in Fall 04: 68.8%
Median time to degree for bachelor's recipients in AY2004-05 who started at UTA as first-time freshmen, compared to those who graduated in AY2002-03	AY02-03 bachelor's recipients: 16.0 semesters AY03-04 bachelor's recipients: 14.0 semesters (Note: Based on 3 semesters per academic year.)
Number of tuition fellowships awarded to PhD track students in FY2007 compared to FY2005	N/A – Program to begin in Fall 05
Number and percent of FTE tenured/tenure-track faculty holding extramural grants in FY2006 compared to FY2004	FY02: 114 or 24% FY03: 108 or 22% FY04: 133 or 27%
Total research expenditures in FY2006 compared to FY2004	FY02: \$21,072,961 FY03: \$23,314,937 FY04: \$22,417,131
Research expenditures by funding source in FY2006 compared to FY2004	FY04: Federal = \$11,093,256; State = \$7,935,643; Private = \$3,290,228; Local = \$98,003
Total federal research expenditures in FY2006 compared to FY2004	FY02: \$7,923,657 FY03: \$7,993,576 FY04: \$11,093,256
Number of funded research projects at or above the level of \$1 million per year in FY2006 compared to FY2004	FY02: 4 FY03: 4 FY04: 5
Number of patents filed in FY2006 compared to FY2004	FY02: 5 FY03: 11 FY04: 9
Number of PhD track students enrolled in Fall 2005 compared to Fall 2003	Fall 02: 668 Fall 03: 820 Fall 04: 859
PhD track students as percentage of total graduate student population in Fall 2005 compared to Fall 2003	Fall 02: 10.8% Fall 03: 13.4% Fall 04: 13.9%
Number of PhD degrees awarded in FY2006 compared to FY2004	AY01-02: 71 AY02-03: 62 AY03-04: 75

To achieve this Excellence Initiative, two related initiatives have been undertaken, i.e., the implementation of a new student information system (SIS) and the maintenance, renewal, and construction of appropriate facilities. UT Arlington is at some risk because the existing student records system is largely legacy based. Embedded within the current system are a number of outmoded business processes and a lack of real-time access. A new integrated SIS is related to the institutional goals for a state-of-the-art information technology environment and enhancement of the effectiveness and efficiency of university operations. The computer and technology fee has been significantly increased to cover the cost of the project with an annual set aside of \$2.5 million. During a two-year implementation, current estimates for hardware/software total \$10.5 million. Additional personnel costs during this phase could

be \$1.5 million. Debt financing will be needed to implement the system on a short-term basis. At this time, a document imaging project is also underway to prepare business processes for a new SIS.

UPDATE: The People Soft Student Information System conversion was launched. An oversight committee was constituted, a charter was developed, and a risk analysis was conducted. Orientation and “fit gap” sessions were conducted and a co-location site was secured for the project team in January 2005.

The progress measure for the implementation of the SIS is:

Progress Measure	Report
Ratings received on the four QA reports to be compiled by Cedar over the life of the project	The first QA Report, completed in March 2005, found the project to be on time and under budget, and showed an overall rating of “Excellent”

Changes in the academic structure require facility maintenance and renewal, new construction projects, land acquisitions, major facility renovations, and space programming. To achieve this, UT Arlington must provide (1) well maintained, safe, code compliant facilities; (2) sufficient space to support enrollment increases and research activities; (3) sufficient land area to build upon; (4) renovated facilities to meet changing space needs; and (5) effective space planning to determine future space needs and adherence to the Campus Master Plan. These objectives are related to the institutional goals for a supportive learning environment that contributes to student success, to enhance the quality of UT Arlington’s research environment, and to enhance the effectiveness and efficiency of university operations. Six strategies will be undertaken to achieve these objectives. Projects outlined in the THECB MP Reports to address deferred maintenance and the Capital Renewal Model will be completed. \$19 million is needed to address the backlog, and an average of \$5-6 million is needed to address annual capital renewal needs. Additional state appropriations have been requested and \$1-2 million of the University’s LERR request will be allocated to this endeavor, but beyond that point, no other funds are available at this time. UT Arlington will continue working toward completion of the \$20 million in projects outlined in the 2002 Schirmer Report to achieve fire and life safety code requirements. Funding to date has been from the PUF, auxiliary enterprise fund balances, and RFS bond proceeds. Additional state appropriations have been requested. Construction of new facilities to include the Chemistry and Physics Building, the Studio Arts Center, University Center Cafeteria Addition, and KC Hall have been completed. Meadow Run Apartments-Phase II will be completed in July 2005, and the Chemistry and Physics Building will be completed in November 2005. \$81,804,445 is being funded through tuition revenue bonds, PUF bonds and revenue financing system bond proceeds. Additional property within the approved boundary acquisition area will be acquired over the next several years. \$9,450,000 is estimated for this endeavor, to be funded with designated tuition, unexpended plant funds balances, and auxiliary enterprise balances. Space renovations in the NanoFAB Teaching and Research Building, Life Sciences Building, and Fine Arts Building will be completed in FY 2005. \$3.3 million has been allocated to complete the projects. Excellence funds, plant fund balances and an allocation from Indirect Cost Recovery funds were the payment sources. Lastly, \$35,000 in space planning and preliminary programming efforts for the Engineering Research Building to be constructed on the main campus has been accomplished and paid for from plant fund balances.

UPDATE: The Engineering Research Building received an “Excellent” rating from the Texas Higher Education Coordinating Board for Tuition Revenue Bond consideration, and is currently on the “special consideration” list with the Legislature.

Funding is the major obstacle for all facility projects. Progress measures for these strategies include:

Progress Measure	Report
Accumulated deferred maintenance (ADM) less than 5% of total for Building Replacement Cost as measured annually	In FY04, ADM of \$19,127,000 was 4.35% of Building Replacement Cost (\$439,251,631)
Completion of scheduled life safety, fire and security code compliant projects to be documented by annual progress reports generated from the Schirmer Report database	To date, 849 of the 1,485 items listed in the 2002 Schirmer Report have been completed at an estimated cost of \$7.4 million
Maintaining construction schedules as documented by comparing the schedules to the Capital Improvement Plan	In FY04, all projects were completed as scheduled in the Capital Improvement Plan
Adherence to the facility renovation schedule as documented by the Annual Report	In FY04, 109 renovation projects were completed as scheduled at an approximate cost of \$48,000,000
Comparison of classroom and lab utilization rates in Fall 2003 to Fall 2006	Classroom – Fall 03: 29.1 Fall 04: 31.8 Lab – Fall 03: 24.5 Fall 04: 22.0
Maintaining an acceptable Facility Condition Index	Not yet available

Visioning and Planning Exercise

UT Arlington is at a crossroads. Enrollments have returned to record levels, and the student body is becoming more “traditional”. The university has devoted an increasing number of resources to enhancing its research profile and to securing federal funding. Community interest in the institution is at an all-time high. All of these indicators point to the need for a comprehensive visioning and planning exercise. Issues that need to be addressed include: (1) areas and levels of future growth, (2) specification of targeted areas of excellence, (3) the development of resource allocation models and performance metrics, and (4) possible revision of the campus master plan. This exercise is related to the institutional goals for a supportive learning environment that contributes to student success and results in a technologically advanced workforce, to enhancement of the quality of the university's research environment, to enhancement of the effectiveness and efficiency of university operations, and to increasing collaboration with health institutions. Four key strategies will be undertaken in support of these objectives. First, the entire campus community has been engaged in a broad-based visioning and planning exercise. Second, when the draft visioning and planning document is complete, it will be shared with members of the Arlington community for input. Third, the final visioning document will be used to build a comprehensive university case to assess donor readiness for a future capital campaign. And fourth, the academic plan which emerges from the planning process will be utilized to update the campus master plan, thus ensuring the physical development of the campus aligns with the university's academic plan.

Progress will be evaluated by timely completion of the following steps:

Progress Measure	Report
Completion of the steps outlined in the planning framework:	
1) President's strategic conversations with various universities (Fall 2004/Spring 2005)	Completed
2) SWOT Analysis conducted by Strategic Planning Committee (January – March 2005)	Completed
3) Deans' Planning Retreat (April 2005)	Completed
4) Draft of goals and objectives for Strategic Plan (May 2005)	In progress
5) Review of draft goals and objectives by campus community (September – October 2005)	
6) Final version of goals and objectives (December 2005)	
7) Responsible parties develop action plans for goals and objectives (Spring 2006)	
8) Final version of UTA Strategic Plan for 2006 – 2010 completed (May 2006)	

UTA/Fort Worth

UTA/Fort Worth began offering programs to meet the needs of working students and to provide access to students who lack public transportation options in Arlington. Currently, the center is sharing space with the Automation Robotics and Research Institute (ARRI), offering a program at Bell Helicopter/Textron, and teaching courses on two Tarrant County College (TCC) campuses. Due to space limitations at the ARRI and TCC locations, and due to security limitations at the Bell Helicopter site (both major obstacles), UT Arlington must seek alternatives for its Fort Worth Center. The objectives of this initiative are to increase enrollment at UTA/Fort Worth and to expand academic programs offered through UTA/Fort Worth. These objectives are directly tied to the State Closing the Gaps access goals. UT Arlington will include new lease space in Fort Worth in its space planning and preliminary programming efforts. This will include approximately 20,000 sf for offices, classrooms, lounges and a library with a delivery date of Spring 2006. Lastly, Fort Worth Center officials will identify temporary space for program expansion.

UPDATE: Two site selection studies were completed. Special item funds have been requested to equip future lease space. A new UTA/Fort Worth interim director was put in place in December 2004. Possible lease space alternatives in downtown Fort Worth have been located and are being assessed for possible Spring 2006 occupancy.

Progress measures will be:

Progress Measure	Report
SCH generation in courses offered through UTA/Fort Worth in Fall 2005 compared to Fall 2003	Fall 03: 2,178 Fall 04: 2,178
Headcount enrollment at UTA/Fort Worth in Fall 2005 compared to Fall 2003	Fall 03: 726 Fall 04: 726
Number of courses offered through UTA/Fort Worth in Fall 2005 compared to Fall 2003	Fall 03: 25 courses in 14 subjects Fall 04: 27 courses in 14 subjects

II. B. Major Long-Term Priorities and Initiatives

On a longer term basis, UT Arlington plans to continue its excellence initiative accompanied by further facilities and information technology upgrades. The campus will take its nanotechnology objectives to another level with the establishment of a Bioscience and Bioengineering Research Center of Excellence. By this time, the university also expects to be in a position to greatly enhance its development efforts. The institution is still in the process of identifying funding resources for these initiatives.

Excellence Initiative II

The most important long-term initiative UT Arlington can undertake is to continue to enhance its academic profile and overall reputation, expand its research programs, and establish centers of research excellence. The objectives identified within the Excellence Initiative I are applicable on a continuing basis because they constitute the heart of the institution. It is expected that, in the long term, the establishment of new centers of research excellence will move beyond nanotechnology to emerging areas on the cusp of scientific, engineering, and academic exploration. These excellence goals relate to the following institutional goals: enhancing the quality of UT Arlington's research environment, sustaining an ongoing effort to make the salary structure for faculty and staff fully competitive with peer universities, and aggressively promoting the university as a nationally respected university and the best in the region. Eight strategies will be implemented to meet the objectives: (1) an increase in funds will be needed for the purchase and renewal of research equipment; (2) a new research magazine will be published showcasing the University's research activities; (3) a systematic review and improvement of center, laboratories, and libraries will commence; (4) funds to improve faculty salaries will be identified and awarded; (5) faculty teaching workloads will be evaluated and restructured where appropriate; (6) endowed professorships will be created and filled in targeted areas of excellence; (7) additional research

faculty will be hired in targeted areas; and (8) fellowships to offset tuition and fees will be provided for Ph.D. students in science and engineering.

Identified progress measures include:

Progress Measure	Report
The number of graduate programs ranked in the top 50 in AY2006-07 compared to AY2004-05	
One-year retention rate of first-time full-time freshman cohort entering in Fall 2008 compared to Fall 2004 and Fall 2006 cohorts	
Four-, five-, and six-year graduation rates of full-time freshman cohorts entering in Fall 200 and Fall 2005 compared to Fall 2002 and Fall 2003	
Two-, three- and four-year graduation rates of full-time transfer students entering with more than 60 hours in Fall 2007 and Fall 2008 compared to Fall 2002 and Fall 2003	
% of entering freshman in Fall 2008 graduating in top 10% and top high school quartile compared to Fall 2003 cohort	
Mean and median SAT scores of entering freshman cohort in Fall 2008 compared to Fall 2003 and Fall 2005	
Number of National Merit Scholars among entering freshman class in Fall 2008 compared to Fall 2003 and Fall 2005	
Funds awarded for graduate assistantships in FY2009 compared to FY2006 and FY2004	
Number of tuition fellowships awarded to PhD track students in FY2009 compared to FY2007 and FY2005	
Total research expenditures in FY2009 compared to FY2006 and FY2004	
Total federal research expenditures in FY2009 compared to FY2006 and FY2004	
Number of funded research projects at or above the level of \$1 million per year in FY2009 compared to FY2006 and FY21004	
Number of patents filed in FY2009 compared to FY2006 and FY2004	
Number of PhD track students enrolled in Fall 2008 compared to Fall 2005 and Fall 2003	
PhD track students as percentage of total graduate student population in Fall 2008 compared to Fall 2005 and Fall 2003	
Number of PhD degrees awarded in FY2009 compared to FY2006 and FY2004	
Number of endowed professorships and percent filled in FY2009 compared to FY2006 and FY2004	

Related facility and information technology infrastructure changes will be required as part of the drive for excellence. In addition to the five objectives described under the Excellence I Facilities Initiative, a sixth objective will be to expand the pervasiveness of information technologies to secure anytime/anywhere access. These objectives relate to the enhancement of four institutional priorities, i.e., a supportive learning environment that contributes to student success, the quality of UTA's research environment, support for a state-of-the-art information technology environment, and the effectiveness, efficiency, and security of university information operations.

Finally, these Facility Planning goals and objectives are related to the following Institutional, System and/or State strategies: (1) "Closing the Gaps" – New buildings will provide additional space allowing more students to attend UTA (Participation and Success); (2) "Closing the Gaps" - New and renovated science and research buildings / space will enhance the university's ability to recruit faculty and compete

successfully for research funding (Research and Excellence); and (3) "Closing the Gaps" – Integration of technology into instruction will provide additional tools for the delivery of academic programs (Success). Numerous strategies will be undertaken to meet these objectives and support the academic enterprise:

- Continued progress toward addressing deferred maintenance and capital renewal projects.
- Continued progress toward addressing the projects outlined in the Schirmer Report to achieve compliance with fire and life safety code requirements for existing facilities.
- Secure funding for the construction of the Engineering Research Building and a Bioscience and Bioengineering Building.
- Property acquisitions within the approved boundary acquisition area in accordance with the Campus Master Plan (May 2000) to support the continued growth of the campus.
- Science Hall space renovations (after completion of the Chemistry and Physics Building) to meet pressing academic and research space requirements.
- Update the Campus Master Plan to properly align with the academic plan.
- Expansion and upgrades to the IT infrastructure, specifically network, servers and storage systems, and network and security services will be required. The budget for funds collected from the computer and technology fee will be planned to maximize IT infrastructure development.
- A campus wireless infrastructure connected to the campus backbone wired network will be built.
- A campus technology refresh plan will be completed and implemented.
- The project to upgrade network switches from 3Com to Cisco will be completed permitting a full 1 gigabit backbone network with attendant full use of network control software.
- 640 MB/sec or greater connectivity to Internet II or Lambda Rail network.
- A vulnerability analysis will be completed and actions taken to secure the infrastructure. These actions include the hiring of additional IT security personnel, implementation of a campus-wide firewall system, takeover of the College of Engineering network, and other related security measures.
- A full-scale disaster recovery plan will be implemented.

