Compact Background. In 2003-04, the UT System instituted a Compact process with each UT System institution. The Compact Process has become a key element in the System's overall planning framework, which includes identification of state, regional, and local needs, overall System priorities, strategic and long-range plans for each institution, presidential work plans, and accountability and performance studies.

Within this framework, compacts highlight an institution’s short-term priorities, with specific statements about the tactics that the institution will use to reach its goals and specific measurements of its progress.

What Is a Compact? A Compact is a succinct written agreement between the Chancellor and an institution president that summarizes the institution’s major goals and priorities, strategic directions, and critical issues. It describes specific action plans necessary to achieve important goals, summarizes the institution’s progress and outcomes, and articulates System Administration’s commitment of resources and time to support particular initiatives. This is a System-wide, institution-level process. However, unlike regulations, the Compact does not impose a single set of rigid rules on each institution. Within a standard format, it reflects the unique goals and character of each institution.

Designed primarily to support alignment and sound management, the Compact framework fosters a shared plan and vision and helps develop and articulate pressing issues and standards of excellence for each institution and for the System as a whole. The process must engage faculty, staff, and students in local-level decision making. Designed to promote transparency, the Compacts are also posted on the Web and are available for reference within or outside the UT System.

The time frame for a Compact is 18 to 24 months, somewhat shorter than the scope of most strategic plans. In this respect, Compacts complement, but do not replace, an institution’s longer-range plans. They also relate to but do not replace the President’s annual work plan and reports. Indicators used in the compacts are also related to the System’s broader accountability and performance framework.

Compact Contents. A compact contains the following elements:

1. Introductory material about the institution’s mission and areas of activity.
2. Major short-term and ongoing priorities and initiatives: priority and scope, objectives, and strategies; resources, progress measures, and any obstacles to progress; and connections to institutional, System, and state priorities.
3. Future initiatives of high strategic importance: objectives, strategies, resources, and progress measures.
4. Other critical issues: impact of initiatives on such areas as enrollment management; diversity; community relations; finances, facilities, and technology; and discussion of any unexpected opportunities and/or crises.
5. System and state priorities: if not discussed in sections 2-4, a brief description of ways the institution is addressing collaborations among UT institutions; enhancing student access and success; and increasing research funding, tangible marks of academic and health care excellence, development, and alumni relations.

7. System contributions: a description of the services the System is asked to provide to support the institution’s initiatives, e.g., assistance with fundraising, facilities planning, community relations, academic program development, etc.

8. Appendices: budget and key statistical information that provide a ready reference and context for the discussion of priorities in the Compact.

How Are Compacts Developed?

Institutional consultation. It is vital that each institution consult actively with its faculty, staff, students, and appropriate external constituencies throughout the planning process. The Compact includes a section that describes the consultation strategies the institution used to prepare this document.

Compact briefings. Overviews and updates about the overall Compact Process continue to be made to the System Council, and Councils of Academic and Health Presidents.

Compact meetings. Each institution meets with its respective Executive Vice Chancellor to outline initial priorities, issues, and questions in advance of drafting the Compact and with System staff to review the draft Compact document. The final Compact reflects the mutual discussion and agreement on these issues among the President, his or her institution’s respective Executive Vice Chancellor, and the Chancellor.

What Is the Compact Timeline?

The Compact covers a two-year cycle. Compacts for the fiscal years ending 2006 and 2007 were completed in summer 2005, with updates on progress made to that point. The next round of compact revisions and updates will begin in winter 2006, with preliminary drafts due in early May 2006 for review and discussion in budget/compact. The next set of Compacts will be completed in August 2006.

For More Information about the Compact Process.

Contact Dr. Geri H. Malandra, Associate Vice Chancellor for Institutional Planning and Accountability, gmalandra@utsystem.edu, 512-499-4798.

Link to UT Institution Compacts.

The UT System Compacts are available on the Web at: www.utsystem.edu/ipa/compacts/2005/
The University of Texas Southwestern Medical Center at Dallas

Compact with The University of Texas System
FY 2006 through FY 2007
I. Introduction: Mission and Goals

The University of Texas Southwestern Medical Center at Dallas is a component institution of The University of Texas System and is committed to pursuing high standards of achievement in instruction, research, and clinical activities. Since its inception in 1943, UT Southwestern has evolved as one of the leading biomedical institutions in the country and its programs are designed and implemented with the intent to sustain this progress in the future.

As an academic health science center, the central mission of the institution is to educate health professionals whose lifelong career objectives will be to provide the best possible care, apply the most appropriate treatment modalities, and continue to seek information fundamental to the treatment and prevention of disease. Within an environment of interdisciplinary activity and academic freedom at UT Southwestern, students receive training from faculty scholars who have in-depth expertise in the many specialties of health care and the biomedical sciences. Faculty members also apply their research and clinical skills to generate new knowledge in the fight against disease while serving the people of Texas to the best of their ability. Research findings are made available directly to students and indirectly to the general public as practicing professionals adopt new treatment modalities. The focus of the faculty, students, and administration at The University of Texas Southwestern Medical Center at Dallas will remain on providing exemplary educational programs, creating new knowledge, delivering quality medical care, maintaining the highest ethical standards, advancing the scientific basis of medical practice, and demonstrating concern and compassion for all people. Every aspect of the university’s operation will be conducted in as cost-effective a manner as possible.

The institution consists of the Southwestern Medical School, the Southwestern Graduate School of Biomedical Sciences, and the Southwestern Allied Health Sciences School and offers degrees and programs with subject matter limited to health-related fields.

The central purpose of The University of Texas Southwestern Medical Center at Dallas is to produce physicians who will be inspired to maintain lifelong medical scholarship and who will apply the knowledge gained in a responsible and humanistic manner to the care of patients. The Southwestern Medical School has assumed responsibility for the continuum of medical education. The institution offers instructional programs not only in undergraduate medical education leading to the M.D. degree, but also graduate training in the form of residency positions and fellowships as well as continuing education for practicing physicians and medical scientists. An important focus of the educational effort is training primary care physicians and preparing doctors who will practice in underserved areas of Texas. Another instructional role of Southwestern Medical School faculty is that of fully preparing those medical students who seek a career in academic medicine or research, including providing the opportunity to earn both the M.D. and Ph.D. degrees simultaneously.

The Southwestern Graduate School of Biomedical Sciences provides well qualified individuals seeking an M.A., M.S., or Ph.D. degree with the opportunity and the encouragement to investigate rigorously and be creative in solving significant problems in the biological, physical, and behavioral sciences. In addition to acquiring information in their area of research expertise, graduate students are encouraged to develop and test new ideas in the classroom and to communicate their ideas to others within the research-oriented medical community. Although enrolled in a specific program, the students are not restricted to courses in their major field of study. Exposure to a wide variety of academic disciplines is necessary to prepare each individual for the rapidly changing emphasis in the biomedical sciences. Therefore, graduate students at UT Southwestern gain a wide perspective of contemporary biomedical science through interdisciplinary courses, seminars, and informal discussions involving scholastic interaction with students and faculty from other educational programs within the University.

The educational programs of the Southwestern Allied Health Sciences School have been established to educate individuals at the baccalaureate and master’s degree levels for those professions which support
the health care delivery team concept. The School offers baccalaureate degree programs in several fields, post-baccalaureate courses of study, certificate programs, and master’s degree programs in allied health science fields of study. As an integral part of UT Southwestern Medical Center, the School works cooperatively in education, research, and service contexts. It prepares allied health professionals of the highest quality and competency to help meet health care needs of the people of Texas. Through research and scholarly pursuits related to health care, it advances scientific knowledge and practices of the allied health profession. It offers consultation, technical assistance, and professional services to meet education and health care needs of the community. In addition, it contributes to the continued growth and development of allied health professions, including reduction of barriers to career advancement through pathways to graduate or post-graduate education. The School views its community obligations as being important and therefore works actively to publicize career opportunities and respond in an appropriate manner to the requirements of health care institutions, agencies, and service providers in the area.

II. Major Ongoing Priorities and Initiatives

A. Short Term Priorities and Initiatives

1. Consolidate the operations of Zale Lipshy University Hospital and St. Paul University Hospital into the patient care mission of the university

Priority: Very High Priority – Essential to the future of the physician referral practice

Objectives: Ensure the future growth and excellence of the clinical referral practice through stabilization of the primary hospitals that serve our private patients. In order to provide a full spectrum of patients for our clinical, education, and research missions, a financially strong, well-managed hospital is required. The clinical practice must have access to privately insured patients to ensure an adequate stream of income to support the whole practice. Undergraduate and graduate training is enhanced by the opportunity to assist in the treatment of patients seen in such facilities at an earlier stage of disease. To resolve these challenges, the objective will be to fully integrate outpatient and inpatient services by UT Southwestern assuming responsibility for the operation and governance of Zale Lipshy University Hospital and St. Paul University Hospital.

Strategies: The following sequential strategies are planned: (1) Enter into contracts to provide management oversight assistance to the hospitals. This step is already in place, and improvements are evident. (2) Obtain experienced management for the hospitals in key positions. (3) Enter into contracts for consulting assistance in the key financial and operating processes. (4) Consolidate the information technology and telecommunications functions of the university and hospitals. The project is already taking place under contracts with the hospitals. Due to the contractual nature of the relationship, the consolidation is not as efficient or streamlined as is desirable. The Information Resources Department of the university has included the needs of the hospitals in its strategic plan due to the contract obligations. (5) Enter into a financial consolidation with the hospitals in a form which best meets the future needs of the university. This step is currently under study during the development of the Compact. The analysis and final decision on the future relationship of the university with the two hospitals includes consultation with physicians, administrators, UT System administration, and ultimately, with the Board of Regents. A full merger of the hospitals within the
university should be considered as an optimal means to provide the most financially and functionally attractive, long-term solution to the challenges faced by the clinical practice and the hospitals.

Resources: For full success, the university needs to assume full responsibility for managing and governing the hospitals. A plan to acquire the assets and retire the liabilities of the hospital corporations should be developed. Based on an assessment of fair market value of real estate and equipment, the primary source of funding is expected to be the sale of bonds through the UT System revenue financing system, with the bonds to be retired from hospital revenues in future years. Combining the hospitals within the university umbrella is sure to stimulate more philanthropic support as the financial questions associated with the hospitals’ future viability are resolved. With the financial strength of UT Southwestern and the support of UT System, capital investment options will be open to the hospitals to help maintain the facilities and provide the advanced equipment necessary to the hospitals’ futures.

Progress Measures: A major indicator will be the financial performance of the hospitals. As the benefits of consolidation take hold, the hospitals should return to a strong, positive financial condition. Likewise, the practice plan should excel from improved hospital financial strength. Such improvements will require several years to be fully realized and will be impacted by the level of capital investment available. Over time, the consolidated hospitals should become reorganized in noticeable magazines, such as *U.S. News and World Report*.

Major Obstacles: No major obstacles are known at this time. Analysis of regulatory issues, contingent financial obligations, legal issues, and accreditation issues remains to be completed. The primary challenge going forward will be the availability of capital for new investment as described later in the Compact.

Update: The university acquired the two hospitals effective January 1, 2005, and merged their operations within the university structure. The university has assumed full responsibility for the governance and management of the hospitals. A financial plan has been implemented to return the hospitals to breakeven status.

2. Develop financial resources, both internal and external, to support clinical and research expansion

Priority: High priority - Expansion and enhancement of UT Southwestern’s programs will require substantial new investment in buildings and equipment. The full range of sources, including PUF bonds, RFS bonds, Tuition Revenue Bonds, and institutional, gift, and grant funds, as well as private sector finance, will be needed.

Objectives: Provide funding for additional clinical and research space in a financially sound manner, as space is needed. As new and enhanced programs are developed and additional faculty members are recruited, both new and renovated space will be required for expanded work. Specialized medical equipment in the clinical departments and research equipment not funded by sponsors will require significant resources. Campus infrastructure support for these activities will also require additional funding. With a growth rate of 8% to 10% in both clinical and research activity, significant new resources will be required from external sources.

Strategies: (1) Successfully complete the university’s $500,000,000 capital campaign. Begun in 2002, the campaign is designed to provide an opportunity for
the community to participate in the growth of the institution. Funds have been raised in support of both research and clinical programs. (2) Use debt capacity of the growing UT Southwestern enterprise in compliance with UT System guidelines and prudent management. Over the past fifteen years, RFS bonds and notes have been used in combination with other resources to expand the Aston Center, finance four new buildings forming the north campus, purchase new land and buildings, and finance clinical equipment. The use of enterprise accounting to better judge clinical business performance and the use of projection models in the new financial planning office will provide better information to assist in producing the financial modeling necessary to support bond financing proposals. (3) Obtain assistance from the UT System Board of Regents in allocations of Permanent University Fund Bond proceeds. PUF bonds have been a major contributor to new building projects, primarily in support of research expansion. In each of the four north campus buildings, PUF bonds have been of vital importance in helping persuade philanthropists to provide private gifts. (4) Achieve continued state support through the Tuition Revenue Bond program. Two buildings on the north campus have received direct support through this program. Participation in capital expansion with TRB financing provides a meaningful, public statement by the legislative and executive branches of state government in support of the growth and improvement of UT Southwestern’s programs. Under guidelines regulating the financial support of federally sponsored research, the interest on debt and depreciation of original cost is recoverable. This provides a reliable source of funds to pay back debts incurred in the financing of research buildings. All three bond programs are included in the submission of proposals to recover financing costs on federally sponsored projects. (5) Construction grant opportunities will be used wherever possible when grantors offer programs to assist in capital formation. (6) In some cases, private sector finance may provide facility expansion opportunities. Through the use of ground leases on university property and operating leases in privately owned buildings, space requirements may be accommodated without the use of university capital funds. Presently, the university is seeking proposals for the development of a facility for biotechnology start-up companies interested in the licensing of university-owned intellectual property. (7) Allocation methodologies will be employed on an annual basis during the budget process to supply capital funds from unrestricted sources. A capital planning and source tracking system is to be developed for a multi-year internal plan for capital investment. A financial planning office has been created under the Office of Business Affairs to support this effort.

Resources: Internal financial support for each of the strategies will be provided through the annual budget.

Progress Measures: Achievement of this goal will be measured by the success in bringing forward capital projects in a timely manner, as the need for space and equipment requires. Research expenditures per square foot of research space are measured to time the need for new research space. Clinical enterprise accounting measures are being developed to measure the utility of clinical and hospital space to judge both efficiency and expansion requirements. Using a measure of work performed (Relative Value Units) and charges per square foot of clinical space will assist in determining the timing of the need for expansion. The formal capital campaign, semi-annual Capital Improvement Plan of the UT System Board of Regents, and sessions of the Texas Legislature offer opportunities to achieve measurable support from external sources. Provision of necessary space should be followed by measurable increases in research grants and clinical revenues.
Major Obstacles: Due to its success and reputation, the university has no major internal obstacles to overcome in justifying access to a diversified set of funding sources. However, competing external demands on state and UT System resources may tax the ability of the university to secure this source of funding. Unlike many universities, funding at UT Southwestern is needed primarily to enable the faculty to serve the research and clinical missions of the institution, rather than to serve enrollment growth.

Update: Development efforts of internal and external financial resources in support of clinical and research expansion is on-going. The office of finance presented a revenue financing system debt capacity update to the UT System Board of Regents’ Finance and Planning Committee on February 9, 2005. UT Southwestern was shown to have significant debt capacity for future growth. In terms of external funding, the university has received $400,000,000 toward a capital campaign goal of $500,000,000. Philanthropic cash receipts in FY 2004 exceeded $130,000,000. In addition, UT Southwestern received a new federal allocation through HRSA in the amount of $6,000,000. The HRSA funds will be used for equipment purchases to be placed in the Biomedical Research and Advanced Imaging Building currently under construction. A request has been submitted to the State Legislature in the current session for TRB funding to support North Campus Phase VI construction.

3. Implement the processes necessary to achieve the goals of the clinical transformation project

Priority: High priority – Achieving excellence in all aspects of the delivery of clinical care and service to our patients is a top priority. We are initially focusing on our ambulatory practice, where we perceive the greatest room for improvement, but ultimately plan to encompass our entire clinical practice.

Objectives: Our goal is to transform the practice into a cohesive, patient-oriented program that will combine the highest quality of patient care from medical and technological perspectives with the highest quality of customer service. The changes are not aimed at making marginal incremental improvements, but rather at producing a fundamental transformation of the quality of service of our patients’ experiences. We believe that improvements in the service culture of UT Southwestern are an essential aspect of medical student and resident education.

Strategies: Several strategies are planned. We have begun a number of improvements in our practice infrastructure including support services (telephones, registration, scheduling, and business processes), electronic medical records, practice metrics, and employee development and training. We are restructuring middle-management to empower a cadre of well-trained clinic medical directors and managers, who will have responsibilities to the entire practice as well as to their departments or divisions. Undergirding the “transformation” must be a transformation of our institutional “culture” toward a patient-centered focus.

Resources: Donors have already pledged support of over $40,000,000 toward a goal of $100,000,000 for this multi-year initiative. Ongoing costs of operations resulting from new initiatives will be included in the annual budget funded from the practice plan; it is anticipated that practice income growth plus philanthropic endowments will more than cover the recurring costs. Infrastructure elements that are in design or reorganization and that are deemed necessary to achieve our objectives include: (1) electronic medical records; (2) support services (telephones,
registration, scheduling, and business processes); (3) practice metrics (development of the clinical data warehouse); and (4) employee development and training.

**Progress Measures:** Patient satisfaction surveys are used to measure satisfaction and identify problem areas. Practice metrics are in development to measure wait times for visits, tests, and procedures; provider bumped appointment rates; clinic visit times; telecommunications performance; clinical volume and productivity; and financial indicators.

**Major Obstacles:** The following obstacles will need to be overcome to achieve the objectives of the initiative:

a. The complexity of moving our clinical operations toward “best practice” models
b. The magnitude of the process of re-engineering, implementation, and “roll out” of the electronic medical record across a predominantly subspecialty medical practice
c. Changing the “culture” and behavior of clinical leaders, providers, and staff into a service-oriented model

**Update:** In the past year the Clinical Services Initiative project (Clinical Transformation Project) has focused primarily on human resources and “culture” change in the organization. Workgroups of employees have developed service standards, personal appearance codes, and policies for patient-related communications from which an organizational CREDO and employee PACT (Problem Solving; Ability, Attitude, and Appearance; Communications and Compassion; and Teamwork) has been developed which embodies our standards and has been integrated in employee hiring, orientation, training, recognition, and evaluations. This PACT has been introduced to the University Hospitals and Clinics.

To measure patient satisfaction we have initiated Press Ganey satisfaction surveys. These are nationally benchmarked, ongoing surveys (summarized each quarter) in the University Hospitals and Clinics. We have coupled this with a performance improvement plan across the organization. We continue to develop medical practice operational metrics in a data warehouse and provide the detailed information to all leadership and management personnel.

We have continued to “roll out” our ambulatory electronic medical records and have developed an electronic Patient/Health System interface (“MyChart”) which will be initiated in primary care clinics in the summer of 2005. We have completed a process of information resources strategic and enterprise resource planning.

4. **Add new infrastructure support in information technology with reliable, secure systems that meet the needs of students, faculty, staff, and patients, including Electronic Medical Records**

**Priority:** High priority – Today, information technology - the ability to communicate and transmit data in real time anywhere, anytime – is an indispensable part of the delivery of services in research, education, and clinical care. Any assault on the security of communication networks can endanger the institution’s intellectual property, private patient information, student records, and financial records. Providing much higher levels of security is essential while the university provides greater data processing capacity and capabilities.
Objectives: The objectives are to: (1) identify the areas of instability of the current telecom suppliers and minimize reliance on leased fiber optic pathways to critical systems; (2) create a multi-homed (dual) Internet connection for mission critical Internet services; (3) implement redundant and high-availability electrical distribution and network hardware; and (4) implement higher levels of monitoring, oversight, and remediation for departmental computing resources.

Strategies: The following strategies have been identified: (1) create a redundant gigabit backbone connecting the university and the major hospital affiliates; (2) create network security zones allowing segregation of low, medium, and high risk computing facilities; (3) continue to examine internal and external networks and computing facilities for security vulnerabilities; (4) maintain disaster recovery plans for major computing and telecommunications facilities serving the university, Zale Lipshy University Hospital, and St. Paul University Hospital. We would also continue the expansion and regular rehearsal of disaster recovery/business continuity plans and examine the feasibility of reducing our reliance on our hot site (Chicago) by moving to co-located facilities; and (5) participate in the LEARN organization seeking to construct a high speed Texas network capable of participating in national GRID computing initiatives. Until LEARN is proven reliable, the university will maintain commercial connections to the commodity Internet and Internet 2.

Resources: Significant investment in skilled staff to accomplish the tasks resulting from the strategies will be required. Funding will be needed for hardware, software, renovation, and systems development to achieve the objectives. Although a detailed budget has not yet been developed, an annual investment of at least $3,000,000 allocated from internal sources will be required.

Progress Measures: Progress measures are as follows: the completion and successful test of the university’s redundant gigabit backbone, the reduction in the number of university facilities outfitted with low-speed wiring and network equipment, the maintenance of an acceptable level of computing and network risks, the successful test of the university’s disaster recovery/business continuity plans, and the completion of the LEARN network and commercial quality Service Level Agreements.

Major Obstacles: The many diverse challenges to overcome have a strong influence on the rate of accomplishment. Increased security needs will require Information Resources and university administration to become more involved in direct oversight of departmental computing initiatives. This represents a significant cultural and operational shift for UT Southwestern. For the hospitals and university clinics, all projects must ensure there will be no impact on patient care.

Update: During the past year major progress has been made on many high priority Information Technology projects. The fiber path is in place in all locations for the university’s redundant gigabit backbone and testing is currently in progress. The university has also successfully tested its disaster recovery/business continuity plans. While strides have been taken to improve reliability and security of university systems, considerable effort has also been focused on improving the ability of those systems to meet the needs of the campus community. Approximately 70% of the campus has been upgraded to high-speed wiring, with current plans projecting complete upgrade campus-wide within three years. Additionally, the LEARN network is progressing and commercial grade service is projected to be available within a year. One of the most important projects to our medical community, the electronic
medical records (EMR) project is approximately 45-50% complete, with 23 out of 45 sites/clinics using the live EpicCare application. The EMR project is scheduled for completion by the end of 2007.

B. Long Term Priorities and Initiatives

1. Develop the resources necessary to insure the long-term financial health of the university without suffering significant negative impacts from the unpredictable and sometimes sub-optimal growth of state support

**Priority:** High priority - UT Southwestern’s growth rates in clinical and research activity historically exceed the growth of state support. To maintain these growth rates over the long term will require supplemental support from both internally generated and external sources.

**Objectives:** It is essential that we provide sufficient financial support to allow for the continued enhancement and growth of the research and clinical missions. One specific objective is to obtain full funding of the cost of indigent care services at Parkland Memorial Hospital. Rapid growth of the demand for services and the reluctance of county, state, and Parkland officials to increase support for indigent care have placed severe financial challenges on Parkland and compromised its ability to pay for the full range of physician services necessary for one of the nation’s largest public teaching hospitals. UT Southwestern is the sole provider of physician services at Parkland. In order to continue our growth trend in research and clinical care, increased support will be necessary from philanthropic and federal sources, as well as appropriate increases from state and local government.