Progress measures would be similar to those in the short-term priorities section above plus the following:

Progress Measure	Report
Deferred maintenance to building replacement cost value < 5%	

Bioscience and Bioengineering Research Program

The 21st century will be known as the century of explosive progress in the life sciences. Furthermore, the life sciences arena holds the largest potential for increased funding at the university. Coupled with the notion of convergence in nanotechnology, biotechnology, information technology, and cognitive research, UTA has formed a converging Bioscience and Bioengineering Center (BBC). The center engages approximately 25 faculty members in engineering and science and exists to foster development of cross-disciplinary research areas that require contributions from several units. Three major areas of emphasis include: (1) the related areas of bioinformatics, genomics, (2) biocomplexity, computational biology and biostatistics; and (3) biomedical device, tissue engineering, imaging and sensor development. To achieve this initiative, UT Arlington will leverage crosscutting university resources and activities with local government and business to increase federal funding of research and the stature of its biotechnology research. Institutional goals related to this priority are enhancement of the quality of the research environment and aggressive promotion of UT Arlington as a national respected university and the best in the region. Specific strategies related to this endeavor will include: (1) focused faculty hiring in biotechnology related fields with appropriate startup funding; (2) targeted seed funding of new biotechnology proposals; (3) continued infrastructure development with an anticipated federal earmark for the BBC under consideration by Congress; (4) large-scale, crosscutting biotechnology center proposals; (5) technology transfer of intellectual property into the Arlington Technology Incubator (ATI)

will be encouraged and facilitated; (6) training for students interested in biotechnology; (7) development of interdisciplinary degree programs in genomics and bioinformatics; (8) convergence of the nanoscience, MEMs, genomics (gene chips etc) and sensor design efforts to create a nanobio program; and (9) collaboration with UT Southwestern Medical Center and UT Dallas to partner on research.

Progress measures could include:

Progress Measure	Report
Number of new faculty members hired into BBC since Fall 2004	
Number of proposals submitted by BBC faculty during AY2008-09	
External research funding for BBC during FY2009	
NIH funding for BBC in FY09 compared to FY06	
% of square footage in Life Science renovated by the end of FY2009	
Number of collaborative projects with UT Southwestern and UTD in related areas in FY09 compared to FY06	

Development Initiative

UT Arlington is currently restructuring its development office. With a new development vice president in place, development efforts will be aligned with the university's vision identified in the short-term priorities listed above. This alignment and the related efforts is expected to increase the contribution to the university budget for programmatic and capital needs derived from private external sources through operational support and increased endowment income. It is essential that external resources are garnered in order to aggressively promote UTA as a nationally respected university and the best university in the region. Specifically, the Office of Development will (1) expand and empower the network of university friends and advocates to carry UTA's established branding message and secure critical external support; (2) build relationships with more donor prospects/donors through a systematic, consistent and expanded major gifts initiative; (3) complete feasibility studies initiated in the short-term; evaluate results to determine capital campaign readiness; (4) refine the university case statement based on results of assessments; (5) leverage greater alumni support through increased percentage of giving through the Annual Fund; (6) launch a comprehensive university capital campaign; and (7) reorganize development infrastructure to provide a dedicated development officer to major academic units.

Progress measures may include:

Progress Measure	Report
% of alumni who hold membership in Alumni Association in FY2009 compared to FY2004	FY03: 3.8% FY04: 4.1%
Donor support (\$\$) in FY2009 compared to FY2004	FY03: \$6,275,607 FY04: \$4,728,540
% of alumni donating to UTA in FY2009 compared to FY2004	FY03: 3.2% FY04: 3.4%
Alumni donations (\$\$)	FY03: \$395,107 FY04: \$562,340

III. Future Initiatives of High Importance

The highest priority in the short-term, intermediate, and long-term is continuance of the Excellence Initiative and accompanying upgrades in facilities and technology infrastructure. For UT Arlington to advance in stature, it must continue to enhance its academic profile and overall reputation, significantly increase its research faculty and programs, and establish additional centers of research excellence. To meet this priority, objectives will be similar to the aforementioned items but will be updated for emerging

areas and technologies as resources allow. At this time, it is anticipated that the following institutional, System, and state goals will remain unchanged:

- Enhancing of the quality of UT Arlington’s research environment,
- Expanding the research infrastructure on campus,
- Sustaining an ongoing effort to make the salary structure for faculty and staff competitive with peer institutions,
- Aggressive promotion of the university as a national respected university and the best in the region,
- A commitment to a supportive learning environment that contributes to student success,
- Enhancing the effectiveness and efficiency of university operations,
- “Closing the Gaps,” and
- Maintaining and renewing facilities to meet the changing needs of the university.

As such, specific strategies will also be similar to those outlined in the short-term and intermediate term sections above. To measure the outcomes of these actions, the following comparisons could be made:

Progress Measure	Report
Total research expenditures in FY2014 compared to FY2009	
Total federal research expenditures in FY2014 compared to FY2009	
Number of patents filed in FY2014 compared to FY2009	
Number of active funded projects at or above the level of \$1 million per year in FY2014 compared to FY2009	
Number of PhD track students enrolled in Fall 2013 compared to Fall 2008	
PhD track students as percentage of graduate student population in Fall 2013 compared to Fall 2008	
Number of PhD degrees awarded in FY2014 compared to FY2009	
Number of tuition fellowships awarded to PhD track students in FY2014 compared to FY2009	
% of entering freshman in Fall 2013 graduating in top 10% or top high school quartile compared to Fall 2008	
Mean and median SAT scores of entering freshman cohort in Fall 2013 compared to Fall 2008 cohort	
Number of National Merit Scholars among entering freshman class in Fall 2013 compared to Fall 2008	
Number of graduate programs ranked in the top 50	
One-year retention rate of first-time full-time freshman cohort entering in Fall 2013 compared to Fall 2008	
Four-, five- and six-year graduation rates of full-time freshman cohorts entering in Fall 2009 and Fall 2010 compared to Fall 2005 and Fall 2006	
Two-, three- and four-year graduation rates of full-time transfer students entering with more than 60 hours in Fall 2009 and Fall 2010 compared to Fall 2005 and Fall 2006	
Number of endowed professorships and percent filled in FY2014 compared to FY2009	
Average weekly hours of classroom and class lab use in Fall 2013 compared to Fall 2008	
Assignable square feet per FTE student in Fall 2013 compared to Fall 2008	
Facilities condition index in AY2013-14 compared to AY2008-09	

IV. Other Critical Issues Related to Institution Priorities

A. Impact of Initiatives

The essence of the excellence strategies is to gradually change the shape of UT Arlington's student profile. The intent is not to eliminate growth, rather to slow it and shape it in selected areas. The exponential growth experienced in the past few years has caused some structural issues in a few units so future growth must be managed in a way that ensures enhanced program quality and addresses the research mission of the university. Changes in admission standards have been carefully analyzed and set to avoid undesired impacts on diversity improvements. It is expected that the recent and future changes in standards will improve the student profiles of all students.

B. Unexpected Opportunities or Crises

There are two financial situations that could present great hardship to UT Arlington. First, the University stands to lose several million dollars if the changes in formula funding adopted by the Coordinating Board withstand voting during the current legislative session. Secondly, if there is a reversal or change in the tuition deregulation process, the University will lose a material portion of its ability to implement its Excellence Initiatives and be competitive with other institutions. The University has made strides in hiring well-funded faculty researchers. These quality additions are critical to advancement of the excellence initiatives. Any budget reductions could jeopardize progress made thus far and severely impede future enhancement of the University's academic profile and research endeavors.

V. System and State Priorities

System and state priorities are addressed in Sections II through IV of the Compact.

VI. Compact Development Process

Interim President Charles Sorber began the compact development process by holding a series of meetings with executive level administrators and requesting ideas for the compact. Substantial discourse occurred as ideas were clarified and defined. Once a primary set of ideas was established, information was shared with the academic deans and received extensive feedback from the group. A preliminary draft of the compact document was then shared with both the Faculty Senate and student leadership who provided feedback. All ideas were then compiled and passed on to President James Spaniolo who compiled the first complete version of this document.

Late in the Fall Semester 2004 President Spaniolo held a series of "strategic conversations" with faculty, staff, students, and the UTA/Fort Worth Higher Education Center Advisory Board. These conversations, focused on key issues and priorities for UTA, helped inform the development of this version of the Compact. Executive-level administrators provided updates on priorities and initiatives in their areas, which were then incorporated into this document. The Compact update was shared with the Faculty Senate Executive Committee and will be disseminated to the larger faculty and student governance bodies early in the fall.

VII. System Contributions

- Support for expansion of collaborations (Academic Affairs, Health Affairs)
- Support for expansion of community and state support (Governmental Relations)
- Support for capital expansion and improvements (Facilities Planning and Construction)
- Support for development efforts (External Relations)

VIII. Appendices

A. Budget Summary:

**The University of Texas at Arlington
Operating Budget
Fiscal Year Ending August 31, 2005**

	FY 2004 Adjusted Budget	FY 2005 Operating Budget	Budget Increases (Decreases) From 2004 to 2005	
			Amount	Percent
Operating Revenues:				
Tuition and Fees	\$ 106,874,361	135,351,203	28,476,842	26.6%
Federal Sponsored Programs	25,903,564	31,091,693	5,188,129	20.0%
State Sponsored Programs	5,540,327	8,064,247	2,523,920	45.6%
Local and Private Sponsored Programs	4,198,514	4,070,761	(127,753)	-3.0%
Net Sales and Services of Educational Activities	6,444,777	5,605,170	(839,607)	-13.0%
Net Sales and Services of Hospital and Clinics	-	-	-	-
Net Professional Fees	-	-	-	-
Net Auxiliary Enterprises	15,884,522	18,911,418	3,026,896	19.1%
Other Operating Revenues	6,160,452	5,981,296	(179,156)	-2.9%
Total Operating Revenues	171,006,517	209,075,788	38,069,271	22.3%
Operating Expenses:				
Instruction	97,518,847	105,310,009	7,791,162	8.0%
Academic Support	23,405,880	24,733,221	1,327,341	5.7%
Research	33,913,298	42,142,332	8,229,034	24.3%
Public Service	3,941,201	3,741,634	(199,567)	-5.1%
Hospitals and Clinics	-	-	-	-
Institutional Support	32,539,204	38,077,635	5,538,431	17.0%
Student Services	9,846,204	17,137,348	7,291,144	74.1%
Operations and Maintenance of Plant	17,681,253	20,191,228	2,509,975	14.2%
Scholarships and Fellowships	10,695,950	13,676,551	2,980,601	27.9%
Auxiliary Enterprises	26,015,350	29,373,972	3,358,622	12.9%
Total Operating Expenses	255,557,187	294,383,930	38,826,743	15.2%
Operating Surplus/Deficit	(84,550,670)	(85,308,142)	(757,472)	0.9%
Nonoperating Revenues (Expenses):				
State Appropriations & HEAF	96,223,840	96,904,459	680,619	0.7%
Gifts in Support of Operations	221,432	224,915	3,483	1.6%
Net Investment Income	3,038,527	3,115,856	77,329	2.5%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	99,483,799	100,245,230	761,431	0.8%
Transfers and Other:				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	300,000	280,000	(20,000)	-6.7%
Transfers for Debt Service	(14,945,449)	(16,261,425)	(1,315,976)	8.8%
Other Additions and Transfers	7,991,487	12,304,089	4,312,602	54.0%
Other Deductions and Transfers	(7,741,956)	(12,453,598)	(4,711,642)	60.9%
Total Transfers and Other	(14,395,918)	(16,130,934)	(1,735,016)	12.1%
Surplus/(Deficit)	\$ 537,211	(1,193,846)	(1,731,057)	-322.2%
Total Revenues	\$ 270,490,316	309,321,018	38,830,702	14.4%
Total Expenses and Debt Service Transfers	(270,502,636)	(310,645,355)	(40,142,719)	14.8%
Surplus (Deficit)	\$ (12,320)	(1,324,337)	(1,312,017)	

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.

B. Statistical Profile:

UT Arlington

ENROLLMENT	<i>fall</i>	2000	2001	2002	2003	2004
Undergraduate		15,449	16,330	17,649	18,867	19,114
Graduate		4,975	4,850	6,172	6,112	6,183
Total		20,424	21,180	23,821	24,979	25,297

PERSISTENCE	<i>yr of matriculation</i>	1998	1999	2000	2001	2002
1st year persistence		65.8%	65.9%	68.0%	65.6%	66.4%

GRADUATION	<i>yr of matriculation</i>	1995	1996	1997	1998	1999
4-year graduation rate		9.6%	13.2%	12.7%	12.3%	14.5%
5-year graduation rate		22.4%	29.3%	30.6%	29.5%	
6-year graduation rate		30.6%	36.4%	36.8%		

DEGREES AWARDED	<i>academic year</i>	99-00	00-01	01-02	02-03	03-04
Baccalaureate		2,813	2,798	2,892	3,150	3,280
Master's		975	1,087	1,069	1,366	1,796
Doctorate		78	87	72	62	75

FACULTY / STAFF	<i>fall</i>	2000	2001	2002	2003	2004
All instructional staff		1,192	1,216	1,255	1,302	1,365
Classified employees		1,057	1,252	1,275	1,254	1,301
Administrative/professional employees		327	968	444	424	446
Student employees		1,521	1,026	1,737	1,724	2,145

STUDENTS/FACULTY	<i>academic year</i>	99-00	00-01	01-02	02-03	03-04
FTE student / FTE faculty ratio		19 to 1	20 to 1	20 to 1	22 to 1	22 to 1

RESEARCH	<i>fiscal year</i>	2000	2001	2002	2003	2004
Federal research expenditures		\$5,242,897	\$9,224,210	\$7,923,657	\$7,993,576	\$11,093,256

REVENUE/STUDENT	<i>fiscal year</i>	2000	2001	2002	2003	2004
Revenue/FTE student (nearest thousand)		\$11,000	\$12,000	\$12,000	\$10,000	\$11,000

ENDOWMENT	<i>as of</i>	8/31/99				8/31/04
Endowment total value		\$29,822,000				\$38,512,000



CAMPUS COMPACT

The University of Texas at Arlington
U. T. System Board of Regents meeting
Wednesday, November 9, 2005 * Austin, Texas

1

UT Arlington Compact

Four Short-Term Priorities

- 1) Excellence Initiative
- 2) Long-range visioning and planning exercise
- 3) Expansion of UTA/Fort Worth Education Center
- 4) Development Initiative

UTA

2

UT Arlington Compact



Excellence Initiative

UTA

3

UT Arlington Compact

Excellence Initiative Objectives

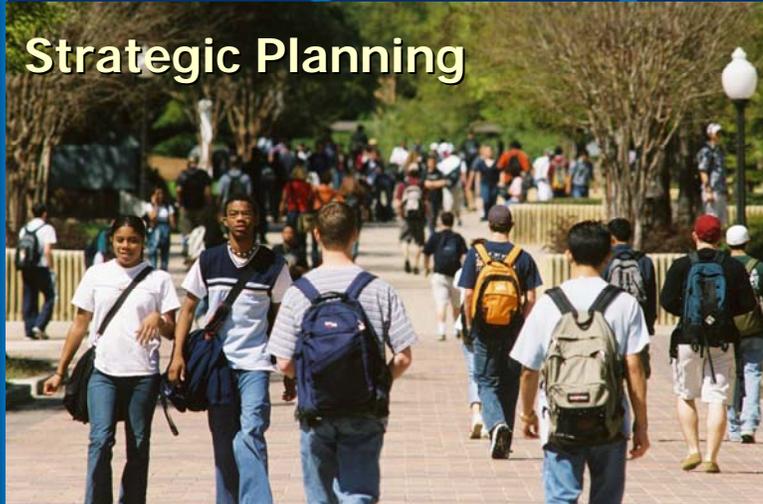
- Improve overall academic reputation
- Improve national rankings of selected programs
- Improve academic profile of students
- Improve retention rates
- Decrease time toward graduation
- Increase level of scholarship and creative activity
- Increase level of sponsored research
- Research excellence in nanotechnology
- Fuel technology-driven economic development