**Strategies:** To achieve this goal, the university will need to maintain a strong and responsible financial condition as a first requirement. Whether from debt markets, external supporters, or state or UT System resources, a strong reputation for financial stewardship is necessary to maintain the confidence of those who finance our growth. Bringing this message forth along with our needs and opportunities will be a vital part of our responsibility to support the growth of the institution. A second strategy will be to educate the local community further of our close relationship with and mutual dependence on Parkland Memorial Hospital and the essential requirement for Parkland to have adequate financial support to serve the health care needs of local citizens most in need and to invest in the centers of excellence, which Parkland and UT Southwestern together offer the metroplex area. A third strategy will be to work with representatives of state government and UT System colleagues to define state funding allocations to health institutions based on excellence and achievement. Today, only a minimal amount of formula funding is based on these factors. A fourth strategy will be to continue adding to the supply of private funds available to the university.

**Resources:** Strong leadership in vital areas of public relations, financial and operational management, and fund raising is required to achieve these objectives. Active support by the Board of Regents, UT System officials, private citizens, and local and state elected officials, along with our representatives in Washington, D.C., will be necessary to obtain the funding necessary to meet our needs.

**Progress Measures:** Progress can be measured by changes in amounts and methods of finance in state support, improvements to the Parkland Memorial Hospital contract terms, new federal funding, and private support beyond the current
campaign. The opening of new relationships for grant support will also provide evidence of success in this initiative.

**Major Obstacles:** The many demands on state funding for education and indigent care, including the projected rapid growth in K-12 and undergraduate enrollment, will compete with our objectives. There is always a danger that competing public needs, along with the reluctance of elected governmental entities, including the Dallas County Commissioners Court, to raise taxes, will result in inadequate support of essential services.

**Update:** UT Southwestern continues to work with the state government and UT System officials to recommend and support funding based on excellence and success-based performance measures. We have been able to translate our reputation as a world-class biomedical science institution into continuous and increasing local support. Our Clinical Services Initiative (Clinical Transformation Project) to become a leader in patient-based care and to achieve an exemplary level of care for all patients has strong private support. We continue to work closely with our affiliated institutions, especially Parkland Health and Hospital System, to evaluate our contractual and professional relationships in an effort to provide our community with the best possible health care while accomplishing the mission and goals of the university within a responsible and accountable financial framework.

2. **Provide the campus infrastructure necessary to allow for continual growth in the research and clinical missions consistent with the past growth rate of 8% to 10% per year**

**Priority:** High Priority – Growth cannot continue without the basic administrative and technological support necessary. Likewise, new facilities will be needed as demand expands.

**Objectives:** Provide administrative leadership, trained staff, secure and reliable systems, facilities, and equipment to meet the needs of faculty and students as growth opportunities are presented.

**Strategies:** The strategies to meet this initiative are: (1) develop succession plans to all key administrative positions; (2) create a central training office to oversee and support staff training programs across the campus; (3) explore and develop new performance-based compensation plans for employees at all levels; (4) establish a formal process for the evaluation and recommendation of replacement administrative systems; and (5) construct new buildings to house new programs along with the equipment necessary for faculty success.

**Resources:** A combination of internal sources institutionally derived from central sources and cost recovery charges to departments will be used along with external sources from UT System, state, and private funds. The ability to access PUF funds, tuition revenue bonds, and other state support will be required as the limited internal sources cannot provide the magnitude of funds necessary to accommodate the growth rate of the campus.

**Progress Measures:** Telecommunications, network, and administrative system capacity will need to grow in order to meet the growth needs of the university. Maintaining adequate human capital to support growth can be measured by tracking unfilled positions and comparing salary levels to the local market conditions. Building
capacity can be measured by the amount of new square footage added to the university.

**Major Obstacles:** Access to funding for major capital projects and operating funds to maintain market competitive rates for administrative positions are the two major challenges facing this initiative.

**Update:** Our Human Resources Department has reorganized the coordination of training programs. The first new performance-based compensation plan for employees has been put in place in the ambulatory clinics. The fourth building of the North Campus (Biomedical Research Tower) is complete and departments are in the process of moving in. Our next research building is under construction, and plans are beginning for the subsequent one (which will require Tuition Revenue Bond and/or PUF support plus philanthropic funds). We are actively planning the ambulatory surgical care center and expect to break ground in May 2005, with occupancy expected in late 2006.

3. **Develop the clinical practice capabilities necessary to achieve a level of excellence recognized nationally to place the university among the top academic medical centers for both inpatient and outpatient services**

**Priority:** High Priority – In order to continue our success in the growth of the practice; the recruitment of top physicians; and the attraction of outstanding undergraduate students, residents, and fellows, the reputation of the practice will need to continue to improve.

**Objectives:** Seek to attain a national and international reputation for excellence in the practice of medicine, with our centers of clinical excellence being recognized as equal to the premier medical centers in the country.

**Strategies:** The following strategies are in the planning or active development stages to achieve this objective: (1) development of the Electronic Medical Record in both the inpatient and outpatient environments; (2) expansion of the Clinical Data Repository for the inclusion of patient results originating at affiliated institutions; (3) further development of a heart disease center including programs in genetics leading to gene therapy and transplant; (4) development of a comprehensive organ transplant program to include bone marrow, liver, kidney, pancreas, heart, and lung; (5) development of a major program in restorative services, such as bone and joint, physical medicine, and plastic surgery; and (6) enhancement of clinical neuroscience programs.

**Resources:** Additional faculty with expertise in understaffed disciplines, a new ambulatory surgical center, expanded inpatient facilities, and a local and national marketing program to inform the public and professionals of the excellence of the clinical programs will be required.

**Progress Measures:** Metrics to track the progress of this initiative will include new patients in each of the programs, the number of operations conducted, RVU’s and revenue generated by the programs; the scientific impact of the enhanced clinical programs will be measured by numbers of peer-reviewed grants and by the frequency of citations of published papers.
Major Obstacles: Challenges to overcome will be the perception of the university in some quarters as having a limited focus on clinical care and clinical research; the present lack of convenient, consolidated clinical facilities of sufficient scale and scope; the increase in national competition for top faculty; and the availability of funds to launch new programs and maintain them.

Update: As UT Southwestern continues to grow, the need for consolidated, accurate patient data has become key in ensuring the highest level of excellence in care. As such, the Electronic Medical Records project has been expanded to include University Hospital – St. Paul data. Additionally, we continue to invest in computing resources to accommodate planned expansion within our organization and at Parkland Hospital and Children’s Hospital. Many of our current and planned construction projects, like the Biomedical Research and Advanced Imaging Building project currently under construction, will serve to enhance our programs and provide the clinical practice capabilities necessary to achieve a nationally recognized level of excellence in services provided on both an inpatient and outpatient basis. The full-time clinical faculty has grown by over 100 individuals, who provide care in many new subspecialty areas.

4. Continue to develop new research programs of excellence while improving existent programs so as to further advance the university’s position as a leading institution of biomedical research

Priority: High Priority - In order to continue to grow as a leading institution of biomedical research, the university will need to continue to expand its areas of research strength while critically selecting new areas in which to develop strong research programs.

Objectives: Seek to develop programs of excellence in clinical research and new areas of basic research while continuing to expand and improve existing programs of excellence.

Strategies: The following programs are in development: (1) development of an active program in clinical cancer research; (2) establishment of a Center for Biostatistics and Clinical Science that will provide a home for the development of programs in biostatistics and epidemiology while providing an infrastructure for the development and training of clinical researchers; (3) development of a program in advanced neuroimaging to allow translation of knowledge in molecular and cellular neuroscience to clinical research in cognitive neuroscience and neurological disease; (4) development of programs in stem cell biology that focus on an understanding of the basic biology of stem cells and “stemness,” while developing translational programs that explore the application of stem cell biology to the treatment of human disease; and (5) expansion of research programs that are presently strong including cell and molecular biology, genetics, structural biology, basic neuroscience, basic cancer research, chemical biology, and developmental biology.

Resources: Additional faculty will need to be recruited in all of these areas. Funds will be required to provide the start-up costs as well as recurring support for these faculty and programs. The biomedical research facilities planned to open in 2005 and 2006 will provide the needed research space, but additional space will be required later in the decade.
**Progress Measures:** Metrics to track the progress in this initiative will include the growth in research expenditures, total grant dollars awarded, grant dollars awarded by the National Institutes of Health, frequency of citations of published papers, and faculty elected to the National Academy of Sciences.

**Major Obstacles:** Challenges to overcome will be the recruitment of a Cancer Center Director, recruitment of key faculty leaders in biostatistics, epidemiology, stem cell biology and neuroimaging, and the development of the proper paradigm for training clinical investigators. Funds will have to be raised to support expensive programs in cancer and stem cell biology, as well as to purchase equipment for neuroimaging.

**Update:** Many advances have been made over the past year in developing new programs of excellence and improving existent programs. Dr. James Willson joined UT Southwestern in September 2004 as director of the Harold C. Simmons Comprehensive Cancer Center. Philanthropic funds of over $20,000,000 have been raised for stem cell research and a new stem cell research program has been launched. Thirty new research faculty have been recruited in priority areas of research. Additionally, the university has established a Center for Biostatistics and Clinical Science, directed by Dr. Milton Packer. The new Biomedical Research and Advanced Imaging Building, currently under construction, will provide expanded research opportunities in neuroscience.

5. **Develop interdisciplinary and inter-institutional collaborations with UT Arlington, UT Dallas, and other universities to share and expand knowledge, services, and operational efficiencies**

**Priority:** High priority - Sharing of knowledge and capabilities is a UT Southwestern, UT System, and state goal.

**Objectives:** Maximize the potential of each institution in its various missions through the exchange of knowledge and the combination of resources to gain efficiencies in operations and increased scale in both academic and administrative services.

**Strategies:** Strategies will include the following: (1) forming an internal task force charged with identifying academic resources with common purpose from target institutions, organizing and participating in the exchange of ideas with target institutions, and recommending candidate projects in specialty fields, such as functional MRI, neuroscience, computational biology, bioengineering, and medical chemistry; (2) obtaining funding specific to candidate projects; and (3) seeking approval of academic programs for undergraduate and graduate students which leverage two or more institutions’ educational and research capabilities. In addition, it will be necessary to work closely with community leaders, elected and appointed officials, and hospital administrators, both on-campus and off-campus.

**Resources:** Availability of faculty leaders to devote the time and effort to these programs will be needed. Seed funding of projects will be needed from external sources, such as philanthropy and special state and federal grants and contracts, as well as on-going support from local, state, and federal sources.

**Progress Measures:** Measures will include: (1) the number of successful new collaborations; (2) the number of institutions participating; (3) grants and contracts
awarded; (4) cost savings achieved; (5) new degree programs; and (6) increases in external funding.

Major Obstacles: The availability of start-up resources to invest in faculty collaborations will be a challenge for the future.

Updates: The Metroplex Council (made up of representatives from UT Southwestern, UT Dallas, UT Arlington, the cities of Dallas, Arlington, and Ft. Worth, and area businesses such as Texas Instruments) has been established and meets quarterly to identify, support, and develop opportunities for UT Southwestern, UT Dallas, and UT Arlington to engage in inter-institutional programs. Successful programs already in place include the Collaborative UT Metroplex Imaging Center; a long-term contract for power at fixed rates with Dallas, Arlington, and Tyler participating; collaboration with Sandia Labs; and the sickle cell research program. Future collaborative projects include, but are not limited to, expanded research at the Biomedical Research and Advanced Imaging Building; a proposed Clinical Psychology Graduate program between UT Southwestern and UT Dallas; and a proposed Center for Hearing in Children between UT Southwestern, UT Dallas, and Children’s Medical Center.