UTA

4

UT Arlington Compact

Strategic Planning



UTA

5

UT Arlington Compact

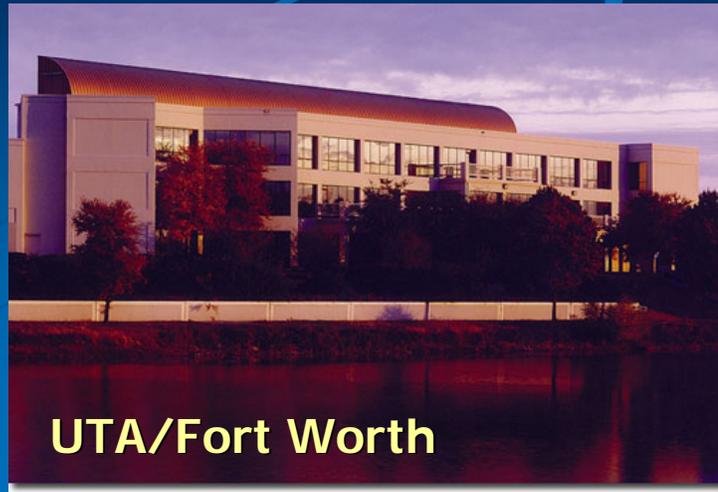
Strategic Planning Objectives

- Identify target areas of excellence
- Develop resource allocation models and performance metrics
- Update campus master plan
- Branding and positioning

UTA

6

UT Arlington Compact



UTA

7

UT Arlington Compact

UTA/Fort Worth Objectives

- Increase enrollment
- Increase academic program offerings
- Raise profile by establishing a downtown presence

UTA

8

UT Arlington Compact

Development Initiative



UTA

UT Arlington Compact

Development Initiative Objectives

- Reorganize development infrastructure
- Expand UT Arlington's network of donors
- Build relationships with more potential donors
- Lay groundwork for capital campaign
- Increase alumni support

UTA

10

UTMB Austin Women's Hospital



Total Births
2,141



March 2004
through
August 2005



1

UTMB Austin Women's Hospital Fact Sheet

Employed Initial Staff	December, 2003
Possession Date	February 9, 2004
Opening Date	March 11, 2004
First Baby Born	March 13, 2004

	Assumptions per Lease Agreement	Experience Sept '04 – Aug '05
Average Deliveries per Day	4.4	4.4
Cesarean Section Rate	20%	18%
Primary C-Section	N/A	31%
Repeat C-Section	N/A	69%
Average Length of Stay		
Post Partum	1.9	1.9
Nursery	1.9	2.0



2

UTMB Austin Women's Hospital Fact Sheet

	Assumptions per Lease Agreement	Experience Sept '04 – Aug '05
Payor Mix		
Medicaid	88%	99%
Emergency Medicaid	N/A	86%
Medicaid Managed Care	N/A	10%
Traditional Medicaid	N/A	3%
Commercial	2%	.50%
Unfunded	10%	.50%
Medicaid Conversion Rate	85%	99%
Case Rate	\$2,915	\$3,266
FTEs	58.8	73.09



3

UTMB Austin Women's Hospital Projected Income Statement Fiscal Year 2005

	Fiscal Year '05 YTD July Actuals	August Projection (Based on Draft of August Financials)	Fiscal Year '05 YTD Aug Projected Results
Volume:			
Deliveries	1,469	135	1,604
Operating Revenues:			
Patient Care Revenue	\$ 4,706,784	\$ 520,581	\$ 5,227,365
City Contract Payment	2,890,642	263,523	3,154,165
Total Operating Revenue	<u>\$ 7,597,426</u>	<u>\$ 784,104</u>	<u>\$ 8,381,530</u>
Operating Expenses:			
Salaries and Benefits	4,355,723	451,479	4,807,202
Supplies	1,003,258	105,423	1,108,681
Seton Ancillary Agreement & Physician Contracts	1,722,640	156,604	1,879,244
UTMB Support Assessment	560,337	55,611	615,948
Total Operating Expense	<u>\$ 7,641,958</u>	<u>\$ 769,117</u>	<u>\$ 8,411,075</u>
Net Income/(Loss)	<u>\$ (44,532)</u>	<u>\$ 14,987</u>	<u>\$ (29,545)</u>

* Infrastructure for Payroll, HR, IS, Finance, Legal, Risk, and a portion of key UTMB hospital leadership oversight salaries



4



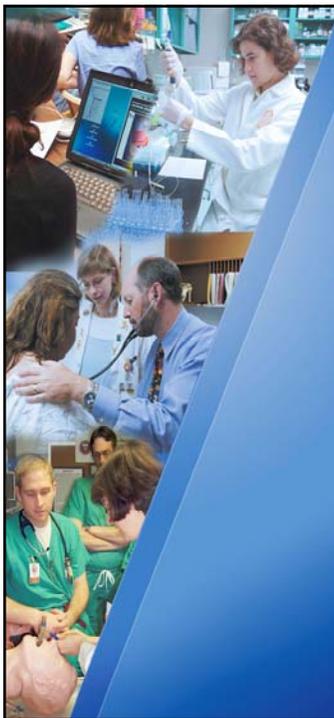
Presentation to
**The University of Texas System
Board of Regents**
November 2005

Medical Arts and Research Center
The MARC of Excellence

Francisco G. Cigarroa, M.D.
President

The University of Texas Health Science Center at San Antonio

1



**Institute of Medicine
Aims for Improvement**

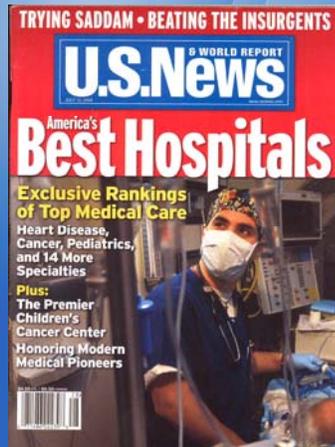
Clinical care that is:

- Safe
- Efficient
- Equitable
- Effective
- Patient-centered
- Timely

2

Primary Mission: Education

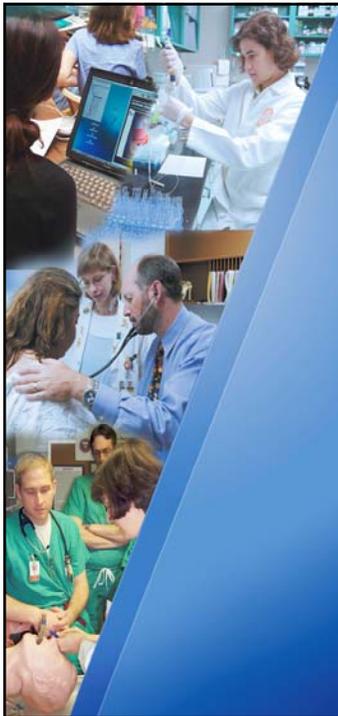
In-hospital clinical care nationally recognized



UTHSCSA and University Health System repeatedly earn Top 50 honors:

- Endocrinology (including diabetes care)
- Heart and heart surgery
- Kidney disease
- Orthopaedics
- Respiratory Disorders

3



- Trend toward ambulatory and out-patient care; students need this experience.
- Broader patient base

4

**UTHSCSA Clinics
Scattered Throughout
the Medical Center**

No common UT identity
No common image

UTHSC Urology

UTHSC Addiction/Mental Health

UTHSC OB-GYN & Women's Clinic

5

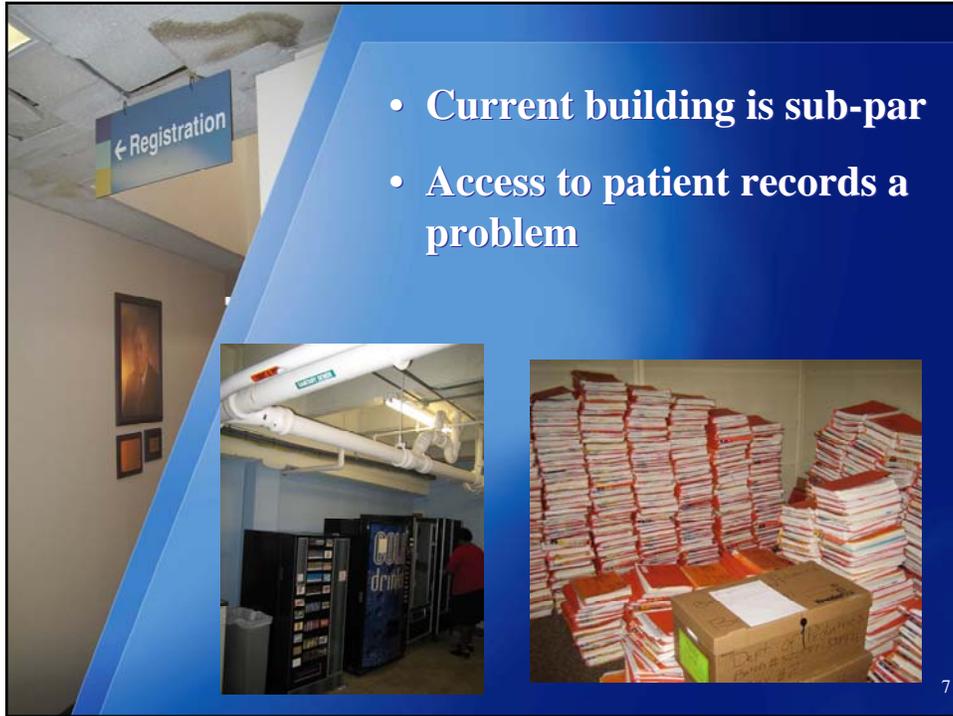
**THE UNIVERSITY OF TEXAS
HEALTH SCIENCE CENTER AT SAN ANTONIO**

MEDICAL ARTS AND RESEARCH CENTER

MARC

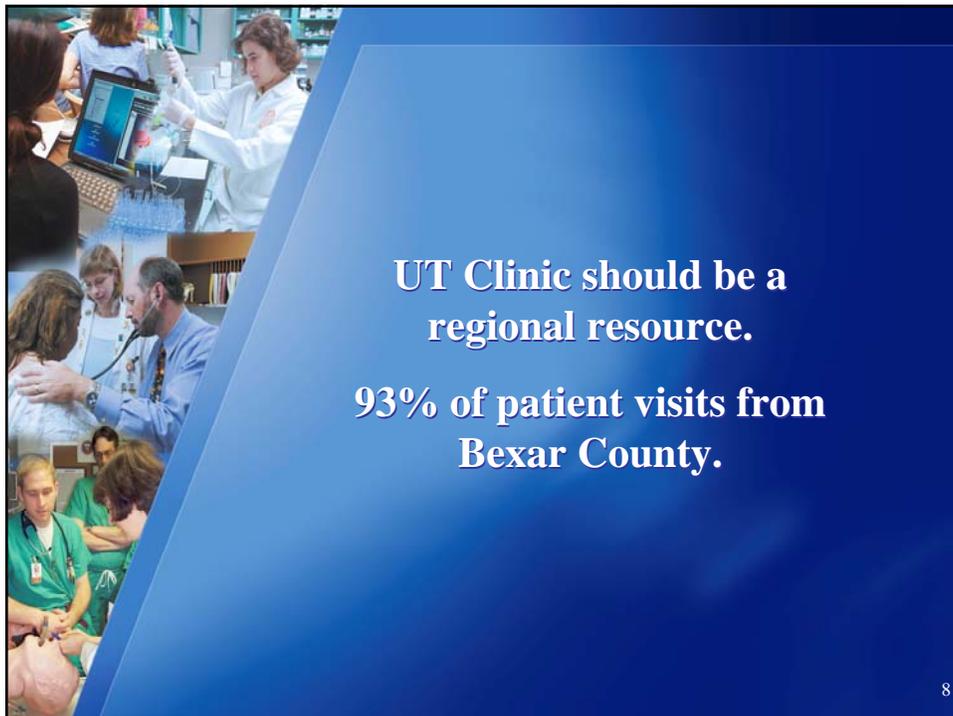
**All UTHSC Clinics Housed in the MARC
with Prominent UT Identity**

6



- **Current building is sub-par**
- **Access to patient records a problem**

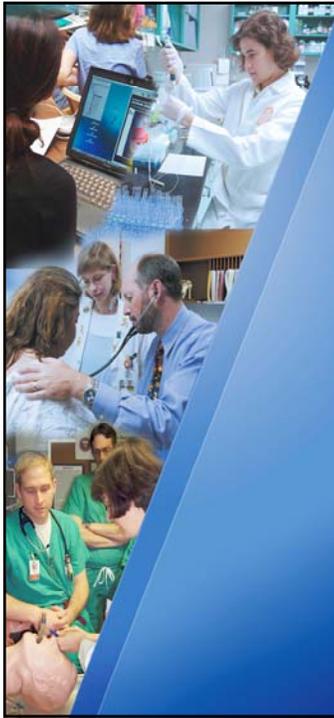
7



UT Clinic should be a regional resource.

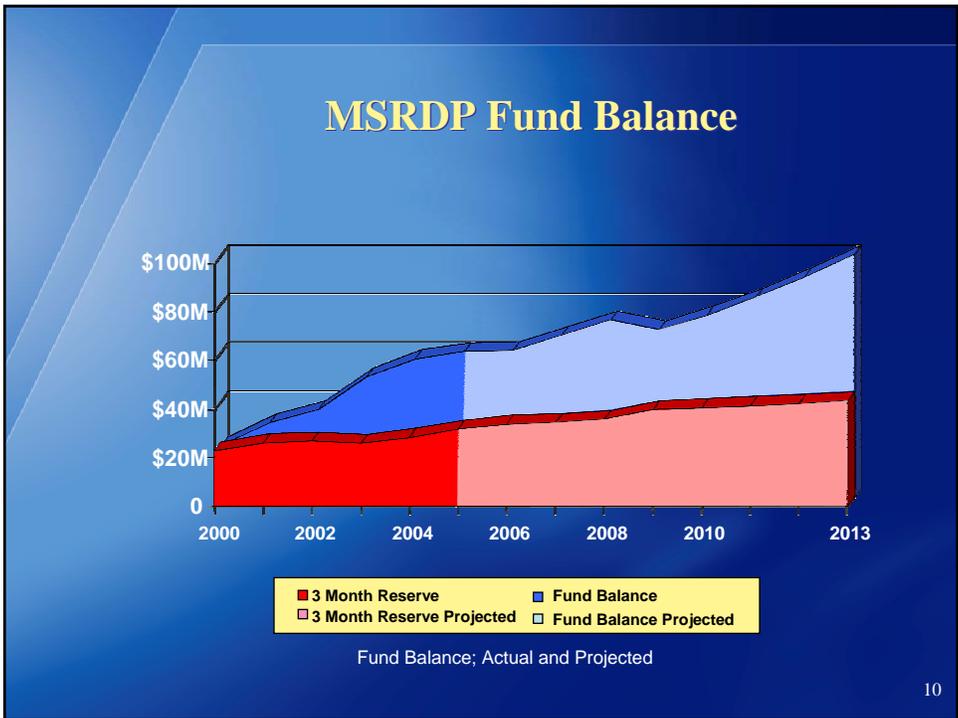
93% of patient visits from Bexar County.

8

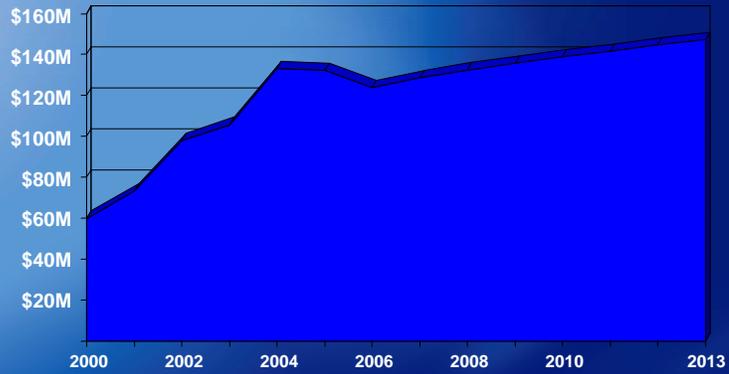


Why didn't we do this sooner?

9



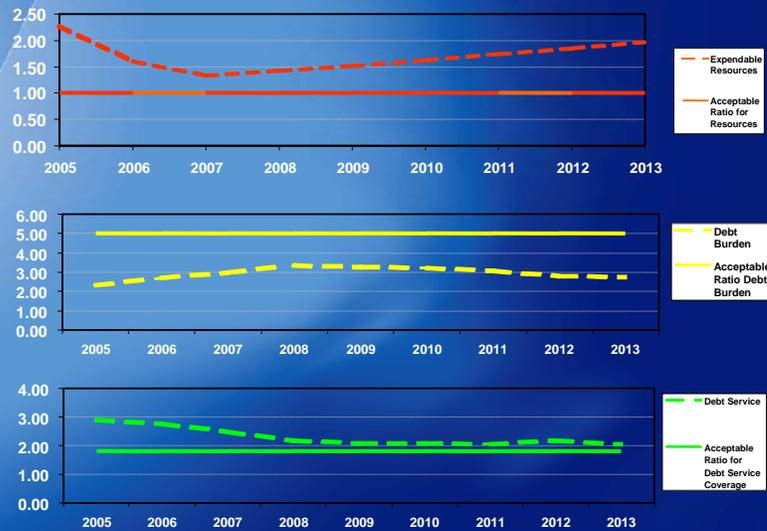
MARC Building Financial Impact



UTHSCSA Unrestricted Net Assets; Actual and Projected

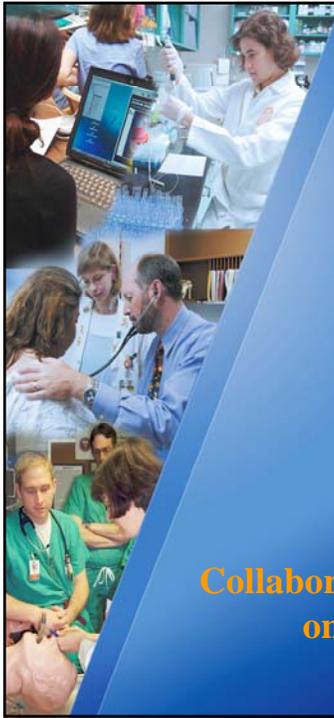
11

Debt Capacity Ratio: acceptable in all three



Debt Capacity Ratio; Actual and Projected

12



Medical Arts and Research Center

The MARC

\$95 million cost
(\$85 million debt)

Gift of land: \$3 million

**Collaboration with University Health System
on complementary development**

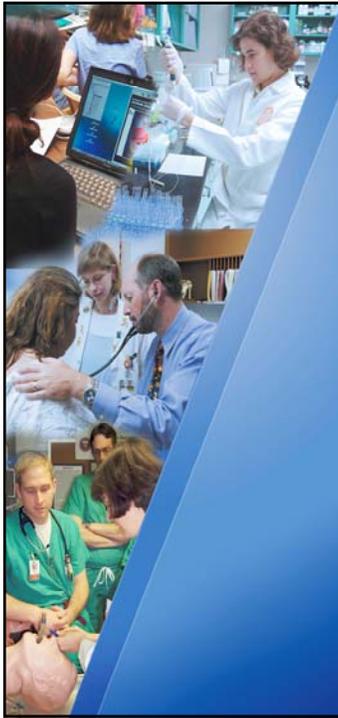
13

Site Location



**Convenient
to
UTHSCSA**

14



Signature programs:

- **Cardiopulmonary**
- **Musculoskeletal**
- **Women's health**
- **Geriatrics**

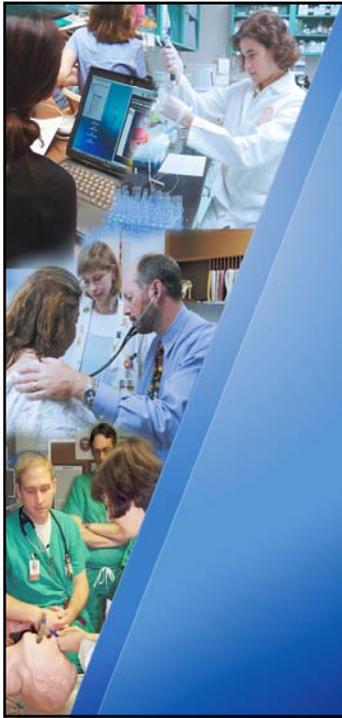
15



The MARC will provide:

- **Improved patient care**
- **Better educational experience**
- **Broader patient base**
- **Clinical research**
- **Enhanced recruitment and retention**

16



Medical Arts and Research Center

The MARC

Ensuring a healthier future for

**The University of Texas
Health Science Center
at San Antonio**

17



The University of Texas Medical Branch at Galveston

**Compact with The University of Texas System
FY 2006 through FY 2007**

I. Introduction: Institutional Mission and Goals

The University of Texas Medical Branch (UTMB), the oldest of the six health sciences universities in The University of Texas System, was created as a public trust to safeguard and advance the health of all Texans. Our mission is to provide scholarly teaching, innovative scientific investigation, and state-of-the-art patient care in a learning environment. The university is committed to excelling in the generation, dissemination and application of knowledge to better the health of society. For more than a century, UTMB has honored this commitment by remaining true to its core values of *service, education, diversity, innovation, and community*.

UTMB is much more than the sum of its four schools, three institutes, extensive clinical care complex of six hospitals, network of campus-and community-based clinics throughout east and southeast Texas, and numerous research facilities. It is a community of professionals dedicated to healing the sick, regardless of their ability to pay; addressing the health needs of special populations; educating tomorrow's healthcare team; finding answers to biomedical puzzles; and to adding value to the communities the university serves. Over 2,300 faculty (including full-time, part-time, and volunteer) teach more than 2,100 students and over 560 medical residents and fellows.

Educational programs in UTMB's four schools emphasize the creation of a diverse work force of health professionals and scientists who can work as a team to better the lives of patients and improve the quality of life in their communities. Renowned distance education initiatives, including web-based course offerings and complete online curricula, enable UTMB faculty to reach students and practitioners who, because of their remote location, might otherwise be unable to take part in University courses or continuing education programs.

UTMB is also a healthcare system that offers patients from the state, nation, and world a comprehensive approach to quality care. Clinical areas of excellence include cardiology and cardiothoracic surgery, diabetes care, behavioral medicine, geriatric services, and trauma care. UTMB is also dedicated to caring for special populations, including women and their unborn or newly born children, the unsponsored, seniors, and the incarcerated. A pioneer in the field of telemedicine with over 187,000 such consults to its credit, UTMB has established telehealth connections with such diverse groups as special-needs children in East Texas; epilepsy patients; cruise ship passengers; seniors in rural Texas; county, state, and federal inmates; and workers at research bases at the South Pole.

Research programs at UTMB enhance human health by advancing medical knowledge. They are multi-disciplinary, not only to make the best use of available resources, but also to enable scientists and clinicians to delve into a broad range of promising basic and clinical science topics that often have immediate application to patient care. Research areas of excellence include biodefense, infectious diseases, and vaccine development; neurosciences, pain management, and stroke treatment; gastrointestinal health; environmental health and asthma; cancer; molecular medicine; aging and longevity; burns; and diabetes.

In addition, the university bolsters the health of the regional economy. The last independent study, using fiscal year 2001 data, indicated that UTMB's presence results in nearly \$305 million in business volume in Galveston County, and that more than 19,000 Galveston County jobs are directly or indirectly related to the university. Statewide, UTMB's effect on business volume amounts to nearly \$1.4 billion. More than 31,000 Texas jobs are directly or indirectly related to the university's presence. Additionally, in fiscal year 2004, UTMB provided more than \$476 million in unsponsored care charges to Texans whose needs were great but whose resources were limited.

UTMB is an organization where dedicated, compassionate individuals work together for a common good, where exceptional professionals use their training and their sense of commitment to recognize and meet

pressing needs, and where those in need can seek the best care science can offer. It is a place that prides itself on helping those who cannot help themselves.

As a state agency and in support of its mission, UTMB has established four unique, interdependent goals that build upon its existing strengths and its uniquely synergistic environment. The goals are:

- Educate health professionals for tomorrow's medicine in a way that fosters continuous learning. Provide instruction that prepares students, residents, and fellows in the schools to meet the evolving health needs of all segments of our society while instilling in those students a commitment to lifelong learning, an understanding of and a dedication to the pursuit of scientific knowledge in the service of humankind, an appreciation of underlying human values, and a sensitivity to cultural differences.
- Conduct biomedical research using a multi-disciplinary, collaborative approach with teams of investigators, both within the institution and with other entities that meets the highest standards of scientific inquiry.
- Address the health needs of the medically underserved using innovative approaches and teams of healthcare professionals who provide accessible, safe, and affordable healthcare of the highest quality.
- Serve the public at large by applying our experiences to help break down barriers to care and taking a leadership role in developing health policy for the state and nation.

II. Major Ongoing Priorities and Initiatives

By definition, the Compact does not include all of the institution's priorities. There are many outstanding faculty and staff dedicated to numerous institutional initiatives of major importance. However, for the purposes of the Compact, the following are the highest short-term and long-term priorities and initiatives.

Short-Term Priorities (1—2 years)

Priority #1 As an effective steward of limited resources continue to improve cash flow from operations to support education, healthcare, and research, thus improving the health of the special populations we serve.

Objectives:

UTMB is committed to enhancing revenue sources and controlling costs in order to increase cash flow and achieve greater margins to ensure the financial health of the university and therefore secure its ability to educate future generations of health professionals, care for patients, and further medical science.

Strategies:

- Improve healthcare revenue mix by managing and controlling the services provided to uninsured patients, improving financial screening to help patients identify potential payer sources, developing programs that target commercial patients, developing patient retention programs, pursuing commercial plans in our market area for which we are not currently a provider, expanding programs to accommodate patient backlog, increasing market presence in northern Galveston County, and opening geriatric clinics in the community.
- Develop and refine medical management processes. Use new care pathway protocols and information technology such as the Pharmacy Management System and the Electronic Medical Record to effectively manage the medical care of patients, thereby reducing variation in care and improving the quality of medical outcomes.
- Develop partnerships with the community to increase the capacity and performance of the county's health delivery system through coordination, disease management strategies, and use of advanced technologies. Conduct demonstration projects in the areas of health disparities and outcome-

oriented programs to find new, better, and more cost-effective ways to provide care to uninsured patients.

- Continue to review and renegotiate county contract terms and reimbursement rates based on performance to recognize the actual cost of provided healthcare services.
- Increase sponsored research activity using our demonstrated strengths in emerging infectious diseases and biodefense and promoting the BSL4 laboratory to recruit new faculty and secure new research funding.
- Restructure the faculty practice into an integrated practice that focuses on programs of excellence and promulgates quality, access, and affordability.

Resources:

Increased county and state funding for the care of unsponsored patients; reimbursement models that recognize telehealth and other technology-based services and increased reimbursement will fund the strategies.

Progress Measures:

Results will be measured by adjusted operating margin before depreciation; sponsored patient payor mix; maintaining unsponsored patient cases at funded levels; patient outcomes that meet or exceed median national benchmarks; decreases in cost per case, length of stay, and other patient care benchmark measures; and increased funding from TDCJ managed care contract.

Progress:

- Reduced average length of stay from 5.2 to 4.9 days.
- Cost per case decreased by 3.5 percent.
- Unsponsored patient admissions increased by 15.7 percent.
- Sponsored patient payor mix decreased by less than 1 percent.
- Institutional operating margin decreased.
- Received Magnet Recognition by the American Nurses Credentialing Center of the American Nurses Association, recognizing UTMB's excellence for nursing and quality patient care.
- Received 2004 Community-Campus Partnerships for Health award.
- Developed legislative strategies to restore indigent care support and improve correctional managed care funding.
- Acute Care for Elders (ACE) unit expanded.
- Geriatric Healthcare Center opened in Santa Fe and expanded in Texas City.
- Signed new county contracts with Fort Bend and Matagorda counties.
- Collected \$9.7 million for county contracts in 2004, an increase of 71 percent over 2003.
- Conducted feasibility study for implementation of the 3 Share Plan in Galveston County.
- Received Health and Human Services Office for Minority Affairs \$176,000 two-year grant to provide health services to indigent patients.
- Acquired land in the northern Galveston County market for clinic expansion with the objective of increasing the percentage of sponsored patients.

Major Obstacles:

Governmental entities and local communities will continue to resist providing increased funding to address care for the uninsured. Access to healthcare through the Emergency Room for non-traumatic injuries will continue to cause significant strain on hospital operations. Private providers may look at UTMB as a threat to their practices. The legislature may be reluctant to adequately fund the correctional care system.

Priority #2 Support the national call for re-engineering the clinical research enterprise by increasing translational research in concert with the National Institutes of Health Roadmap so that advances discovered at the research bench can more readily be applied at the patient's bedside.

Objectives:

A major institutional focus is to strengthen collaborations between UTMB and the other UT academic and health institutions and between UTMB and government and commercial entities. UTMB will increase extramural funding for translational research and commercialization support and thereby increase the pace of discoveries and clinical development in the life sciences.

Strategies:

- Revitalize the Research Office, support organization, and processes. Centralize the operation of the campus Research Office in the School of Medicine so that there is effective communication between research services administration, research strategic planning, translational research through the Center for Technology Development, planning for multi-disciplinary translational research and training grant support, and research outreach activities in Houston, Austin, and other Texas areas. Ensure that this revitalized Research Office works effectively for all UTMB schools, departments, and centers.
- Contribute to the establishment of a high-field MRI Center at UT Austin to support collaborative studies involving UTMB and UT Austin faculty members and the Central Texas VA.
- Establish a Center of Excellence in Space Life Sciences through collaboration with Johnson Space Center/NASA.
- Expand the use of genomics, proteomics, and bioinformatics to help identify genes associated with diseases being studied in clinical and translational research at UTMB.
- Reestablish a clinical trials unit within the UTMB Research Office to encourage clinical research activities and to attract multi-site clinical studies including those in the Central Texas region. Initially facilitate the development of this clinical trials unit to assist in the management of clinical trials in both Galveston and the Central Texas area; establish business agreements with participating institutions in Central Texas for IRB approvals of clinical trial protocols; create a system for shared core activities for all clinical studies; and establish metrics for clinical trial productivity.
- Work with BioHouston, the Gulf Coast Consortia (GCC – UTMB, Rice, UTHSC-Houston, Baylor, UT M. D. Anderson Cancer Center, and University of Houston), and regional academic partners to establish a Regional Center for Translational Research in the Houston/Galveston area.
- Work with the GCC institutions to further develop the recently created Alliance for NanoHealth. The six Galveston/Houston institutions have partnered to create a joint vision to establish our area as a top nanotechnology research locus. UTMB will increase its research activities and program focus in nanohealth in order to better leverage the new regional effort.
- Initiate critical review and implementation of recommendations from the Coordinated Strategic Approach for Research Commercialization report, which will enhance the clinical, basic, and translational research opportunities in Galveston and our partnering regions, particularly with regard to the commercialization opportunities created by the Western Regional Center of Excellence (WRCE) and the Galveston National Lab (GNL).