III. Future Initiatives of High Strategic Importance

Position the university and our region as a desirable site for high-tech start-ups and relocations

Objectives: Create a biotech center adjacent to the university to allow start-up companies who license our technology to stay in Texas.

Strategies: Seek private capital to develop land under contract to the university as a biotech park. Provide research core services on a cost recovery basis which encourage relocations and new companies to locate within the park.

Resources: Funds are being invested to purchase land for a biotech park. New facility construction will be required. Centralized core services available to university researchers will be priced to serve the needs of biotech tenants with limited on-site investment.

Progress Measures: Completion of a contract with a private developer experienced in biotech tenant recruitment and facility construction and management; leasing of space to biotech tenants.

IV. Other Critical Issues Related to Institutional Priorities

A. Impact of Initiatives

Enrollment Management: Not applicable

Diversity of Faculty and Staff: Not applicable

Community and Institutional Relations: The growth in scale and reputation of the clinical program and consolidation of the hospitals will further raise the profile of the university as a world-class academic medical center serving the outpatient and inpatient needs of the region with outstanding services. This changes the public perception of the
medical school as an institution only serving the needs of indigent patients and conducting research. Competitive strains could develop between the university and other physicians and hospitals serving the metroplex. Education of the public along with the marketing strategies identified will be needed.

**Finances:** This has been covered in the initiatives.

**Facilities:** This has been covered in the initiatives.

**Other infrastructure issues:** None

B. **Unexpected Opportunities or Crises:** Not applicable

V. **System and State Priorities**

**Increasing Student Access and Success:** Consolidating the operations of Zale Lipshy University Hospital and St. Paul Hospital into the patient care mission of the university (Section II.A.1) may provide opportunities to accommodate additional students in several of our academic programs that require sites and faculty for clinical training. Research expansion (Section II.A.2) provides opportunities to increase enrollment in our biomedical science graduate programs. Interdisciplinary and inter-institutional collaborations with UT Arlington, UT Dallas, and other institutions (Section II.B.5) will provide opportunities to develop new graduate programs as these collaborations yield new areas of research and training. In such an environment, enrollment can increase and Texas students have the opportunity for the most promising scientific education.

**Collaborations among UT System institutions, particularly academic health institution collaborations:** Covered in Section II.

**Increasing External Research Funding:** A mark of success at UT Southwestern, external research funding has increased annually at an average rate of approximately 8% per year for the past ten years, well in excess of the national average for institutions of our size.

VI. **Compact Development Process**

The administration through the Office of Business Affairs and the Office of Academic Planning began the development of the Compact by reviewing both the Presidential Work Plan and the university's Six Year Plan. The Six Year Plan is a faculty and administration collaborative document which is revised every two years. The most recent revision is now in its final draft. From these documents, a group of senior administrators compiled a list of various projects, initiatives and ideas that could be used for the short-term and long-term priorities and initiatives section. The details for each priority and initiative were drawn heavily from the Presidential Work Plan and the Six Year Plan, but additional details and information included suggestions by other officials of the university who have expertise in specialized areas. The first draft of the plan will continue a review process to include faculty and student leadership. When the final plan is submitted, the process will have included a broad section of faculty, represented by the Six Year Plan, senior administration, and student leadership.

**Update:** The Compact is a planning document and an expression of the university's goals that goes hand-in-hand with the Six Year Plan, which is finalized and adopted by faculty university-wide. Many of the major priorities and initiatives in the Six Year Plan were incorporated into the
Compact. Committees have been formed for development of the new Six Year Plan, which will be used in writing our new Compact next year. Meetings will begin in the fall.

VII. System Contributions

- PUF and TRB support (Health Affairs; Governmental Relations)
- Funding for clinical and research faculty (Health Affairs; Governmental Relations)
- State and federal resources (Governmental Relations; Federal Relations)
- Assist in the acquisition of Zale Lipshy University Hospital and St. Paul University Hospital in a timely manner (OFPC; Health Affairs; Business Affairs; OGC)
### VIII. Appendices

#### A. Budget Summary

**The University of Texas Southwestern Medical Center at Dallas**

**Operating Budget**

**Fiscal Year Ending August 31, 2005**

<table>
<thead>
<tr>
<th>FY 2004 Adjusted Budget</th>
<th>FY 2005 Operating Budget</th>
<th>Budget Increases (Decreases) From 2004 to 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$ 9,049,296</td>
<td>11,908,494</td>
</tr>
<tr>
<td>Federal Sponsored Programs</td>
<td>186,308,678</td>
<td>212,629,815</td>
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<tr>
<td>State Sponsored Programs</td>
<td>13,365,014</td>
<td>18,311,353</td>
</tr>
<tr>
<td>Local and Private Sponsored Programs</td>
<td>173,829,194</td>
<td>160,823,593</td>
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<tr>
<td>Net Sales and Services of Educational Activities</td>
<td>14,735,222</td>
<td>25,736,625</td>
</tr>
<tr>
<td>Net Sales and Services of Hospital and Clinics</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Professional Fees</td>
<td>207,478,828</td>
<td>233,220,406</td>
</tr>
<tr>
<td>Net Auxiliary Enterprises</td>
<td>12,346,945</td>
<td>13,741,101</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>26,018,692</td>
<td>12,563,067</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>643,131,869</td>
<td>688,934,454</td>
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<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
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</tr>
<tr>
<td>Instruction</td>
<td>363,993,006</td>
<td>391,644,428</td>
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<tr>
<td>Academic Support</td>
<td>21,935,690</td>
<td>22,738,683</td>
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<tr>
<td>Research</td>
<td>255,096,655</td>
<td>262,934,819</td>
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<tr>
<td>Public Service</td>
<td>67,964,554</td>
<td>74,014,917</td>
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<tr>
<td>Hospitals and Clinics</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutional Support</td>
<td>51,293,592</td>
<td>49,268,778</td>
</tr>
<tr>
<td>Student Services</td>
<td>2,095,912</td>
<td>2,412,371</td>
</tr>
<tr>
<td>Operations and Maintenance of Plant</td>
<td>44,464,218</td>
<td>46,673,934</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>1,741,036</td>
<td>1,847,887</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>12,216,879</td>
<td>13,703,110</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>820,801,542</td>
<td>865,238,927</td>
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<tr>
<td><strong>Operating Surplus/Deficit</strong></td>
<td>(177,669,673)</td>
<td>(176,304,473)</td>
</tr>
<tr>
<td><strong>Nonoperating Revenues (Expenses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations &amp; HEAF</td>
<td>116,432,322</td>
<td>116,314,532</td>
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<tr>
<td>Gifts in Support of Operations</td>
<td>24,662,500</td>
<td>31,914,179</td>
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<tr>
<td>Net Investment Income</td>
<td>46,699,942</td>
<td>52,462,174</td>
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<tr>
<td>Other Non-Operating Revenue</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other Non-Operating (Expenses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Non-Operating Revenue/(Expenses)</strong></td>
<td>187,794,764</td>
<td>200,690,885</td>
</tr>
<tr>
<td><strong>Transfers and Other:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUF Transfers Received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AUF Transfers (Made)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers From (To) Unexpended Plant</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers for Debt Service</td>
<td>(23,957,213)</td>
<td>(27,181,051)</td>
</tr>
<tr>
<td>Other Additions and Transfers</td>
<td>1,952,416</td>
<td>1,002,484</td>
</tr>
<tr>
<td>Other Deductions and Transfers</td>
<td>(789,979)</td>
<td>(1,002,484)</td>
</tr>
<tr>
<td><strong>Total Transfers and Other</strong></td>
<td>(22,774,772)</td>
<td>(27,181,051)</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td>(12,649,681)</td>
<td>(2,794,639)</td>
</tr>
</tbody>
</table>

| Total Revenues | $ 830,926,633 | 889,625,339 | 58,698,706 | 7.1% |
| Total Expenses and Debt Service Transfers | (844,758,755) | (892,419,978) | (47,661,223) | 5.6% |
| Surplus (Deficit) | (13,832,122) | (2,794,639) | 11,037,483 | |

Note: Operating Budget Highlights with a glossary of terms are included on Page 1.
## FY 2004 Budget

### Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>117,584,122</td>
</tr>
<tr>
<td>Local Income</td>
<td>61,080,927</td>
</tr>
<tr>
<td>Medical Services Research and Development</td>
<td>299,789,630</td>
</tr>
<tr>
<td>Faculty Supplement Plan</td>
<td>1,494,113</td>
</tr>
<tr>
<td>All Other Designated</td>
<td>71,450,534</td>
</tr>
<tr>
<td>Restricted - Grants and Contracts</td>
<td>265,830,000</td>
</tr>
<tr>
<td>Auxiliary</td>
<td>13,697,307</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>830,926,633</strong></td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty Salaries</td>
<td>216,963,466</td>
</tr>
<tr>
<td>Staff Salaries</td>
<td>215,135,945</td>
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<tr>
<td>Fringe Benefits</td>
<td>99,543,430</td>
</tr>
<tr>
<td>Maintenance and Operations</td>
<td>226,084,588</td>
</tr>
<tr>
<td>Professional Liability Insurance</td>
<td>5,903,447</td>
</tr>
<tr>
<td>Travel</td>
<td>8,756,524</td>
</tr>
<tr>
<td>Official Functions</td>
<td>131,350</td>
</tr>
<tr>
<td>Utilities</td>
<td>13,570,538</td>
</tr>
<tr>
<td>Scholarships</td>
<td>1,741,036</td>
</tr>
<tr>
<td>Library Books</td>
<td>1,100,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>23,957,213</td>
</tr>
<tr>
<td>Capital Expense</td>
<td>31,871,218</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>844,758,755</strong></td>
</tr>
</tbody>
</table>

**Surplus / (Deficit) - Funded from Prior Year Funds**: $(13,832,122)$
## B. Statistical Profile

**UT Southwestern**

<table>
<thead>
<tr>
<th></th>
<th>fall 2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allied Health*</td>
<td>239</td>
<td>215</td>
<td>169</td>
<td>146</td>
<td>134</td>
</tr>
<tr>
<td>Biomedical Sciences</td>
<td>2</td>
<td>6</td>
<td>24</td>
<td>38</td>
<td>57</td>
</tr>
<tr>
<td><strong>Graduate/professional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allied Health</td>
<td>65</td>
<td>100</td>
<td>134</td>
<td>173</td>
<td>185</td>
</tr>
<tr>
<td>Biomedical Sciences</td>
<td>375</td>
<td>420</td>
<td>472</td>
<td>525</td>
<td>1049</td>
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<tr>
<td>Medical School</td>
<td>824</td>
<td>813</td>
<td>838</td>
<td>867</td>
<td>848</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,264</td>
<td>1,333</td>
<td>1,444</td>
<td>1,565</td>
<td>2,082</td>
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</table>