Resources:

Each of the objectives will require committed time for UTMB clinicians and researchers to participate in new clinical and translational research and commercialization partnerships. Additionally, the following resources will be needed: federal, state, and local funding; capital and operational funding to support renovating, maintaining, and developing new critical core facilities, centers, and programs at UTMB; funding from each of the participating institutions; funding from biotech and pharmaceutical companies to support collaborative initiatives; funding from local endowments, venture firms, and angel networks to increase commercialization partnerships and startups; and gap funding to translate basic research intellectual property into products for healthcare improvement.

Progress Measures:

Outcomes will be evaluated and results will be measured as follows for each of the objectives: number and dollar amount of clinical and translational studies and clinical trial proposals submitted to the clinical research center; number and dollar amount of clinical studies initiated; increase in clinical trial subjects

and decrease in time required to recruit subjects for designated trials; increase in the number of space-related research collaborations and successful grant applications for space-related research that translates into new funding; number of patent disclosures, patents, licenses, and startups; increase in the number of collaborations with other regional institutions; and increase in research expenditures.

Progress:

- Research expenditures have increased 4.4 percent from FY 03.
- Conducted UTMB Faculty Research Retreat focusing on “Translational Research: Maximizing Discoveries for Human Health.”
- Through the Gulf Coast Consortia formed the GCC Drug Discovery program.
- GCC/Keck Center awarded NIH Roadmap training grant in Pharmacoinformatics to aid in training pre- and postdocs in translational research and drug discovery.
- Installed new magnetic resonance instruments as part of the GCC in Magnetic Resonance: 800 MHz NMR's at Rice and UTMB and a high-field animal MRI at Baylor as shared facilities among the 6 GCC institutions.
- Created the Office for Research Translation in the Center for Technology Development (CTD).
- Established a gap seed fund in the CTD to help develop new company start-ups from UTMB intellectual property.
- Continued development in biodefense and emerging infectious diseases programs – UTMB Institute for Human Infections and Immunology, Galveston National Lab, and the Western Regional Center of Excellence in Biodefense and Emerging Infectious Diseases.
- The Alliance for NanoHealth (with UTMB, Rice, UTHSC-Houston, Baylor, UT M. D. Anderson Cancer Center, and University of Houston) has been created and received \$6.4 million in federal funding.
- Clinical Sciences Track in GSBS aimed at training more scholars to do translational research.
- Developed a coordinated strategic approach for research commercialization with outside consultant.
- Refunded the NIH-supported General Clinical Research Center, now in its forty-second year.
- Developed with NASA/JSC support a human artificial gravity centrifuge.
- Completed environmental assessment statement and begun site preparation for GNL.

Major Obstacles:

Budgetary shortfalls for Texas and increasing costs to conduct research and clinical studies (i.e., compliance) will continue to be obstacles to achieving all the goals. Protected clinical time for UTMB investigators must be addressed. Lack of appropriate systems to expedite research and clinical study communication. Reaching consensus among research center partners on an Institutional Review Board approval process, liability issues, and study costs. Cultural differences between private industry and academic medical centers. Level or declining support for research by the federal government. Houston and Galveston are not leaders in biotech commercialization and lack investment funds and top management and commercial research personnel relative to the top biotech clusters in the U.S.

Priority #3 Produce a framework for potential UTMB collaborative educational, research, and outreach activities in Austin in response to invitations from Austin community leaders.

Austin community leaders and alumni have asked the university to prepare a plan to enhance and potentially expand existing health sciences education, medical research, and outreach activities in Central Texas. The priority is to produce a framework for potential collaborative educational, research, and outreach programs directly with UT Austin and with the Central Texas Institute for Research and Education in Medicine and Bio-technology (CTI – Seton Healthcare Network, Central Texas Veterans Association, UT Austin, UT Health Science Center Houston School of Public Health, Austin Chamber of Commerce, the St. David's hospital system, and UTMB). Ensure that these collaborations support the community's, UTMB's, UT Austin's, and CTI's mutual interests.

Objectives:

The objectives of program development in Austin include providing additional opportunities for students to receive undergraduate medical education in Central Texas, enhancing UTMB programs in graduate medical education, partnering with UT Austin in a combined M.D./Ph.D. program, reaching out and creating innovative models to care for populations at risk, providing opportunities for collaborative research projects between UTMB and the other project participants, and providing opportunities for Austin medical community scientists and UTMB scientists to participate in clinical trials.

Strategies:

- Continue to work with leaders in the Seton Healthcare Network, UT Austin, and the Central Texas VA, as well as city and county leaders, the medical community in Travis County, and other potential Central Texas partners to identify long-term needs, potential opportunities for collaborative projects, resource requirements, and timelines.
- Collaborate with AMEP (Seton) to assume sponsorship of other GME programs and look at the feasibility of developing new residency training programs in Austin.
- Support Austin legislative delegation initiatives to approve funding student programs in Austin with supplemental formula funding as a regional campus.
- Seek approval from SACS and LCME to expand student programs in Austin to the extent that students may complete all of Year 3 and Year 4 requirements on the regional campus.
- Expand adjunct professorships both of UTMB faculty in Austin and UT Austin faculty in Galveston.
- Identify specific research areas of strength and collaboration between UT Austin and UTMB scientists, including biodefense and emerging infectious diseases, developmental biology, childhood development, biomedical engineering, imaging, and drug development.
- Expand joint research seminars and workshops between partnering institutions in both Austin and Galveston.
- Develop closer interactions between the institutional officials responsible for research between the Central Texas partners.
- Utilize the East Texas Area Health Education Centers to expand community outreach in Austin, Travis and surrounding counties for health workforce development, community health systems support, and community health literacy.
- Work with UT System to develop research and academic infrastructure necessary to support these initiatives.

Resources:

Resources from the Seton Healthcare Network, CTI, UTMB, and UT Austin will be required to develop the framework.

Progress Measures:

Progress measures will include an increase in the number of student and resident opportunities in Austin, an increase in the number of joint research grants, the amount of philanthropic support to fund collaborative opportunities, and the number of joint seminars, visits, and workshops.

Progress:

- Successful management of Austin Women's Hospital.
- An increase of 50-60 Year 4 medical student rotations in Austin.
- Joint sponsorship has been approved for an M.D./Ph.D. combined degree in Cell and Molecular Biology.
- Assumed sponsorship of the Seton/AMEP GME program in Obstetrics and Gynecology.

Major Obstacles:

The development of consensus among the multiple constituencies. The development and funding for new academic programs and subspecialties and the associated facility requirements.

Priority #4 Apply information technology to develop innovative programs that improve access to quality healthcare services, improve patient safety, expand educational programs, and support the global research enterprise.

Objectives:

The university will provide a flexible network infrastructure that enables enterprise access to our IT applications. Electronic tools will facilitate communication, information sharing, and information management. State-of-the-art integrated information systems will improve the efficiency and effectiveness of our healthcare delivery, education programs, and administrative processes. Provide improved IT connectivity, software, and hardware for bio-computing research scientists.

Strategies:

- Improve the delivery of patient care through the implementation of the Epic Electronic Medical Record System.
- Provide access to high-speed networking across the state and nation to facilitate communication among UTMB researchers and with researchers outside UTMB, and enhance our distance education programs. Participate in the National Lambda Rail (NLR) network and regional LEARN network that will provide very-high-speed networking capabilities to UTMB. Work with the Texas Advanced Computing Center to create a supercomputing environment for drug development and imaging.
- Provide state-of-the-art integrated administrative information systems to improve decision-making, efficiency, and cost effectiveness of our business processes.
- Identify and increase specific clinical telemedicine services (new modes of home health services, monitoring heart patients, and gerontology services) with direct influence on revenue streams to enable growth in the program and enhance UTMB's competitive stance in this field. Privatize specific aspects of telemedicine, such as the creation of a virtual corporation that would facilitate risk-bearing contracts and the attraction of venture capital. Expand the capabilities of the UTMB Electronic Health Network to increase the number of rural partners in the service population and create at least one new project with a rural partner. Produce evidence-based data to encourage policy makers and insurers to reimburse telehealth consults. Improve seamless integration of telemedicine with present clinical services.

Resources:

State funds will continue to be the primary resource for ensuring our information technology platform supports our institutional goals. Grants, contracts, and endowments will be the primary resources for establishing new programs in telemedicine.

Progress Measures:

Progress will be measured by successful completion of the Information Resources Strategic Plan.

Progress:

- Continued implementation of the Epic Electronic Medical Record System.
- Worked with commercial computer partner to provide to UTMB a high-end computer cluster and software to implement GRID supercomputing for both drug development and image processing for telehealth.
- Launched an online course targeted for professionals, *Telehealth 101: Basic Principles of Telehealth*, which won the national 2004 USDLA Award for Excellence in Distance Education Programming.
- Maintained leadership position as the largest operational telemedicine system worldwide. Increased number of telemedicine consultations by 30 percent, including increase of non-correctional managed care consultations to 25 percent total of all telemedicine activity. UTMB conducts an average of over 4,500 telemedicine consultations every month.
- Re-organized UTMB's public, private, and correctional telehealth and telemedicine programs under a single UTMB leader of the UTMB Electronic Health Network.

- Received federal funding for implementation of the Electronic Health Network regional telehealth centers in Tyler, Galveston, and Cameron counties

Major Obstacles:

The foremost obstacle is securing adequate funding for acquiring new technologies and continued innovation. Lack of access to computer scientists and engineers in Galveston. With respect to telemedicine, cross-state licensure issues, although not a factor in the federal setting, present an obstacle for interstate operations, and Medicare and Medicaid reimbursement difficulties and the additional fact-finding required to determine eligibility for those seeking treatment via telemedicine are obstacles to overcome.

Priority #5 Create the conditions, structures, models, technology, and systems to ensure the university has a trained and educated workforce to meet both current and future workforce needs.

Objectives:

The healthcare enterprise which includes healthcare professionals, nontraditional healthcare roles (i.e., accounting, information technology, and laboratory technicians), researchers, and the community is critical to the delivery of quality care, healthcare education, and research. The university must have strategies, processes, and resources in place to support the ever-evolving role of the academic medical center and its tripartite missions.

Strategies:

- Convene a task force to review and analyze the external and internal conditions, current and future trends, labor supply patterns, work place changes, and economic and quality of life issues; develop a critical needs assessment; and identify developmental needs.
- Develop a strategic plan that addresses the institutional workforce requirements for the 2010 period. The strategic plan will include a critical review of healthcare labor shortages both current and anticipated over the next five years, and the development of requirements for the future workforce.
- Expand current workforce development programs and initiate new programs to provide education and training support to help individuals identify and build productive careers.

Resources:

Internal resources will be used to support the planning process.

Progress Measures:

The task force will be convened and a plan developed in 2005.

Major Obstacles:

Funding for increased training and development activities.

Long Term Priorities (2 – 4 years)

Priority #1 Successfully complete the five-year comprehensive campaign in order to support areas of excellence at UTMB that are critical to achieving institutional priorities.

Objectives:

UTMB has embarked on its *Timeless Values, Pioneering Solutions* comprehensive campaign, an effort aimed at securing \$250 million in philanthropic support, including contributions received from The Sealy & Smith Foundation, between September 1, 2003, and December 31, 2008. The campaign will build upon UTMB's unique and complementary strengths in four broad-based areas that are critical to the health of the state and the nation: infectious disease, biodefense, and vaccine development; telehealth

and improving access to care; longevity, chronic diseases, and neurological recovery; and teaching the art and science of healthcare. Campaign priorities will benefit programs of excellence in all four UTMB schools, as well as university-wide research and clinical care programs.

Strategies:

- Continue to increase involvement of alumni and friends in championing UTMB and its mission. Regional committees headed by volunteer leadership have been established, and regional plans are being developed for Galveston, Houston, Austin, Dallas/Fort Worth, San Antonio, and West Texas. Over the next two years, identify additional opportunities for support throughout Texas and beyond. This will include the Golden Triangle, Deep East Texas, the Rio Grande Valley, and national areas. These committees are composed of community leaders and alumni from each region.
- Internally, continue to improve the constituent database, stewardship, reporting, and recognition functions related to events and alumni relations, grateful patients, and development activities.
- Continue to identify and solicit significant prospective contributors, especially those at \$1 million and above capacity.
- Implement and activate the Grateful Patients Program, which will include a Faculty Steering Committee, training sessions, and patient communications program.
- Continue to enlist support from volunteer leaders by building regional committees.
- Expand regional activities beyond Houston, Galveston, and Austin to include Dallas, Fort Worth, and San Antonio markets. Hold a minimum of two committee meetings for each region.
- Implement reunion giving programs for 50 (1955), 40 (1965), and 25 (1980) class years to include volunteer development, reunion contributions, training, and activities.

Resources:

Volunteer resources will be essential to meet the objectives. To date, the number of members on the UTMB Development Board has been increased, and the current board is among the most active and engaged in the University's history. In addition, UTMB has established volunteer relationships through multiple regional activities. This includes nearly 100 Development Board members and the recruitment of more than 60 UTMB campaign volunteers, including 35 UTMB leaders, faculty, and staff who are actively involved with the Campaign Steering Committee and Faculty/Staff Campaign Committee.

Progress Measures:

Progress will be measured by achieving annual commitment goals.

Progress:

- Reached \$76 million in commitments, exceeding the goal of \$50 million for the initial phase.
- Launched the Family Campaign and the Grateful Patients Program.
- Heightened media visibility, resulting in a 120 percent increase in state and regional media impressions.

Major Obstacles:

Not unique to UTMB, obstacles to the success of our campaign have been identified as competition for philanthropy, the national and local economies, and the recruitment and retention of qualified major gift officers. We are competing for gifts with other campaigns under way or planned in Texas, and even closer to home, in the major medical complex located in Houston. As already experienced, a downturn in the economy or the stock market will have a significant impact on our ability to secure leadership and major gifts.

Priority #2 Implement the capital improvement plan to improve our clinical facilities and support our expanding research opportunities.

Objectives:

Implement the capital facilities plan in accordance with the UT System Capital Improvement Plan (CIP), ensuring that all projects are completed within the approved budget and schedule. Ensure that all projects are linked to institutional goals and that the facilities needs of the educational, clinical care, and research missions of the university are met.

Strategies:

- Identify future needs with key stakeholders, including the deliverables and associated timeframes.
- Identify and secure appropriate capital funding for the projects. The capital facilities plan for the period will be funded by appropriate dollars (e.g., grants, gifts, and bonds).
- Contract with industry experts to analyze the scope of projects and ensure that our options are based on objective distinction between desires and true needs.
- Maintain continued support from the Office of Facility Planning and Construction (OFPC) for project management, design, and construction management consultation, as well as facility commissioning.
- Maintain UT System assistance in grant solicitation (federal and private funding) for new projects and infrastructure renewal.
- Complete the conceptual design and the financing plan for the Jennie Sealy Hospital replacement project and incorporate the project into the CIP.
- Maintain the project schedule and budget for the Galveston National Lab.
- Maintain the project schedule and budget for the Research Expansion Project to meet the needs of the School of Medicine research initiatives in the neurosciences and chemistry cores.

Resources:

The resource requirements for this initiative are outlined in the CIP for UTMB, as amended by the UT System Board of Regents at their August 2003 meeting. Over the next four years, funding for the projects in the amount of \$360.9 million will be financed using the Permanent University Fund, bond funds, philanthropy, and income from operations. These resource requirements will be revisited from time to time to ensure that funding sources as outlined in the CIP are on track.

Progress Measures:

Progress will be measured by completion of the projects on the CIP.

Progress:

- Submitted application for tuition revenue bonds to be used in financing the Galveston National Lab.
- Completed needs assessments and five-year projections for the critical care areas of the hospital, animal resource group, and Department of Pathology.
- Major milestones of the Galveston National Lab project have been met and the project is on schedule. The Environmental Impact Statement is near completion.
- The Robert Schope BSL4 Laboratory was completed and successfully operationalized.
- The University Plaza project is on schedule.
- The research expansion project is proceeding with staged completion to meet the needs of the School of Medicine research initiatives in the neurosciences and chemistry cores.

Major Obstacles:

Potential obstacles to success in meeting these objectives include maintaining an adequate skill mix of personnel for project management and delivery of services on campus; resisting internal pressure from other institutional priorities to redirect funding to other priorities; and meeting the challenges of compliance with continually evolving codes and standards (e.g., new codes, mandated code changes, and regulations).

Priority #3 Enhance our environment and programs to improve the recruitment, retention, and development of a diverse workforce of faculty, staff, and administrators and thereby create a workforce that reflects the diversity of Texas.

Objectives:

In keeping with its core value of diversity and its strongly held belief that a diverse healthcare workforce is key to healthcare quality, UTMB will increase the proportion of faculty, staff, and administrators who are members of underrepresented ethnic groups.

Strategies:

- Expand and enhance recruitment programs to more effectively search nationwide for candidates who are members of underrepresented ethnic groups.
- Enhance retention programs to retain members of underrepresented ethnic groups.
- Provide a supportive environment for underrepresented groups that recognizes and values their cultures and that addresses their career development needs:
 - Increase awareness of the value of cultural and language differences in an ever-changing population.
 - Require continuing education courses that educate employees about cultural and language differences.
 - Expand Spanish language training for faculty and other employees.
 - Establish programs that pair underrepresented minority faculty and/or administrative and professional staff with individuals who can provide career development mentoring.
 - Provide protected time to minority faculty to support their career development.
- Establish institutional policies to support this priority.
- Establish an institutional service with appropriate expertise to help faculty recruits with housing and relocation assistance and assist their spouses find employment.
- Align resources, incentives, rewards, and expectations with institutional priorities.
- Increase employee satisfaction as measured by the You Count employee survey.

Resources:

Funding will come from the reallocation of existing funds.

Progress Measures:

Progress will be measured by an increased proportion of individuals from underrepresented ethnic groups in faculty and administrative positions; increased retention of employees from underrepresented ethnic groups in faculty and administrative positions; demonstrated career advancement among members of underrepresented ethnic groups in faculty, staff, and administrative positions; and improved employee and faculty satisfaction.

Progress:

- UTMB has increased the number of faculty from underrepresented ethnic groups to 283 in 2004
- The University Diversity Council was formed to support the efforts of the existing core committees (Advancement of Women, Support of Underrepresented Ethnic Groups).
- Four-year implementation plan for supporting the university's diversity goals has been developed and is being implemented.
- Revised search committee guidelines to improve membership and process in search committee activities.
- New diversity training courses targeted at management staff have been implemented.

Major Obstacles:

Nationally, the pool of minority applicants with appropriate graduate degrees is small, and UTMB has experienced strong competition from other institutions that are recruiting from the same limited applicant pool.

Priority #4 Advance the institutional educational environment by implementing best practices and creating structures and programs for faculty and students to enhance teaching and learning.

Objectives:

UTMB will focus resources on improving the practices and skills of the teaching faculty and the learning environment of students. We will increase the number of innovative educational programs that promote multi-disciplinary and team-based healthcare delivery. We will also increase the extent to which students are satisfied that the educational program has equipped them to perform effectively in a multi-disciplinary team environment when they enter professional practice.

Strategies:

- Strengthen current and increase the number of innovative multi-disciplinary education programs in concert with developing the healthcare team of the future that works together seamlessly to address the needs of patients and their families.
- Focus program development on student-based needs, organizing educational activities to support their roles in multi-disciplinary teams.
- Enhance and expand sharing of educational resources and faculty, emphasizing more collaboration among schools. Opportunities include encouraging more faculty to teach courses in other schools, establishing more joint courses across schools, and conducting more cross-disciplinary forums.
- Develop approaches to foster and evaluate teaching excellence. Recognition programs will support this endeavor by honoring models of teaching excellence, thereby raising awareness of successful and innovative approaches.
- Continue to develop the multi-disciplinary education philosophy and model and integrate cultural competency concepts into a model that emphasizes professionalism and ethical, evidenced-based practice.

Resources:

Current institutional resources are in place to support these activities.

Progress Measures:

Success will be attained when a shared definition of the role(s) of a multi-disciplinary team is developed, innovative approaches for fostering and evaluating teaching excellence are developed, and teaching award programs are implemented. Ongoing performance measures will include the number of multi-disciplinary educational activities, the level of collaboration among schools and school faculties, and student satisfaction measures regarding their understanding of and ability to apply the future roles of multi-disciplinary teams in the healthcare environment.

Progress:

- Task force formed to plan and conduct the first ever teaching excellence retreat for faculty from all four schools in fall 2005.
- Task force formed to develop five-year Strategic Plan for Teaching and Learning Resources.
- Joint teaching of gross anatomy courses for SOM and SAHS students, and Spanish and technology-based courses for SAHS and SON students.
- Enhanced the process for evaluation of teaching using peer evaluators (SAHS and Office of Educational Development).
- Started pilot program to encourage faculty to use a web-based teaching portfolio system (SAHS).
- Shared SON Simulation Center resources with SOM students.
- Planning for the design and development of Texas' first ever joint curriculum to educate non-physician primary care providers using distance education technology (School of Nursing, School of Allied Health Science, Stephen F. Austin Nursing Program).
- Collaboration in the development of core competencies for nurse practitioner and physician assistant students to facilitate joint learning opportunities.

Major Obstacles:

Differences in educational approach exist among the schools due to the different types of students, variation in course schedules, and the structure of school curricula. There are also concerns that centralized educational activities will erode the discipline-specific areas. An institutional culture with a tradition of disciplinary focus must be transformed to foster collaborative approaches to teaching and faculty development.

III. Future Initiatives of High Strategic Importance

Priority #1 Achieve a more balanced revenue portfolio by diversifying funding at UTMB in order to remain financially healthy despite changes in state and federal budgets.

Objectives:

UTMB's funding for fiscal year 2004 comes from five main sources: patient care, state appropriations, research grants, gifts/donations/philanthropy and other sources, and tuition and fees. UTMB's objective is to reduce the dependence on state appropriations as a percentage of total revenue and achieve a more balanced revenue portfolio with a target of 16 percent general revenue, 45 percent patient care, 20 percent research, and 19 percent other revenue sources. (See Table 1)

Table 1. Current and Projected Revenue Sources

FY 04			FY 14		
Percent of Revenue	Source	\$ in Millions	Percent of Revenue	Source	\$ in Millions
23%	State	289	16%	State	320
58%	Patient Care	724	45%	Patient Care	900
12%	Research	149.2	20%	Research	400
1%	Tuition	8.8	1%	Tuition	20
6%	Other	80.9	18%	Other	360
100%	TOTAL	1,251.9	100%	TOTAL	2,000

Note: "Other" includes dollars from philanthropy, patents, royalties, commercialization, PUF, and funding for capital expenditures.

Strategies:

- State Funding: UTMB will continue to maximize state funding opportunities and will put in place strategies to protect against sudden and substantial changes to state budget allocations/revenues. UTMB will clearly articulate and explain our special missions (e.g., addressing the health needs of the medically underserved) and explore developing UTMB as a multi-county hospital district serving Galveston, Harris, Brazoria, Chambers, and Jefferson counties.
- Patient Care: UTMB serves a large population of indigent and low-income, un- or underinsured patients. Although the amount of coverage provided by Medicare and Medicaid has been declining for the past several years, it is critical that we continue to be diligent in our efforts to maximize these reimbursements in order to continue treating the low-income and elderly patients whose care is largely dependent on these payors. UTMB will enlist UT System support for legislative initiatives such as the Indigent Care Fund. In addition, cost increases and inflation must be negotiated in contracts with all insurance payors. The contract for providing medical care to the inmates of the Texas Department of Criminal Justice System (TDCJ) needs to be renegotiated to be consistent with the actual cost of this care. UTMB will focus efforts in areas of clinical excellence, such as gastrointestinal disorders, geriatric services, neurologic recovery, diabetes, and asthma. With this

strategy the university plans to increase the proportion of patients with commercial insurance from 15 percent to 20 percent.

- **Research:** The FY 04 percent of UTMB's funding from research grants will be increased, as we focus on our research strengths such as infectious diseases, structural biology, and multi-institutional clinical trials. The Biosafety Level Four (BSL4) Laboratory and the Galveston National Lab will help attract research funds. UTMB will also focus on fostering multi-disciplinary approaches to research and developing industry collaborations (e.g., Center for Research Translation). Collaborative programs with the Central Texas VA and UT Austin will continue to further our research ties with these entities.
- **Tuition:** UTMB's objective is for all of its schools to be in the lowest quartile in tuition and fees among comparable institutions in the United States.
- **Other:** Greater effort will be put into commercializing intellectual property. To facilitate this, we created a Center for Technology Management that will give our efforts in this area more visibility and emphasis. We have several technologies we believe can be commercialized to generate revenue, including our digital medicine systems (telemedicine/electronic medical record/care management) and distance education modules. We will also increase our efforts to generate additional revenues through development initiatives such as the *Timeless Values, Pioneering Solutions* comprehensive fund-raising campaign, which will broaden our philanthropic base.

Resources:

See Table 1. This initiative is interdependent with other institutional priorities.

Progress Measures:

Progress will be measured by tracking the funds received from the state and from patient care, research, philanthropy, and other sources; quantifying the commercialization of our intellectual property and distance education programs; and determining how our tuition rates compare nationally.

Priority #2 Maintain our position of social responsibility by having in each of our schools a curriculum that educates teams of healthcare professionals who are uniquely prepared to practice healthcare in the future.

Objectives:

The university will develop a standard set of core competencies in the curriculum of each school that addresses the needs of healthcare professionals who will enter practice by the 2010 period.

Strategies:

- The faculty will develop a philosophy of healthcare education that ensures the curriculum in each school addresses the ideals of humanism and compassion.
- UTMB will develop programs similar to the School of Medicine's Oslerian Scholars program in the School of Allied Health Sciences and the School of Nursing.
- Programs similar to the School of Medicine's problem-based learning model, which integrates hands-on patient care experience, small-group discussion, and traditional classroom instruction to better prepare students for how medicine is practiced, will be evaluated for adoption in the other schools.
- Plan for the development of a Teaching Academy to advance the education mission by raising the standards and improving the practices of teaching faculty across schools, across learners, and across all types of educational activities.
- Study the possibility of expanding the role of the Office of Educational Development to a university-wide level.
- Design a pilot interdisciplinary learning experience for implementation in 2006.
- Prepare for the ethical implications of new healthcare and education delivery systems.

Resources:

UTMB will need additional philanthropy to increase the number of Oslerian Scholars and for adopting similar programs in the other schools, establishing problem-based learning models to the other schools, and learning technologies.

Progress Measures:

A framework for curricula will be developed to support the needs of healthcare practitioners in the 2010 period. Problem-based learning models will be applied to instruction in the other schools. A teaching academy will be implemented.

Priority #3 Become a recognized leader in shaping health policy in the area of addressing the health needs of medically underserved populations.

Disadvantaged populations, including children, the elderly, special needs patients, the indigent, and the working uninsured, face unique health problems and difficulty accessing healthcare and treatment protocols. UTMB is committed to eliminating these health disparities.

Objectives:

UTMB plans to establish a Health Policy Institute to perform research related to eliminating health disparities. UTMB serves a diverse population and is therefore uniquely positioned to inform decision makers about the issues surrounding healthcare delivery to disadvantaged populations. The Health Policy Institute will provide opportunities for students and faculty to conduct research to understand the nature and extent of health disparities, investigate the impact of such disparities on the healthcare system, and educate various public constituents about the issues regarding health disparities.

The Health Policy Institute, in collaboration with other UTMB departments and schools, will provide research opportunities to selected scholars in topics such as the effect of insurance on long-term healthcare outcomes, the needs of the working uninsured, and the effects of healthcare policy on the health of disadvantaged populations and the healthcare delivery system.

Strategies:

- Provide funding to support research at UTMB and at other institutions and organizations to study health disparities in underrepresented/disadvantaged populations.
- Establish collaborations with the UT Austin LBJ School of Public Affairs and the James A. Baker III Institute for Public Policy at Rice University, which are both engaged in public policy research.
- Present briefing papers, presentations, and symposia and host conferences to help decision makers understand issues related to health disparities. Continue the Health Disparities Lecture series.
- Attract federal, state, and philanthropic support to promote research related to healthcare policy and its effect on underrepresented/disadvantaged populations.
- Consider the emerging concept of population health that aims to improve the health of the entire population and reduce health inequities among the population groups.

Resources:

UTMB has established a Program for Eliminating Health Disparities and is engaged in establishing collaboration with the UT Austin LBJ School of Public Affairs and other institutions. UTMB is a member of the Consortium in Health Disparities established by the Center for Research and Minority Health at UT M. D. Anderson Cancer Center. Funding is being sought from several philanthropic sources to support research in health policy issues related to disparities.

Progress Measures:

The success of the Health Policy Institute will be measured by the accomplishment of the following: establishment of funding source(s) of a minimum of \$250,000 by 2007 to support health policy research; development of at least two focused research studies related to health disparities of particular interest to

UTMB by 2008; and formalization of a partnership with one institution and establishment of a collaborative research project on a topic related to health disparities by 2008.

IV. Other Critical Issues Related to Institutional Priorities

The priorities and initiatives presented in the previous sections will have a significant impact on our students, faculty, staff, patients, and the multiple communities we serve. They are aligned with our values, mission, vision, and goals and specifically address diversity, community, stewardship, and facilities issues. Most importantly, their success and the foundation they form will ensure UTMB's ability to improve the health of society for generations to come.

Increasing student access and success is another UTMB initiative. In addition to emphasizing the institution's Strategic Enrollment Management Plan, the Academic Executive Council, composed of the deans of the four schools, established the Student Affairs Council (SAC), which consists of associate deans for admissions and student affairs from the four schools and the associate vice president for student services. The SAC works collaboratively to increase the efficiency and effectiveness of the student affairs functions and processes across the four schools. We recognize that students are consumers who make their educational choice based on cost, value, financial support, student support services, flexibility of program requirements, course delivery, and name recognition. In response we have made improvements in our recruitment processes, student information systems, admissions processes, curriculum design, student life, student wellness, counseling, and other areas of student affairs.

Because a culturally diverse workforce can better address the healthcare needs of a culturally diverse patient population, we recognize our responsibility to educate scientists, physicians, nurses, and allied health professionals who mirror the population they serve. In response, the university has designed and implemented plans for recruiting members from disadvantaged groups as students, faculty, and staff and for encouraging members of these groups to enter the healthcare professions. Specifically, UTMB has plans in place to enhance pre-college awareness programs, enhance and develop undergraduate awareness programs, enhance admissions processes, increase funding for scholarship programs, enhance academic support systems, and refine evaluation processes for recruitment and retention.

Each of the following is a national, state, or local trend that could significantly affect UTMB's key priorities:

General fiscal constraint brought on by escalating healthcare costs, the impact of providing care to the unsponsored, the increasing cost of technology and decreased reimbursement for clinical services: The United States spends a larger share of its gross domestic product (GDP) on healthcare than any other major industrialized country. Expenditures for healthcare represent nearly one-seventh of the nation's GDP, and they continue to be one of the fastest growing components of the federal budget. In 1960, for example, healthcare expenditures accounted for about 5 percent of the GDP; by 2000, that figure had grown to more than 13 percent. Although the rate of growth in healthcare costs slowed somewhat in the mid 1990s, it has once again started to rise at a rate that exceeds other sectors of the economy.

Decreased reimbursement for clinical services will remain a critical issue for UTMB. A U.S. Census Bureau report released in September 2003 showed that the uninsured population grew by 2.4 million in 2002, increasing the total number of uninsured Americans to 43.6 million. As states continue to deal with fiscal challenges, teaching hospitals around the country have responded with a wide range of cost-containment strategies. The elimination of programs, service lines, and employee positions is a well-known and nationwide response. Cuts in Medicaid will further constrain our ability to provide healthcare to people in payer groups who are unable to reimburse our costs for providing the care.