*Decline was result of conversion of programs to Master’s status*

<table>
<thead>
<tr>
<th></th>
<th>academic year 99-00</th>
<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates: Allied Health</td>
<td>5</td>
<td>9</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Baccalaureate awards: Allied Health</td>
<td>103</td>
<td>106</td>
<td>104</td>
<td>70</td>
<td>61</td>
</tr>
<tr>
<td><strong>Graduate/professional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allied Health</td>
<td>29</td>
<td>33</td>
<td>32</td>
<td>31</td>
<td>66</td>
</tr>
<tr>
<td>Biomedical Science</td>
<td>73</td>
<td>65</td>
<td>63</td>
<td>59</td>
<td>77</td>
</tr>
<tr>
<td>Medical</td>
<td>184</td>
<td>203</td>
<td>201</td>
<td>189</td>
<td>204</td>
</tr>
<tr>
<td><strong>Total graduate/professional</strong></td>
<td>286</td>
<td>301</td>
<td>296</td>
<td>279</td>
<td>347</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>fiscal year 2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal research expenditures</td>
<td>$109,165,343</td>
<td>$131,820,109</td>
<td>$155,257,992</td>
<td>$177,133,099</td>
<td>$200,887,545</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>fall 2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>All instructional staff</td>
<td>1433</td>
<td>1483</td>
<td>1536</td>
<td>1599</td>
<td>1704</td>
</tr>
<tr>
<td>Classified employees</td>
<td>2957</td>
<td>3686</td>
<td>3855</td>
<td>4009</td>
<td>4521</td>
</tr>
<tr>
<td>Administrative/professional employees</td>
<td>104</td>
<td>135</td>
<td>160</td>
<td>187</td>
<td>234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>fiscal year 1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital days</td>
<td>370,942</td>
<td>379,770</td>
<td>399,136</td>
<td>411,288</td>
<td>407,991</td>
</tr>
<tr>
<td>Clinic visits</td>
<td>1,752,510</td>
<td>1,528,751</td>
<td>1,775,500</td>
<td>2,064,987</td>
<td>1,959,288</td>
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<tr>
<td>Unsponsored charity care (charges)</td>
<td>$194,564,381</td>
<td>$211,953,613</td>
<td>$234,938,900</td>
<td>$256,968,945</td>
<td>$281,998,363</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>as of 8/31/99</th>
<th>8/31/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment total value</td>
<td>$593,224,000</td>
<td>$804,305,000</td>
</tr>
</tbody>
</table>
C. Institution-Specific Information

UT Southwestern is ranked 16th in the country for Medical Schools – Research and 30th for Medical Schools – Primary Care by *U.S. News and World Report*. There are also the following honors among its faculty:

- Four recipients of the Nobel Prize
- Fifteen members of the National Academy of Sciences
- Twelve members of the American Academy of Arts and Sciences
- Fifteen members of the Institute of Medicine

From a survey of federally funded universities in *Science Watch*, UT Southwestern earned a Top 10 ranking in four out of six major fields. Among peer institutions, only Harvard and UC San Francisco received a better overall ranking, based on their criteria. However, UT Southwestern confers more medical degrees and provides much more indigent care than its peer institutions.

In self-conducted patient satisfaction surveys, UT Southwestern received a 91.86% satisfaction rating in 2002, where 94% were satisfied with the physicians alone.

D. Links to Web Resources

- The University of Texas Southwestern Medical Center at Dallas ([http://www.utsouthwestern.edu](http://www.utsouthwestern.edu))
- The University of Texas System ([http://www.utsystem.edu](http://www.utsystem.edu))
- Association of American Medical Colleges ([http://www.aamc.org](http://www.aamc.org))
- Science Watch ([http://www.sciencewatch.com](http://www.sciencewatch.com))
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 multidisciplinary, 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.
- Un-sponsored 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.**

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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 nanotechnology 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, workplace 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

<table>
<thead>
<tr>
<th>Percent of Revenue</th>
<th>Source</th>
<th>$ in Millions</th>
<th>Percent of Revenue</th>
<th>Source</th>
<th>$ in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>State</td>
<td>289</td>
<td>16%</td>
<td>State</td>
<td>320</td>
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<tr>
<td>58%</td>
<td>Patient Care</td>
<td>724</td>
<td>45%</td>
<td>Patient Care</td>
<td>900</td>
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<tr>
<td>12%</td>
<td>Research</td>
<td>149.2</td>
<td>20%</td>
<td>Research</td>
<td>400</td>
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<tr>
<td>1%</td>
<td>Tuition</td>
<td>8.8</td>
<td>1%</td>
<td>Tuition</td>
<td>20</td>
</tr>
<tr>
<td>6%</td>
<td>Other</td>
<td>80.9</td>
<td>18%</td>
<td>Other</td>
<td>360</td>
</tr>
<tr>
<td>100%</td>
<td>TOTAL</td>
<td>1,251.9</td>
<td>100%</td>
<td>TOTAL</td>
<td>2,000</td>
</tr>
</tbody>
</table>

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
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

<table>
<thead>
<tr>
<th>FY 2004 Adjusted Budget</th>
<th>FY 2005 Operating Budget</th>
<th>Budget Increases (Decreases) From 2004 to 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
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<tr>
<td>Tuition and Fees</td>
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<td>8,758,148</td>
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<tr>
<td>Federal Sponsored Programs</td>
<td>99,585,883</td>
<td>106,237,560</td>
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<td>State Sponsored Programs</td>
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<td>Local and Private Sponsored Programs</td>
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<tr>
<td>Net Sales and Services of Educational Activities</td>
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<td>1,100,000</td>
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<tr>
<td>Net Sales and Services of Hospital and Clinics</td>
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<td>655,680,811</td>
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<td>Net Professional Fees</td>
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<td>Net Auxiliary Enterprises</td>
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<td>7,022,013</td>
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<td>Other Operating Revenues</td>
<td>13,973,364</td>
<td>12,833,627</td>
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<tr>
<td><strong>Total Operating Revenues</strong></td>
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<td><strong>959,674,977</strong></td>
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<td><strong>Operating Expenses:</strong></td>
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<tr>
<td>Instruction</td>
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<td>217,004,188</td>
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<td>Academic Support</td>
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<td>Research</td>
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<td>Public Service</td>
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<td>Hospitals and Clinics</td>
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<td>777,183,702</td>
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<td>Institutional Support</td>
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<td>Operations and Maintenance of Plant</td>
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<td>46,331,170</td>
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<td>Scholarships and Fellowships</td>
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<td>2,233,704</td>
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<td>Auxiliary Enterprises</td>
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<td>6,288,041</td>
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<td><strong>Total Operating Expenses</strong></td>
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<td><strong>1,249,527,106</strong></td>
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<td><strong>Operating Surplus/Deficit</strong></td>
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<tr>
<td></td>
<td>(297,720,185)</td>
<td>(289,852,129)</td>
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<tr>
<td><strong>Nonoperating Revenues (Expenses):</strong></td>
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<td></td>
</tr>
<tr>
<td>State Appropriations &amp; HEAF</td>
<td>279,755,435</td>
<td>274,076,044</td>
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<td>Gifts in Support of Operations</td>
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<td>5,092,974</td>
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<td>Net Investment Income</td>
<td>20,795,758</td>
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<td>Other Non-Operating Revenue</td>
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<td>Other Non-Operating (Expenses)</td>
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<td>-</td>
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<td><strong>Net Non-Operating Revenue/(Expenses)</strong></td>
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<td><strong>300,866,056</strong></td>
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<td><strong>Transfers and Other:</strong></td>
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<tr>
<td>AUF Transfers Received</td>
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<tr>
<td>AUF Transfers (Made)</td>
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<td>Transfers From (To) Unexpended Plant</td>
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<tr>
<td>Transfers for Debt Service</td>
<td>(8,853,885)</td>
<td>(11,414,736)</td>
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<tr>
<td>Other Additions and Transfers</td>
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<td>35,237,289</td>
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<tr>
<td>Other Deductions and Transfers</td>
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<td><strong>Total Transfers and Other</strong></td>
<td>(8,853,885)</td>
<td>(11,414,736)</td>
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<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td></td>
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<tr>
<td></td>
<td>$ (428,703)</td>
<td>(400,809)</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fall</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<td>136</td>
<td>134</td>
<td>111</td>
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<tr>
<td>Biomedical Sciences</td>
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<td>27</td>
<td>38</td>
<td>47</td>
<td>38</td>
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<tr>
<td>Nursing*</td>
<td>423</td>
<td>430</td>
<td>450</td>
<td>417</td>
<td>432</td>
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<tr>
<td><strong>Graduate/prof enrollment</strong></td>
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<tr>
<td>Allied Health</td>
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<td>198</td>
<td>222</td>
<td>258</td>
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<td>Biomedical Sciences</td>
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<td>234</td>
<td>256</td>
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<td>Medical School</td>
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<td>813</td>
<td>820</td>
<td>824</td>
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<td>100</td>
<td>94</td>
<td>114</td>
<td>145</td>
<td>137</td>
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<tr>
<td>Total</td>
<td>1,927</td>
<td>1,927</td>
<td>2,005</td>
<td>2,059</td>
<td>2,121</td>
</tr>
</tbody>
</table>

*Includes post-baccalaureate students; decrease in Allied Health due to transition to Master's-level programs

<table>
<thead>
<tr>
<th>Academic year</th>
<th>99-00</th>
<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
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<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baccalaureate awards: Allied Health</td>
<td>212</td>
<td>141</td>
<td>95</td>
<td>38</td>
<td>53</td>
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<tr>
<td>Baccalaureate awards: Nursing</td>
<td>156</td>
<td>171</td>
<td>201</td>
<td>163</td>
<td>187</td>
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<tr>
<td><strong>Graduate/professional</strong></td>
<td></td>
<td></td>
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<tr>
<td>Allied Health</td>
<td>35</td>
<td>36</td>
<td>37</td>
<td>74</td>
<td>61</td>
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<tr>
<td>Biomedical Science</td>
<td>49</td>
<td>51</td>
<td>59</td>
<td>52</td>
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<tr>
<td>Medical</td>
<td>184</td>
<td>183</td>
<td>194</td>
<td>181</td>
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<tr>
<td>Nursing</td>
<td>31</td>
<td>46</td>
<td>21</td>
<td>37</td>
<td>34</td>
</tr>
<tr>
<td>Total graduate/professional</td>
<td>299</td>
<td>316</td>
<td>311</td>
<td>344</td>
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<th>Academic year</th>
<th>02-03</th>
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<tr>
<td>Accredited GME resident programs</td>
<td>52</td>
<td>54</td>
</tr>
<tr>
<td>Residents in GME accredited programs</td>
<td>543</td>
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<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tbody>
<tr>
<td><strong>Federal research expenditures</strong></td>
<td>$61,356,467</td>
<td>$63,274,494</td>
<td>$78,100,188</td>
<td>$93,039,583</td>
<td>$102,490,775</td>
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<th>Fall</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tbody>
<tr>
<td>All instructional staff</td>
<td>1,214</td>
<td>1,244</td>
<td>1,259</td>
<td>1,259</td>
<td>1,281</td>
</tr>
<tr>
<td>Classified employees</td>
<td>10,226</td>
<td>10,603</td>
<td>10,933</td>
<td>10,207</td>
<td>10,636</td>
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<tr>
<td>Administrative/professional employees</td>
<td>1,517</td>
<td>1,540</td>
<td>1,470</td>
<td>1,532</td>
<td>1,568</td>
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<tr>
<td>Student employees</td>
<td>196</td>
<td>245</td>
<td>336</td>
<td>343</td>
<td>359</td>
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<th>2001</th>
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<tbody>
<tr>
<td>Hospital admissions</td>
<td>32,505</td>
<td>32,927</td>
<td>35,099</td>
<td>37,190</td>
<td>40,452</td>
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<tr>
<td>Hospital days</td>
<td>170,797</td>
<td>175,956</td>
<td>186,975</td>
<td>194,642</td>
<td>199,860</td>
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<tr>
<td>Clinic visits</td>
<td>754,538</td>
<td>760,765</td>
<td>819,560</td>
<td>843,405</td>
<td>845,210</td>
</tr>
<tr>
<td>Unsponsored charity care (charges)</td>
<td>$61,596,586</td>
<td>$66,908,903</td>
<td>$85,982,833</td>
<td>$97,724,989</td>
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<tr>
<th>As of</th>
<th>8/31/99</th>
<th></th>
<th></th>
<th>8/31/04</th>
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<tbody>
<tr>
<td>Endowment total value</td>
<td>$302,115,000</td>
<td></td>
<td></td>
<td>$352,268,000</td>
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</table>
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):
- Library peer comparisons for a variety of measures are available via [http://www.utmb.edu/ia/factbook.asp?which=lib](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](http://meded.utmb.edu/Medical_School_Curriculum_TOC.htm)
  - School of Allied Health Sciences: [http://www.sahs.utmb.edu/programs.asp](http://www.sahs.utmb.edu/programs.asp)
- Graduate School of Biomedical Sciences: [http://www.gsbs.utmb.edu/programs/default.html](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](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](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/](http://www.utmb.edu/tdcj/)
- Correctional Managed Care particulars are available via: [http://www.utmb.edu/cmc/](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](http://www.utmb.edu/ia/factbook.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](http://www.utmb.edu/ia/services/HRReport.pdf)
I. Introduction: Institutional Mission and Goals

As the most comprehensive health science center in the southwest region of the United States, The University of Texas Health Science Center at Houston (UTHSC-H) is uniquely positioned to serve the health needs of the State of Texas.