The introduction and use of expensive medical technologies by all age groups is another cost driver. Additionally, the ability to recover costs after the implementation of new technologies is uncertain. The newly gained ability to shift many surgical procedures to the ambulatory delivery system has had an adverse financial effect on hospitals. A combination of lower surgical admissions, which represents the loss of higher reimbursement potential for these cases, and higher admissions among the aging population and its low-reimbursement patterns, will present additional financial strain on providers.

Sustainability of the Correctional Managed Care program: Funding for the Correctional Managed Care program must be increased to cover the cost of providing healthcare services to the incarcerated population in order for UTMB to continue providing service at the current level.

Workforce shortage: The nationwide nursing shortage is the result of many factors, including declining enrollments and graduations from nursing schools, an aging workforce opting for retirement, and an older and sicker patient population that requires more nurses. Although nursing admissions increased in fall 2004, there is a likely shortage of physicians and non-healthcare professionals (information technologists, laboratory technicians, etc.) on the horizon for similar reasons. Potential students are reluctant to invest significant time and money in a profession that is no longer perceived as offering top salary potential at a time when an aging population will place increasing demands on the healthcare system for years to come.

Clinical capacity limitations and the increased demand for services from the aging population: The aging of the population represents another significant contributor to the increased demand for clinical services and resulting need for proper facilities in which to provide care for the population. As UTMB's patient population continues to age and expand, the demand for primary care continues to focus on convenience, including geographic proximity, ease of access, and patient-centered care. The definition of what constitutes "primary care" has also expanded to include management of chronic diseases such as diabetes, common gastrointestinal and respiratory diseases, and high blood pressure. All of these increasing and expanding demands will tax clinical capacity.

The rising cost of higher education: Since the late 1990s, the cost of higher education has been rising faster than the rate of inflation due to the need to modernize facilities, keep up with advances in technology, compete to recruit and retain high-quality faculty, and diminished state funding. As the cost of providing high-quality advanced education has increased, increases in tuition and fees, intended as an offset, have become a national concern. By most estimates, at the current rate of increase, the cost of a typical four-year public college education will be nearly \$100,000 in the year 2010. The impact on academic medical centers will be higher, presenting a challenge to UTMB's goal of keeping tuition and fees in the lowest quartile among comparable institutions in the United States.

Facility renewal: The size and age of UTMB facilities ensures that facility renewal will remain a critical issue relative to achieving institutional priorities. Without adequate funding, the value of all fixed assets used for instruction and research will decline significantly during the 2006–2007 planning period. In addition to improving its margins, UTMB will seek Permanent University Fund and special-item funding for these needs. The University will also explore the use of investor financing and other special financing programs in meeting our preservation and renewal needs. Tuition revenue bonds will be applied for to fund the Galveston National Lab.

Globalization of health: Globalization is understood as the economic interdependence among nations. Health, as a component of this worldwide trend, will continue to present evolving challenges and opportunities across UTMB mission areas. In just two decades, the epidemic of human immunodeficiency virus (HIV) infection and AIDS has progressed from being a medical curiosity to its current status as a global killer, changing the structure of families, hindering economic development, and even threatening domestic security of many countries in the developing world. The ease, speed, and volume of

international travel combine to create an era of "diseases without borders." Maintaining a global view toward health and the associated implications will remain an issue now and in the future.

Consumerism: The rising cost of healthcare, at a time of increasingly constrained resources both in the public and private sectors will only accelerate the demand for proof that consumers are getting real value for the healthcare dollars they spend. As healthcare consumerism becomes more prevalent, it will be defined by a demand for a broader range of services across the spectrum of care. Increasingly, patients will travel farther for better quality care that they choose for themselves. Healthcare consumers will increasingly demand better cost control, quality, innovation, and shared decision making between the provider and the patient.

The survival of academic health centers during the next five years depends on the economics of distinguishing between size and importance. The size of an organization, program, or project does not determine customer value or impact. Rather, customer value and impact are determined by the importance of the activity or innovation in positively transforming the health status of the population at large. The ability to correctly determine the important discoveries, innovations, technologies, and partnerships that will best improve human health will be the distinguishing factor for successful academic health centers.

V. System and State Priorities

UTMB's major on-going priorities and initiatives, and future initiatives outlined in this Compact demonstrate our alignment with the UT System and Texas' mission, philosophy, and goals regarding student access and success, development of collaborations among UT System institutions, increasing external research funding, benchmarking excellence in academic and healthcare education, and promoting development and alumni relations.

VI. Compact Development Process

UTMB implemented a strategic planning process in 1982 in accordance with rules established by the UT System Board of Regents. Strategic plans have been reviewed and updated on a continuing basis and have documented the university's direction for the future. UTMB has continued to refine its planning process, increasing participation among faculty and students and improving data collection, analysis, communication, goal setting, budgeting, and performance monitoring. Most notably, in 1999 UTMB initiated a broad-based scenario planning process to further enhance strategic planning. The scenario planning process creates plausible views of the future environment the institution may find itself having to face and the supporting strategies for improving institutional flexibility and decision-making in addressing the uncertainties of the future. The institutions planning processes are open and include broad based participation of administrators, faculty, staff, students, standing committees, and community representatives.

The development of the Compact did not constitute a separate institutional planning process. Existing institutional strategies; entity strategic plans for research, the clinical enterprise, and the schools; and priorities from the institution's comprehensive fund-raising campaign were considered in the selection of the major priorities. The Compact includes a subset of the institution's priorities that have been developed and vetted through ongoing institutional planning processes. The Compact process was led by the President's Council, a multi-disciplinary group consisting of UTMB's top-level administrators. The council, which assembles weekly and communicates regularly as it maps out a course for the university's future, conducted a survey of the administrative leadership, reviewed the status of existing institutional strategies, and identified the major priorities that would be included in the Compact. Compact content teams were established, each with a liaison from the President's Council, to draft the priorities in the

prescribed format. These teams collaborated with administrators, faculty, and staff to develop the drafts. Presentations were made to institutional constituents including leadership groups, faculty groups, the Faculty Senate, students, and staff as part of the institutional consultation process. A Compact website was created to communicate the draft Compact to the institution and to solicit feedback. Feedback provided during this consultation process was incorporated in the Compact. The draft was reviewed and approved by the President's Council and the President. When finalized, the Compact will be included on the UTMB website.

VII. System Contributions

- Support for fund-raising efforts (External Relations).
- Support on legislative issues and appropriations, including TRBs, uninsured healthcare, and correctional care (Governmental Relations).
- Educational collaborations and health policy initiatives (Health Affairs).

VIII. Appendices

Budget Summary

**The University of Texas Medical Branch at Galveston
Operating Budget
Fiscal Year Ending August 31, 2005**

	FY 2004 Adjusted Budget	FY 2005 Operating Budget	Budget Increases (Decreases) From 2004 to 2005	
			Amount	Percent
Operating Revenues:				
Tuition and Fees	\$ 7,766,865	8,758,148	991,283	12.8%
Federal Sponsored Programs	99,585,883	106,237,560	6,651,677	6.7%
State Sponsored Programs	19,714,825	20,642,361	927,536	4.7%
Local and Private Sponsored Programs	47,912,799	44,333,883	(3,578,916)	-7.5%
Net Sales and Services of Educational Activities	1,100,000	1,100,000	-	0.0%
Net Sales and Services of Hospital and Clinics	608,714,105	655,680,811	46,966,706	7.7%
Net Professional Fees	98,526,387	103,066,574	4,540,187	4.6%
Net Auxiliary Enterprises	7,012,113	7,022,013	9,900	0.1%
Other Operating Revenues	13,973,364	12,833,627	(1,139,737)	-8.2%
Total Operating Revenues	904,306,341	959,674,977	55,368,636	6.1%
Operating Expenses:				
Instruction	216,661,707	217,004,188	342,481	0.2%
Academic Support	14,477,759	7,308,682	(7,169,077)	-49.5%
Research	99,028,861	100,753,127	1,724,266	1.7%
Public Service	4,722,106	7,541,836	2,819,730	59.7%
Hospitals and Clinics	719,448,463	777,183,702	57,735,239	8.0%
Institutional Support	88,621,151	81,888,388	(6,732,763)	-7.6%
Student Services	2,551,914	2,994,268	442,354	17.3%
Operations and Maintenance of Plant	47,639,614	46,331,170	(1,308,444)	-2.7%
Scholarships and Fellowships	2,345,636	2,233,704	(111,932)	-4.8%
Auxiliary Enterprises	6,529,315	6,288,041	(241,274)	-3.7%
Total Operating Expenses	1,202,026,526	1,249,527,106	47,500,580	4.0%
Operating Surplus/Deficit	(297,720,185)	(289,852,129)	7,868,056	-2.6%
Nonoperating Revenues (Expenses):				
State Appropriations & HEAF	279,755,435	274,076,044	(5,679,391)	-2.0%
Gifts in Support of Operations	5,594,174	5,092,974	(501,200)	-9.0%
Net Investment Income	20,795,758	21,697,038	901,280	4.3%
Other Non-Operating Revenue	-	-	-	-
Other Non-Operating (Expenses)	-	-	-	-
Net Non-Operating Revenue/(Expenses)	306,145,367	300,866,056	(5,279,311)	-1.7%
Transfers and Other:				
AUF Transfers Received	-	-	-	-
AUF Transfers (Made)	-	-	-	-
Transfers From (To) Unexpended Plant	-	-	-	-
Transfers for Debt Service	(8,853,885)	(11,414,736)	(2,560,851)	28.9%
Other Additions and Transfers	40,256,218	35,237,289	(5,018,929)	-12.5%
Other Deductions and Transfers	(40,256,218)	(35,237,289)	5,018,929	-12.5%
Total Transfers and Other	(8,853,885)	(11,414,736)	(2,560,851)	28.9%
Surplus/(Deficit)	\$ (428,703)	(400,809)	27,894	-6.5%
Total Revenues	\$ 1,210,451,708	1,260,541,033	50,089,325	4.1%
Total Expenses and Debt Service Transfers	(1,210,880,411)	(1,260,941,842)	(50,061,431)	4.1%
Surplus (Deficit)	\$ (428,703)	(400,809)	27,894	

Statistical Profile

UT Medical Branch

<i>fall</i>	2000	2001	2002	2003	2004
Undergraduate enrollment					
Allied Health*	268	165	136	134	111
Biomedical Sciences	20	27	38	47	38
Nursing*	423	430	450	417	432
Graduate/prof enrollment					
Allied Health	73	154	198	222	258
Biomedical Sciences	233	234	256	274	321
Medical School	810	823	813	820	824
Nursing	100	94	114	145	137
Total	1,927	1,927	2,005	2,059	2,121
*Includes post-baccalaureate students; decrease in Allied Health due to transition to Master's-level programs					

<i>academic year</i>	99-00	00-01	01-02	02-03	03-04
Undergraduate					
Baccalaureate awards: Allied Health	212	141	95	38	53
Baccalaureate awards: Nursing	156	171	201	163	187
Graduate/professional					
Allied Health	35	36	37	74	61
Biomedical Science	49	51	59	52	57
Medical	184	183	194	181	190
Nursing	31	46	21	37	34
Total graduate/professional	299	316	311	344	342

<i>academic year</i>				02-03	03-04
Accredited GME resident programs				52	54
Residents in GME accredited programs				543	551

<i>fiscal year</i>	2000	2001	2002	2003	2004
Federal research expenditures	\$61,356,467	\$63,274,494	\$78,100,188	\$93,039,583	\$102,490,775

<i>fall</i>	2000	2001	2002	2003	2004
All instructional staff	1,214	1,244	1,259	1,259	1,281
Classified employees	10,226	10,603	10,933	10,207	10,636
Administrative/professional employees	1,517	1,540	1,470	1,532	1,568
Student employees	196	245	336	343	359

<i>fiscal year</i>	2000	2001	2002	2003	2004
Hospital admissions	32,505	32,927	35,099	37,190	40,452
Hospital days	170,797	175,956	186,975	194,642	199,860
Clinic visits	754,538	760,765	819,560	843,405	845,210
Un-sponsored charity care (charges)	\$61,596,586	\$66,908,903	\$85,982,833	\$97,724,989	

<i>as of</i>	8/31/99				8/31/04
Endowment total value	\$302,115,000				\$352,268,000

Institution-Specific Information

- Results of surveys of students, patients, and employees are included within "Report on Customer Service, Compact with Texans, and Customer-Related Performance Measures" (Report on Customer Serv Compact w Texans 2002.pdf)
- UTMB areas of excellence are enumerated within THECB report "Excellence Goal Institution Submissions: Areas of National Recognition & Excellence" (Updated Current & Targeted -- ALL UTMB.pdf)
- Descriptions and studies of the School of Medicine curricula are available in peer-reviewed journals, including (but not limited to):
 - Academic Medicine. 2002 Oct;77(10 Suppl):S54-7.
 - Academic Medicine. 2001 Oct;76(10 Suppl):S84-6.
 - Academic Medicine. 2000 Oct;75(10 Suppl):S84-6.
- Library peer comparisons for a variety of measures are available via <http://www.utmb.edu/ia/factbook.asp?which=lib>
- Additional institutional peer comparisons will be available in the soon-to-be-published UT System Accountability Report.
- Descriptions of UTMB's schools' various curricula:
 - School of Medicine: http://meded.utmb.edu/Medical_School_Curriculum_TOC.htm
 - School of Allied Health Sciences: <http://www.sahs.utmb.edu/programs.asp>
 - School of Nursing: http://www.son.utmb.edu/academic_programs/bulletin/SON_Bulletin_2003-2005.pdf
 - Graduate School of Biomedical Sciences: <http://www.gsbs.utmb.edu/programs/default.html>
- Information regarding the location of UTMB clinics is available in map format at:
 - http://www.utmb.edu/ia/services.asp?which=atlas&map=cmc_clinics (UTMB Correctional Managed Care Clinics)
 - <http://www.utmb.edu/ia/services.asp?which=atlas&map=clinics> (UTMB Clinics)
- Additional information pertaining to the Texas Department of Criminal Justice Hospital (UTMB-TDCJ) is available via: <http://www.utmb.edu//tdcj/>
- Correctional Managed Care particulars are available via: <http://www.utmb.edu/cmc/>
- Carson RA, Hudson Jones A. School of medicine offerings in medical humanities and ethics. Academic Medicine (Appendices). Oct. 03; 78(1): 1006-1009.