Mission
Teaching, Searching, Serving

The University of Texas Health Science Center at Houston is a comprehensive health science university composed of six schools, an institute of molecular medicine and a psychiatric center. UTHSC-H’s mission is to treat, cure and prevent disease now and in the future by educating health science professionals; discovering and translating advances in social and biomedical sciences; and modeling the best practices in clinical care.

To fulfill its mission, UTHSC-H:
1. Educates health professionals and scientists in a diverse interdisciplinary academic community.
2. Creates and evaluates new knowledge – through basic science and applied research – as it relates to disease prevention, treatment and cure.
3. Provides leadership and advances scholarship in biomedical sciences, health professions, health promotion, public health policy and health care delivery.
4. Models appropriate and compassionate clinical care.
5. Addresses the health needs of the community at large through public health expertise, information, outreach and service.
6. Develops the expanding field of health information science.

As mentioned above, one of UTHSC-H’s primary goals is to educate health professionals and scientists in a diverse interdisciplinary academic community. Fall 2004 enrollment demographics include 63 percent (2,145) female and 37 percent (1,254) male. Of these 3,399 students, 55 percent are Caucasian, 13 percent are Asian, 12 percent are Hispanic and 6 percent are African American. The university’s 1,247 faculty are 70 percent Caucasian, 19 percent Asian, 7 percent Hispanic and 5 percent African American.

Also as part of its mission, UTHSC-H provides more than $160 million in un-reimbursed clinical care, most of which benefits the underserved of Southeast Texas.

Vision
“Excellence above all” in the quest to be an acknowledged leader in the collaboration to treat, cure and prevent the most common diseases of our time through education, research and clinical practice

The University of Texas Health Science Center at Houston aspires to be a leader in the collaboration to treat, prevent, and cure the most common diseases of our time by:
1. Utilizing the distinctive capabilities of its schools, clinics, institutes and centers;
2. Collaborating with colleagues in The University of Texas System, the Texas Medical Center and throughout the world;
3. Being an academic health science center that is nationally and internationally recognized in teaching, research and service;
4. Serving as a home for the visionaries and scholars who will lead the way in defining and creating the future of the health sciences; and
5. Providing a diverse work environment that is ethically-based, service-oriented and community-sensitive.
II.A. Major Ongoing Priorities and Initiatives: Short Term Goals and Priorities

UTHSC-H has identified four short term priorities: (1) develop facilities for education, research, and clinical practice; (2) increase the scope of the university’s research enterprise; (3) enhance educational excellence; and (4) launch an integrated marketing and development initiative.

II.A.1 Priority: Develop facilities and infrastructure for education, research, and clinical practice

II.A.1.a Objective: Equip the Center for Nursing Research (CNR) in the new School of Nursing and Student Community Center building  ACHIEVED

II.A.1.b Objective: Complete the Medical School recovery plan on schedule and within budget

Strategies
1. Complete the construction of the Surgical and Clinical Skills Center by January 2006
2. Seek funds for build-out
3. Complete flood mitigation project to elevate Medical School switchgear and vault by February 2006
4. Complete basement level Vivarium support  ACHIEVED
5. Complete Tropical Storm Allison recovery project: basement mechanical, electrical, and plumbing (MEP) infrastructure  ACHIEVED

Resources
1. Surgical and Clinical Skills Center ($14 million est. Total Project Cost [TPC])
   - Insurance $500,000
   - Tuition Revenue Bonds $3,500,000
   - Philanthropy $10,000,000
2. Medical School switchgear and vault ($4,251,000 est. TPC)
   - Insurance $750,000
   - FEMA $2,250,750
   - Tuition Revenue Bonds $1,250,250

Progress Measures
1. Complete surgical and clinical skills lab by the spring of 2006
2. Complete the Medical School switchgear and vault by winter of 2006
3. Percent of fund raising target achieved – 20%

Major Obstacles
1. Ability to achieve fund raising goal

II.A.1.c Objective: Complete construction of the Brown Foundation Institute of Molecular Medicine by Fall 2005

Strategies
1. Oversee work of architects and contractors
2. Review funding sources for maintenance and operation costs of the building
3. Complete build-out

Resources
1. IMM building ($120 million est. TPC)
   - Tuition Revenue Bonds $15,000,000
   - PUF $50,000,000
   - Philanthropy $55,000,000

Progress Measures
   Percent of projects completed both on time and within budget – 80%

Major obstacles
None at this time
II.A.1.d Objective: Complete the purchase and assume management control of the Hermann Professional Building (HPB) and parking garage

II.A.1.e Objective: Upgrade classrooms, teaching laboratories, and patient care operatories at the Dental Branch by September 2005

Strategies
1. Expand use of technology in the classrooms and preclinical labs
2. Develop prototype simulation clinic/classroom
3. Establish Faculty Practice Center
4. Replace equipment and upgrade Preclinical lab B-54
5. Complete replacement of clinic dental chairs/delivery systems as required
6. Replace small clinical equipment
7. Develop/purchase cost effective computerized patient simulators
8. Perform due diligence on environmental health and safety issues
9. Use institution’s project management process to support the necessary infrastructure changes

Resources
1. Teaching laboratories/patient care operatories ($2.935 million TPC)
   - Dental Branch funds $250,000
   - FEMA $35,000
   - University funds $2,650,000
2. Faculty Practice Center ($750,000 TPC)
   - University funds $750,000

Progress Measures
- Percent of finances acquired – 100%
- Percent completion of strategies – 60% anticipated by September 2005; 100% anticipated by January 2006

Major Obstacles
1. Ability to adapt new equipment to an antiquated building

II.A.1.f Objective: Finance and plan for a new Dental Branch building

Strategies
1. Complete building designs and plans
2. Begin to identify and secure resources
3. Begin to identify potential corporate and foundation philanthropic partners
4. Involve Dental Branch alumni
5. Inform legislators of the need

Resources
1. Dental Branch Building ($110 million est. TPC)
   - Tuition Revenue Bonds $60,000,000
   - Philanthropy $50,000,000

Progress Measures
1. Percent completion of development program report – 100%
2. Percent completion of programming of new building – 5%
3. Percent completion of building designs and plans – 0%
4. Percent of fund raising target achieved (depends on outcome of tuition revenue bonds)

Major Obstacles
1. Uncertainty of Tuition Revenue Bond authority
2. Finalization of site for new building
3. Ability to achieve fund raising goal
II.A.1.g Objective: Finance and plan for a new Mental Sciences Institute building  
MOVED FROM LONGER TERM

Strategies
1. Confirm that funds are available
2. Confirm site and all necessary approvals
3. Complete plans

Resources
1. Mental Sciences Institute ($16.5 million est. TPC)
   UT M. D. Anderson $15,000,000
   TDMHMR $1,500,000

Progress Measures
1. Complete the analysis of available site options and begin the final design/construction phase of MSI in FY 2006

Major Obstacles
None at this time

II.A.1.h Objective: Continue to develop and strengthen the Institute for Health Policy  
MOVED FROM LONGER TERM

Strategies (ALL NEW)
1. Support the work of the Mayor’s Task Force on the Health Effects of Air Pollution
2. Provide leadership for policy-relevant survey development, analysis, and dissemination based on the Behavioral Risk Factor Surveillance System
4. Contribute the dissemination/translational component to P30 grant applications for multidisciplinary, multi-center research
5. Participate in the planning and execution of the Texas BioSummit 2006 and the Texas Health Policy Forum 2006 with state-wide collaborators

Resources
1. Institutional (SPH) funds $300,000

Progress Measures
1. Advisory committees are in place
2. Plans for statewide health policy survey are complete
3. Partnerships with external institutions are established
4. Proposals for external funds are submitted
5. Faculty health policy working groups across the UTHSC-H schools are formed
6. A SPH Development Plan is approved and in place to address IHP facilities and resources

Major Obstacles
1. Need to secure funds to support infrastructure and core activities
2. Recruitment of director
3. Need to create more visibility of IHP as a resource within the UT System and state
II.A.1.i Objective: Begin plans to expand the School of Public Health building to house the Institute for Health Policy, the Center for Health Promotion and Prevention Research, and the Center for Biosafety and Public Health Preparedness

LONGER TERM

Strategies
1. Identify and secure resources
2. Involve School of Public Health alumni
3. Complete plans

Resources
1. Tuition Revenue Bonds $15,000,000
2. Philanthropy $25,000,000

Progress Measures
1. Percent completion of development plan - 90%
2. Percent completion of programming of new building - 0%
3. Percent completion of building designs and plan - 0%
4. Percent of fund raising achieved - 0%

Major Obstacles
1. Uncertainty of Tuition Revenue Bond authority
2. Ability to achieve fund raising goal

II.A.1.j Objective: Complete construction on the Public Health building at the School of Public Health regional campus in Brownsville

MOVED FROM LONGER TERM

Strategies
1. Identify and secure resources
2. Complete plans and begin construction
3. Submit grant to the NIH to support construction of a Level III biosafety lab

Resources
1. School of Public Health Regional Campus in Brownsville ($4 million est. TPC)
   UT System $1,800,000
   NIH $2,000,000 relates to number 3 above

Progress Measures
1. Percent of funding secured - 45%
2. Growth in available research space - 962 asf to 2,762 asf
3. Growth in research activity - FY 2004: $1,761,427
4. Growth in teaching space - 1,332 asf to 2,532 asf
5. Growth in community meeting space - 0 asf to 2,388 asf

Major Obstacles
1. Uncertainty of availability of funds from the NIH
II.A.1.k Objective: Establish a long-term plan for new parking facilities

MOVED FROM LONGER
TERM AND REVISED

Strategies
1. Construct a surface lot in the South Campus for TMC Main Campus remote parking
   Provide parking for UT Recreation Center membership
   Serve as remote parking (affordable) for the TMC Main Campus (test site)
2. Determine if additional purchase of land within TMC may be beneficial for a parking facility (closer to TMC Main Campus)
3. Partner with UTMDACC on parking within the TMC Main Campus
4. Examine the possibility of expanding the University Center Tower Garage
5. Continue to participate in a TMC task force on parking and mobility needs
6. Work with TMC and UTHSC-H consultants to develop an appropriate plan

Resources
1. TMC parking study fee $50,000
2. UTHSC-H consultant fee $25,000

Progress Measures
1. Develop a deliverable plan (TMC) by August 31, 2006
2. Participation of main campus employees to remote parking lot (test site)
4. Participation in construction of garages with UTMDACC
5. Locate land sites available (affordable) within TMC Main Campus
6. Reduction of the Parking Management Ratio owed TMC (City of Houston)
   Ratio of 1.8 parking spaces per 1,000 sf of building area

Major Obstacles
1. Texas Medical Center space constraints
2. Land availability
3. Minimal funds
4. Minimal parking within TMC main campus
6. Shuttle costs for remote parking
7. Lack of interest in car pooling
8. Lack of interest in mass transit

II.A.1.l Objective: Implement a long-term plan for deferred maintenance

MOVED FROM LONGER
TERM

Strategies
1. Audit UTHSC-H’s buildings
2. Identify the present condition of the physical plant in terms of deferred maintenance backlog
3. Identify funding levels required to manage the deferred maintenance backlog according to the expectations of the HSC

Resources
1. ISES field audit of HSC buildings $74,000
2. FY 2005 fund balance for FY 2006 $2,800,000

Progress Measures
1. Improvement in the deferred maintenance backlog – FY 2005 ytd expenditures toward deferred maintenance projects: $3,409,968

Major Obstacles
1. Ability to provide sufficient funding for the utility account so it does not depend as much on the deferred maintenance account for balancing; deferred maintenance account funds will then be applied to backlog reduction
II.A.1.1. Objective:  *Enhance the clinical practice and clinical education by expanding the clinical information technology infrastructure*

**Strategies**
1. Implement the clinic information system (CIS)/eDR (electronic Dental Record) at the Dental Branch
2. Implement a Picture Archive & Communication System (PACS) for digital radiographs and images that is integrated with CIS/eDR
3. Implement FLOWCAST for Practice plan
4. Reconfigure IDX for Practice plan
5. Continuing rollout of Allscripts TouchWorks EMR for Practice Plan
6. Implement Siemens INVISION for HCPC

**Resources**
1. Dental Branch CIS/eDR and PACS ($900,000 TPC)
   - LERR $450,000
   - Dental Branch funds $50,000
   - University funds $400,000
2. Practice Plan funds for Flowcast $100,000
3. Practice Plan funds for Reconfiguration $50,000
4. Practice Plan funds for EMR
   - MSRDP $600,000
   - LERR Grant $300,000
5. HCPC/Harris County $1,600,000

**Progress Measures**
1. Dental Branch:
   a. Selection of new CIS/eDR – 100%
   b. Selection of imaging (PACS) software – 50%
   c. Development of project plan – 75%
   d. Installation of new CIS/eDR and PACS – 50% by January 2006
      100% by September 2006
   e. Installation of system hardware and software – 0%
   f. Pilot testing – 0%
   g. Full-scale implementation of systems – 0%
2. Flowcast upgrade of IDX system
   a. Select upgrade window – 100%
   b. Revise workflows
      i. Clinic operations
      ii. Billing operations
   c. Software installation
   d. Client acceptance
3. IDX reconfiguration
   a. Dictionary updates – 50%
   b. Heirarchy update – 25%
4. Allscripts EMR
   a. Percentage of Practice plan physicians using system – 30%
5. Siemens Invision
   a. Selection of software & services – 100% complete
   b. System implementation September 2005 – 75%

**Major Obstacles**
1. Changing priorities for resources
2. Ability to absorb more change
3. Dependence on vendor resources
II.A.2 Priority: Increase the scope of the institution's research enterprise

II.A.2.a Objective: Implement an ongoing, university-wide Bridging Grants Fund program that will provide temporary support for investigators who experience a hiatus in funded research

Strategies
1. Establish guidelines by September 1, 2004, that define the eligibility of investigators for support under the bridging grant program **ACHIEVED**
2. Appoint peer review panels by January 2005 that will review and prioritize bridging grant applications **ACHIEVED**
3. Establish a fund of approximately $400,000 by September 1, 2005, to support bridging grant proposals and award grants

Resources
1. University funds $400,000

Progress Measures
1. Percent of successful NIH competitive renewal grant applications – 29.8% (14 of 47)
2. Total number and dollar amount of renewal awards – 14 awards totaling $42.9 million

Major Obstacles
1. Demand for bridging grants is likely to exceed available funds
2. Inability to fund needed grants will cause a disruption in research activity
3. If increased indirect cost recoveries do not materialize, UTHSC-H must find other ways to support this program

II.A.2.b Objective: Increase the number of interdisciplinary and inter-institutional research and research training programs

Strategies
1. Establish a task force by August 31, 2006, to examine ways to reduce the administrative and academic impediments to the development of inter-institutional research programs particularly with institutions within the Texas Medical Center, the Houston-Galveston research zone and with the other institutions of The University of Texas System
2. Increase awareness in the UTHSC-H research community of new opportunities for inter-institutional research included under the NIH RoadMap initiative by August 31, 2006, via an institutional newsletter and presentations to research councils and investigators
3. Increase UTHSC-H's participation in inter-institutional research programs such as the Gulf Coast Consortium, the NIAID Regional Center of Excellence and the programs of the regional campuses of the School of Public Health

Resources
1. NIH RoadMap grant submissions
   - Small Molecule Screening Center
     - Welch Foundation $1,600,000
     - Philanthropy $2,500,000
   - Training Grant in Pharmacoinformatics
     - NIH (awarded) $3,000,000

Progress Measures
1. Number of research grant awards to faculty for inter-institutional research grants – 211
2. Number of inter-institutional research contracts initiated by UTHSC-H faculty – 232

Major Obstacles
1. Logistical and administrative issues that confront faculty developing inter-institutional research programs
2. Changing priorities for federally funded research support that suggest increased availability of and greater competition for funds for both inter-institutional and interdisciplinary research initiatives
II.A.2.c Objective: Develop the infrastructure necessary to support the management of research
Strategies
1. Implement an electronic system to support the preparation, review, and storage of human subjects research protocols (the iRIS IRB management software system) ACHIEVED
2. Implement a series of procedures to improve the usability of the institutional Financial Management System (PeopleSoft) by the research community. Continue to refine the software to support research needs ACHIEVED
3. Implement a web-based electronic grants management system (COEUS) by August 31, 2006, that will enable the assembly, processing, and submission of research grants in an electronic format
4. Enhance the Post Award process through faculty and staff development and Financial Management System (FMS) upgrades

Resources
1. NIH/iRIS IRB mgt software $500,000
2. PUF/FMS research improvements $750,000
3. COEUS grant management system $170,000

Progress Measures
1. Number of electronic research protocols submitted to the IRB – 236
2. Percent transition to all-electronic IRB environment by Sept. 2004 – 13.5% (32 of 236)
3. Implement FMS 8.8 by June 2005 – 100%
4. Implement FMS reporting enhancements for grant management by 12/31/2005 – 20%
5. Number of research grant applications assembled and submitted in an all electronic format – 16.6% (222 of 1,345)

Major Obstacles
1. Training large numbers of faculty and support staff in both electronic research management systems
2. Defining requirements and gaining consensus on a solution
II.A.3 Priority: Enhance educational excellence
Enhancement of educational excellence at UTHSC-H is an important priority for the institution. UTHSC-H is a comprehensive health science center with a reputation for fine academic programs in medicine, dentistry, public health, nursing, health informatics, and graduate biomedical sciences. Our academic programs involve a faculty of over 1,200 and a student body of nearly 3,400.

II.A.3.a Objective: Implement a plan for the recruitment and retention of an exemplary and diverse student body

Strategies
1. Receive approval from UT System on a proposal submitted April 29, 2004, to use race and ethnicity as one of many factors in the recruitment and financial aid processes ACHIEVED
2. Begin implementation of UT System-approved revised student admissions policies to use race and ethnicity as one of many factors in individualized, holistic recruitment and financial aid processes NEW
3. Increase entering class sizes in the M.D. program (from 200 to 220) in response to a statewide need for additional physicians NEW
4. Increase entering class size in the D.D.S. program (from 64 to 74) during fall 2005 in response to Closing the Gaps initiative and the statewide need for additional dentists. Additional increase in enrollment of 100 will occur with the construction of the new Dental school building NEW
5. Continue the efforts to implement the Institutional Diversity Plan
6. Continue to monitor and update the university’s Uniform Recruitment and Retention Plan in light of the State’s Closing the Gaps initiative
7. Support recruitment efforts including summer enrichment and research programs for high school and college students and visitations to high school and college campuses
8. Support retention efforts including pre-entry programs providing introduction to the professional school curriculum, alternate pathway in the Medical School, tutorial programs, and mentoring and counseling programs directed by the various Associate Deans for Student Affairs
9. Embark on a new fund raising effort targeted at student scholarships

Resources
Realized
Institutional funds $200,000 approximately
CANDO grant (HRSA) $934,369
Endowed scholarships (85) $5,649,104 book value as of June 30, 2005

Potential
Philanthropy $1,000,000+ annual goal
Dental Branch Hispanic Center of Excellence $1,300,000 in review
Dental Branch and Medical School Robert Wood Johnson Foundation grant for Medical and Dental Summer Academic Enrichment (SMDEP) $1,200,000 in review
Early Alert for the Retention of Nursing Students (EARN) program (HRSA) $738,058 asked to re-write and re-submit
Short-Term Training Program to Increase Diversity in Health-Related Research (NHLBI) $740,000 preparing for submission

Progress Measures (please see page 24)

Major Obstacles
1. Limited pool of underrepresented minorities for entry into the student body of our professional schools
2. Difficulties in identifying and recruiting qualified women and minorities for faculty positions as role models for students
II.A.3.b Objective: Recruit and retain an exemplary and diverse faculty and staff

Strategies

1. Develop a strategic marketing plan by August 31, 2006, to enhance and promote the reputation of UTHSC-H with the expectation of improved faculty and staff recruitment
2. Request special item funding for recruiting nationally and internationally recognized faculty and researchers
3. Expand the Academic Leadership Development Program to include both talented administrative staff as well as faculty (now called the Academic and Administrative Leadership Development Program [AALDP])
4. Support efforts to implement the Institutional Diversity Plan
5. Develop plans to address specific diversity issues based on results of an environmental assessment
6. Foster mutual understanding of the importance of diversity through town hall meetings and other communication vehicles dealing with specific diversity issues
7. Award $1,200 base salary increases to those faculty and staff earning less than $120,000 per year
8. Support a merit pool for faculty and staff based on available funds

Resources

1. Special Item – Heart Disease & Stroke Research: $5,125,000
2. AALDP stipends (for 10 participants: 5 faculty, 5 staff): $30,000

Progress Measures

1. Increase in number of faculty recruited or retained using special item funds
   FY 2004: 4
   FY 2005: 5
2. Increase in number of women and underrepresented minority (URM) faculty and staff
<table>
<thead>
<tr>
<th>Gender</th>
<th>Fall 2003</th>
<th>Fall 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>498</td>
<td>513</td>
</tr>
<tr>
<td>URMs</td>
<td>75</td>
<td>74</td>
</tr>
<tr>
<td>Total</td>
<td>573</td>
<td>587</td>
</tr>
<tr>
<td>Women</td>
<td>2,515</td>
<td>2,237</td>
</tr>
<tr>
<td>URMs</td>
<td>1,639</td>
<td>1,427</td>
</tr>
<tr>
<td>Total</td>
<td>4,154</td>
<td>3,664</td>
</tr>
<tr>
<td>Women</td>
<td>3,013</td>
<td>2,750</td>
</tr>
<tr>
<td>URMs</td>
<td>1,714</td>
<td>1,501</td>
</tr>
<tr>
<td>Total</td>
<td>4,727</td>
<td>4,251</td>
</tr>
</tbody>
</table>
3. Increase in number of endowed faculty
   2003-2004 faculty appointments to endowed positions: 11
<table>
<thead>
<tr>
<th>Endowed Positions</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003</td>
<td>$26.8 million</td>
</tr>
<tr>
<td>FY 2004</td>
<td>$31.6 million</td>
</tr>
<tr>
<td>FY 2005 ytd</td>
<td>$38.2 million</td>
</tr>
</tbody>
</table>

Major Obstacles

1. Local and national competition for faculty and staff
2. Budget-related reductions in force
II.A.3.c Objective: Identify and emulate best practices in educational excellence