Links to Web Resources

- The UTMB Fact Book: <http://www.utmb.edu/ia/factbook.asp>
- UTMB "Facts & Figures:" <http://www.utmb.edu/ia/facts.asp>
- Descriptions of our gender and diversity initiatives are included in the UT System Annual Reports on Human Resources. The most recent edition of this report is available at: <http://www.utmb.edu/ia/services/HRReport.pdf>
- UTMB Strategic Plan 2001-2005: http://www.utmb.edu/strategic/SASP_2001-2005_FINAL.pdf
- UTMB 2003 Integrated Clinical Enterprise Strategic Plan: http://www.utmb.edu/avplanning/subweb/strategic/Integrated_Clinical_Enterprise_Plan.pdf



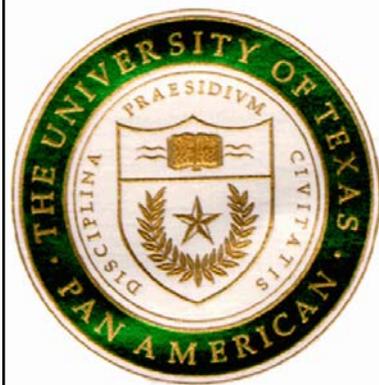




The University of Texas Pan American



2005-2006 UTPA Profile



- 17,050 - Enrollment
- 56 Bachelor's Programs
- 45 Masters Programs
- 2 Doctoral Programs
- 1 Cooperative Doctoral
- 10th largest Texas university
- 1st in educating Mexican-Americans
- 2nd in awarding Bachelor's Degrees to Hispanics



UTPA Faculty Profile



- 772 Total
- 53% Full-time
- 46.8% Part-time
- 38% Hispanic
- 28.6% Tenured

3



2005-2006 UTPA Student Profile



- 88% Hispanic
- 72% 1st Generation College
- 72% Full-time students
- 20% Dependent children
- 75% on Financial Aid (\$84 Million)

4



Bound by Campus Walkway



5



2005-2006 UTPA Building Additions



6



Bound by Music



7



Valley Symphony Partnership



8



Bound by Aspirations

- Massive Outreach
- Student Organizations
Professionally Focused
- Increasing Student Engagement
of Campus Life
- Engaging Alumni
- Engaging Parents

9



Bound by Challenges

- Keeping Tuition Affordable
- Diversify Student Ability Profile
- Graduation Rates
- Growth
- Lack of Capital Funding

10



UTPA Financial Aid Student Profile



- 77% Pell Grant Eligible
- 60% Hold jobs off campus
- \$27,000 - average family income
- 44% have family income less than \$20,000

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2005-2006 UTPA Entering Freshmen

Fall Semester	2000	2004	2005
ACT Composite Scores	17.2	18.14	19.5
Recommended/Distinguished Degree Plan	75.6%	94.1%	95.8%
Top Ten Percent of Graduating Class	16.1%	16.2%	18.8%
Valedictorians and Salutatorians		54	56

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UTPA Cohort

Cohort	Fall 1995	Fall 1996	Fall 1997	Fall 1998	Fall 1999	Fall 2000
4 yr UTPA	6%	5.9%	6.4%	7.7%	8.4%	10.4%
5 yr UTPA	16%	15.8%	17.9%	18.0%	21.3%	
6 yr UTPA	23%	24.8%	26.4%	25.7%		
10 yr UTPA	37%					
10 yr UTPA & Texas	47%					

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Bound Together in Addressing Challenges

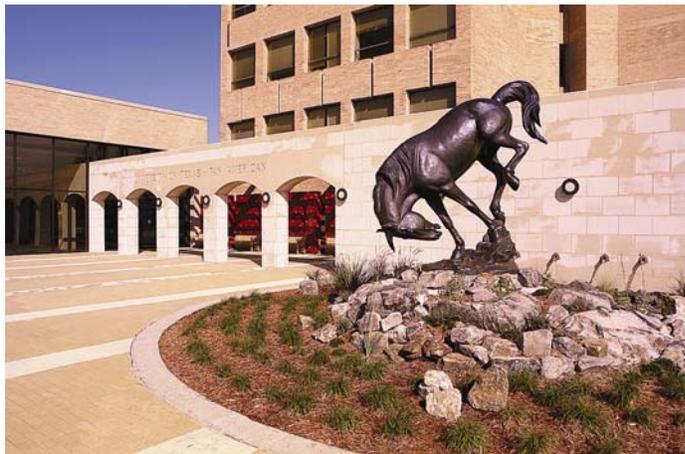
- Strategic Planning
- Quality Enhancement Plan (QEP)
- New Initiatives for Retention and Graduation

14

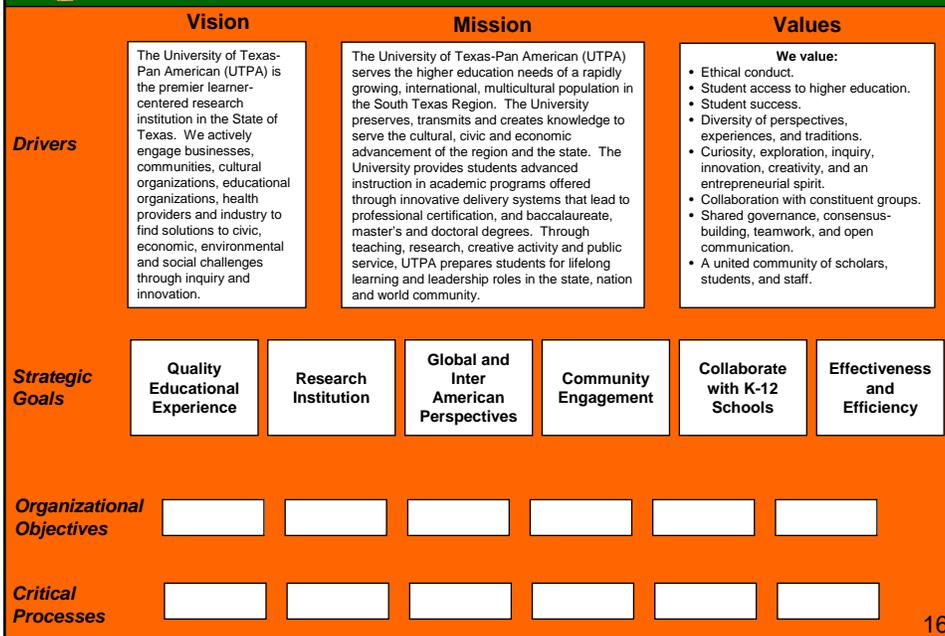


UTPA 2010 Strategic Plan

- Mission
- Vision
- Values
- Goals



UTPA – ODP Map





SACS Accreditation

Quality Enhancement Plan (QEP)

“GEAR UP to Graduate: A Model for Academic Success for Mexican-American University Students”

17



UTPA Graduation Rates



STRATEGIES

1. Advising
2. Learning Communities
3. Retention
4. Career Expos

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Bound Together by Success

- Students
- Faculty
- Staff
- Alumni

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Auditing Team 2004



20



Auditing Team 2005



21



UTPA Engineering Team



22



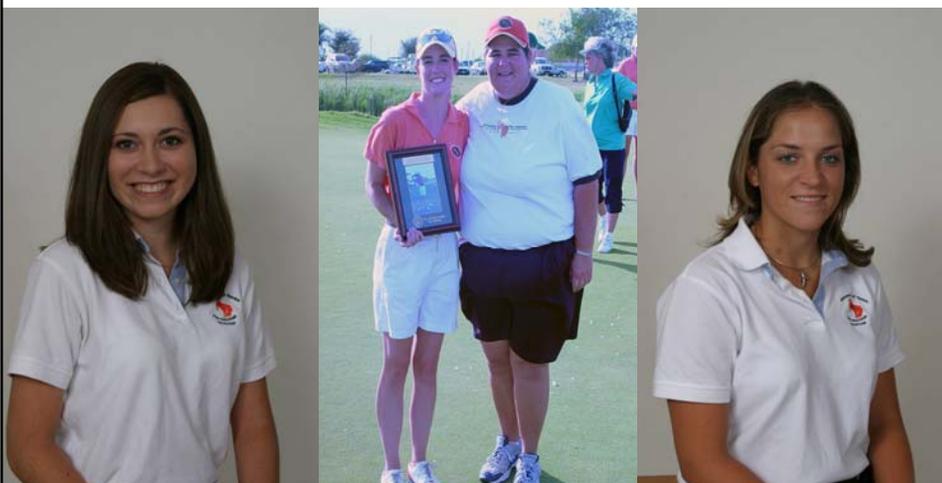
Southland Conference Honor Roll



23



UTPA Lady Broncs All American Scholars



24



UTPA Valley Scholars



25



2005-2006 UTPA Study Abroad Program



Study Abroad Summer 2005 in India



Study Abroad Summer 2005 - Undergraduate Internship in China

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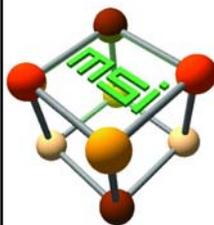
2005-2006 UTPA Student Government Assoc.



27



UTPA Research Development Efforts



MSI RESEARCH
PARTNERSHIPS

Borderplex Collaborative

RGVRCIC - Emerging Technology Fund

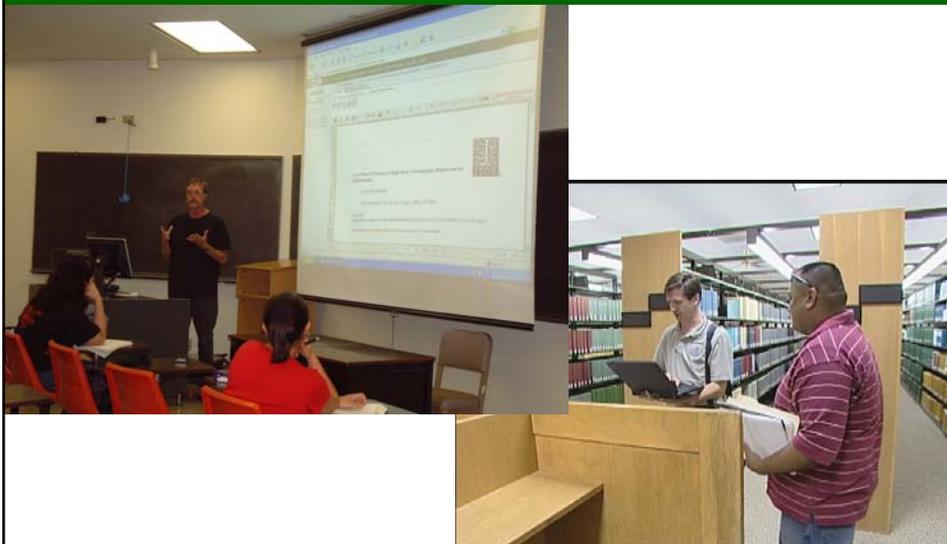
UTPA Research Expenditures

2002	2003	2004
\$2.6 M	\$3.2 M	\$4.3 M

28



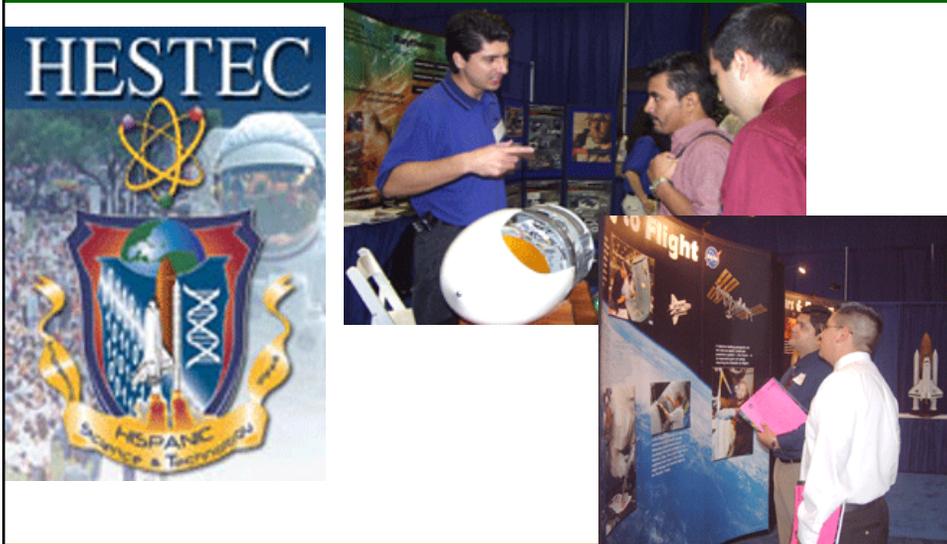
Information Technology



29



4TH Annual HESTEC



30



2005-2006 UTPA Pillars of Success



31



2005-2006 UTPA Distinguished Speakers



32



2005 UTPA Hurricane Relief



33



The University of Texas Pan American



34



THE UNIVERSITY OF TEXAS SYSTEM

Diversity Data Project

Office of Institutional Studies and Policy Analysis

Meeting of the U. T. System Board of Regents
November 10, 2005



Purpose

Measure progress in hiring and retaining more diverse

- Faculty
 - Tenured and Tenure Track
 - Other Faculty
- Staff
 - Executive, Administrative, Managerial



Prior Information

- Headcount
- Percent distributions
- Six-year comparison
- Seven-year comparison

3



Prior Information

**U. T. System Administration
Executive Staff Demographics – Headcount**

	1996	%	2002	Change	%	2003	Change	%
Ethnicity								
White	16	84%	28	12	88%	29	13	78%
African American	1	5%	2	1	6%	3	2	8%
Hispanic	2	11%	2	0	6%	5	3	14%
Asian American	0	0%	0	0	0%	0	0	0%
Native American	0	0%	0	0	0%	0	0	0%
Total	19		32			37		
Gender								
Male	15	79%	24	9	69%	27	12	73%
Female	4	21%	8	4	31%	10	6	27%

4



Prior Information

U. T. Arlington Tenured Faculty – Headcount

	1996	%	2002	%
Ethnicity				
White	335	81%	283	77%
African American	1	0%	4	1%
Hispanic	8	2%	8	2%
Asian American	33	8%	36	10%
Native American	4	1%	2	1%
International	32	8%	35	10%
Total	413		368	
Gender				
Male	341	83%	289	79%
Female	72	17%	79	21%

5



Trend Information

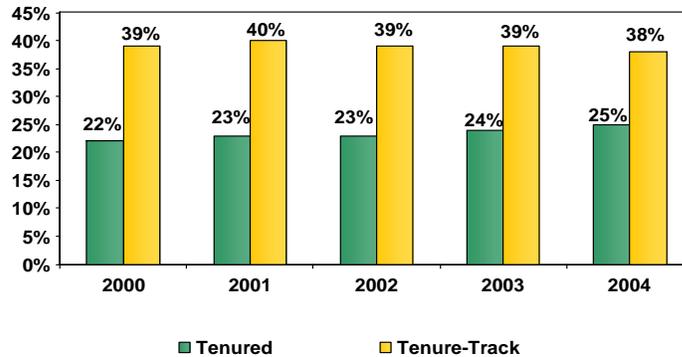
- Accountability Report
- 2005 Statistical Handbook

6



Trend Information

Percent of Faculty who are Tenured and Tenure-Track Women at U. T. Academic Institutions



Source: 2005 Statistical Handbook

7



Trend Information

U. T. Arlington

Tenured Faculty by Gender and Ethnicity

	Fall	2000 (N=413)	2001 (N=402)	2002 (N=390)	2003 (N=385)	2004 (N=383)
Male		79.4%	78.1%	77.4%	75.8%	76.2%
Female		20.6%	21.9%	22.6%	24.2%	23.8%
White		83.8%	82.3%	81.0%	79.5%	78.6%
African American		1.0%	1.5%	1.8%	1.8%	1.6%
Hispanic		2.7%	2.7%	2.8%	3.1%	3.1%
Asian American		12.1%	12.7%	13.3%	14.3%	15.4%
Native American		0.5%	0.5%	0.5%	0.5%	0.3%
International		--	0.2%	0.5%	0.8%	1.0%

Source: 2005 Statistical Handbook

8



Current Data Limitations

- Comparability and consistency problems
- Non-homogeneous job categories
 - Executive category – more consistency
 - Manager category – highly variable
- Not adequate to describe complex processes
 - Recruitment from specific applicant pools
 - Retention and Promotion
 - Resignations

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Example of Contextual Data

- New faculty hires
 - Availability data
 - Composition by gender and ethnicity
 - Applicant Pool
 - Applicants interviewed
 - Offers made and refused
 - Offers made and accepted

10



Process for Collecting Better Management Information

- Consultative and inclusive process
 - Involve System and campus decision makers and content experts
- Identify key questions to assist decision makers
- Minimize institutional response burden

11



Process for Collecting Better Management Information

- Review existing data sources
 - National (National Center for Education Statistics surveys)
 - State (Coordinating Board and Comptroller surveys)
 - Data exchanges
 - Professional accrediting bodies
 - Institutional (EEO reports or other monitoring systems)

12



Process for Collecting Better Management Information

- Compare data definitions and consistency among reports
- Design appropriate data collection instruments and data retrieval systems
- Develop more appropriate analytical tools and reports to evaluate progress

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