Strategies
1. Solicit suggestions from the UTHSC-H Academic Council on best practices among UTHSC-H’s six schools for faculty development as educators
2. Assess the Academic Council’s ongoing curriculum review to ensure progress in meeting educational, competency-based, and outcomes-oriented objectives
3. Continue to provide leadership to the ongoing Texas Medical Education Collaboration (TMEC) among the six UT System health campuses resulting from the Chancellor’s Health Fellow in Education program NEW
4. Establish and launch a Certificate Program in Health Informatics NEW
5. Establish and launch a Certificate Program in Health Information Sciences NEW
6. Begin the process of gaining approval for the Doctor of Nursing Practice Degree NEW
7. Participate in the UT System Academy for Medical Education NEW

Resources
1. Master Teacher Program (State funds [Medical School]): $480,000
2. Scholarships for new SHIS tracks: $25,000
3. Educational Scholars Fellowship Program (ESFP) Faculty Development Collaboration among Baylor College of Medicine, UT Medical School, and the UT Dental Branch: $10,000
4. HSC Learning and Technology Advisory Team (LTAT) Small Grants in Technology Program: $30,000

Progress Measures
1. Number of Master Teacher program participants - FY 2005: 29, FY 2006: 23
2. Number of Fellows graduating from the ESFP program - FY 2005: 7, FY 2006: 8
3. Number of LTAT Small Grants funded - FY 2005: 8

Major Obstacles
1. Uncertainty of continued funding of the LTAT Small Grants Program

II.A.3.d Objective: Enhance support for academic information technology

Strategies
1. Enhance educational efforts through the use of instructional technology for interactive and distance education. These efforts include expanded use of the Internet2, Lone Star Education and Research Network (LEARN), Southeast GigaPop, National Lambda Rail (NLR), BlackBoard online course management system, web-based course development, videoconferencing capabilities, and The University of Texas TeleCampus
2. Train faculty and staff in the use of this technology

Resources
1. State funds $249,315
2. UT TeleCampus $40,000 for B.S. in Dental Hygiene Completion Pgm
3. National Lambda Rail (NLR) $56,000 annually
4. Southeast GigaPop $41,500 annually

Progress Measures
1. Hire BlackBoard administrator - 100%
2. UT TeleCampus - Dental Hygiene Course in preparation: starts fall semester
3. Paid NLR assessment for past two years - 100%
4. Joined Southeast GigaPop – 100%
5. Increase use of educational software and distance learning courses - active BlackBoard-supported classes increased from 50 to 248 from 1/04 to 1/05

Major Obstacles
None at this time
II.A.4 Priority: Launch an integrated institutional advancement initiative
MOVED FROM LONGER TERM AND REVISED

II.A.4.a Objective: Begin planning for a new university-wide capital campaign with fund raising priorities determined through the university strategic planning process

Strategies
1. Link campaign strategies to the university’s overall strategic plan
2. Use the upcoming strategic planning process to establish approved university campaign priorities, both school-by-school and general university-wide
3. Begin soliciting campaign volunteer leadership for each school and for the overarching University volunteer group
4. Begin identifying lead and major donor prospects
5. Complete the case statements for each school and for the university as a whole

Resources
None needed for the planning stage

Progress Measures
1. Percent of planning process complete - 50%

Major Obstacles
None at this time

II.A.4.b Objective: Enhance and manage the identity, image, and reputation of The University of Texas Health Science Center at Houston

Goals
1. Develop and implement an integrated institutional advancement plan for the UT Health Science Center at Houston that will enhance and manage the identity, image, and reputation of the University of Texas Health Science Center at Houston; create, communicate, and deliver value to all stakeholders; manage relationships in ways that benefit the institution and its constituents; and position the institution as an exemplary academic health science center achieving its mission and vision through excellence in education, research, and service
2. Develop and implement an institutional communications plan to support the integrated institutional advancement plan
3. Integrate the integrated institutional advancement plan into the institutional strategic planning process

Strategies
1. Develop and conduct a community awareness survey by January 1, 2006
2. Survey and develop guidelines for institutional signage by January 1, 2006
3. Enhance and promote institutional graphic standards by January 1, 2006
4. Organize the UT HSC Volunteers Program by August 31, 2006
5. Organize the UT HSC Speakers Bureau by August 31, 2006
6. Expand the UT HSC Community Relations Program by August 31, 2006
7. Develop the UT HSC Health Leader Information Network by August 31, 2006
8. Fully utilize the UT HSC President’s Executive Luncheons by August 31, 2006
9. Develop new institutional mission and vision statements by August 31, 2006

Progress Measures
1. Increase in number of media placements
   FY 2004: 3,538  FY 2005 ytd: 2,805
2. Increase in number of page views to Public Affairs online publications
3. Increased placement of speakers
   FY 2004: 30  FY 2005 ytd: 42 (includes 30 speakers/panelists at one event)

Major Obstacles
None at this time
II.B. Major Ongoing Priorities and Initiatives: Longer Term Goals and Priorities
UTHSC-H has established the following four longer term priorities: (1) provide facilities to support academic excellence; (2) recruit and retain outstanding educators, researchers, clinical practitioners, students, administrators, and staff; and (3) increase the scope of the institution’s research enterprise.

II.B.1 Priority: Provide facilities and infrastructure to support academic excellence

II.B.1.a Objective: Demolish John Freeman Building ACHIEVED and construct a new Research and Vivarium Facility (Replacement Research Facility)

**Strategies**
1. Build a mitigated facility designed to withstand the effects of flooding and other natural disasters (contractor identified)
2. Deliver an expansion of research space
3. Restore the Vivarium using NIH grant support

**Resources**
1. Research and Vivarium Facility ($80.53 million est. TPC)
   - Tuition Revenue Bonds $23,600,000
   - Insurance $16,600,000
   - Philanthropy $9,330,000
   - NIH Grants $6,000,000
   - UT Board of Regents $25,000,000

**Progress Measures**
1. Achieve substantial completion of the full replacement facility by the fall of 2007
2. Percent increase in research activity upon building’s completion
   - MS FY 2003 research expenditures: $94,999,993
   - MS FY 2004 research expenditures: $95,633,230

**Major Obstacles**
1. Meeting construction deadlines imposed by FEMA and NIH grants
2. Lack of strong project management

II.B.1.b Objective: Assist in the development of the Advanced Imaging Center in the UT Research Park

**Strategies**
1. Successfully partner with UTMDACC in the design, construction, and operations of the Center

**Resources**
- Texas Enterprise Fund $25,000,000
- GE Medical Systems (GEMS) $30,000,000 over 10 years
- UTMDACC/UTHSC-H philanthropy/other $25,000,000

**Progress Measures**
This project is managed by UT M. D. Anderson, so progress by UTHSC-H is measured as timely input, provided upon request, into the programming and design phases

**Major Obstacles**
1. Achieving the job requirements attached to the Texas Enterprise Fund
2. Achieving philanthropic goals
II.B.2 Priority: Recruit and retain outstanding educators, researchers, clinical practitioners, students, administrators, and staff

II.B.2.a Objective: Recruit leaders in biomedical research to key academic and research leadership positions

Strategies
1. Hire a permanent Dean for the Dental Branch ACHIEVED
2. Hire a permanent Dean for the School of Public Health ACHIEVED
3. Hire a permanent Dean for the School of Health Information Sciences (SHIS)
4. Formulate a campaign to include fundraising for new endowed chairs NEW
5. Develop school-specific plans for faculty and department chair recruitment and retention

Resources
1. Special item - Heart Disease & Stroke Research $5,125,000
2. Institutional funds - SHIS Dean recruitment $20,000

Progress Measures
1. Progress in faculty promotion and tenure as measured by the number of faculty advancing in rank on the tenure track and gaining tenure
   Number of faculty promoted and/or awarded tenure - FY 2004: 27, FY 2005: 26
2. Increase in number of faculty, staff, and administrators
   Faculty A&P Staff
   Fall 2003 1,215 259 3,279
   Fall 2004 1,247 235 2,961
3. Increase diversity of faculty, staff, and administrators
   Faculty Staff (class. and A&P) Total
   Women URM Women URM Women URM
   Fall 2003 498 (41.0%) 75 (6.2%) 2,515 (71.1%) 1,639 (46.3%) 3,013 (63.4%) 1,714 (36.1%)
   Fall 2004 513 (41.1%) 74 (5.9%) 2,237 (70.0%) 1,427 (44.6%) 2,750 (61.9%) 1,501 (33.8%)

Major Obstacles
1. Acquisition of additional funds is a major obstacle to faculty retention and recruitment

II.B.2.b Objective: Recruit and retain new faculty with expertise in research

Strategies
1. Continue to support and promote programs designed to enhance faculty retention
2. Fill faculty vacancies within the existing budget in order to enhance the institution's academic programs
3. Establish and fund university-wide bridging grants program NEW
4. Determine amount of and adequately fund start-up costs for new faculty NEW
5. Implement school-focused development programs to obtain philanthropic support for research and academic development NEW

Resources
1. Special item - Heart Disease & Stroke Research: $5,125,000

Progress Measures
1. Percent of faculty vacancies filled within budget
2. Percentage of candidates who accept faculty positions

Major Obstacles
1. Ability to reallocate funds and/or achieve fundraising goals

II.B.2.c Objective: Establish a merit pool for faculty and staff NOW A STRATEGY UNDER II.A.3.b
II.B.2.d Objective: Increase the number and diversity of graduate students and postdoctoral research fellows  NEW

Strategies
1. Provide resources (financial and administrative) to support successful acquisition of pre- and postdoctoral training grants and individual fellowships
2. Increase school-based support for graduate research assistants to match increases in the number of HSC faculty and to maintain competitive stipends and benefits
3. Establish an office to support postdoctoral training programs
4. Develop recruiting materials and maintain contact information to support schools' recruiting activities
5. Develop summer research programs that explicitly target prospective graduate students
6. Increase the involvement of HSC faculty in the recruitment process

Resources
1. Institutional funds  $200,000  GSBS stipends

Progress Measures
1. Increases in graduate students and postdoctoral fellows while maintaining quality measures - FY 2004: 224
2. Number of training grants and individual fellowships - FY 2004: 49
3. Increases in number of under-represented (URM) students enrolled and graduated from graduate programs

<table>
<thead>
<tr>
<th></th>
<th>URM Enrollees</th>
<th>URM Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2003</td>
<td>316 (9.2%)</td>
<td>58 (7.2%)</td>
</tr>
<tr>
<td>Fall 2004</td>
<td>333 (9.8%)</td>
<td>70 (7.9%)</td>
</tr>
</tbody>
</table>

Major Obstacles
1. Ability to reallocate funds to support this effort

¹ includes master and doctoral students only

II.B.2.e Objective: Increase start-up funds for research  NOW A STRATEGY UNDER II.B.2.b
II.B.3 **Priority:** Increase the scope of the institution's research enterprise

II.B.3.a **Objective:** Sustain the growth of the research enterprise at a level that meets or exceeds the growth in federal biomedical research support

**Strategies**
1. Recruit new research scientists to UTHSC-H
2. Implement training programs to support the research career development of “new” investigators
3. Improve the research infrastructure through the development of new resources to support biomedical, clinical, and community-based research programs
4. Develop new interdisciplinary and inter-institutional research programs
5. Introduce new research initiatives in areas of biodefense, biotechnology, and nanobiology

**Resources**
- Special item – Heart Disease & Stroke Research: $5,125,000

**Progress Measures**
1. Growth of research expenditures at a rate that either matches or exceeds the rate of growth in federal expenditures in support of biomedical research

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIH Budget Growth</td>
<td>9.5%</td>
<td>13.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>UTHSC-H Research Expenditure Growth</td>
<td>8.1%</td>
<td>8.1%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Difference</td>
<td>-1.4%</td>
<td>-5.3%</td>
<td>-3.5%</td>
</tr>
</tbody>
</table>

2. Maintenance of a rate of publications in peer-reviewed journals by the institutional faculty that matches or exceeds the rate of publications in 1998-2003 - average 1,397

**Major Obstacles**
1. Ability to allocate institutional resources to the research enterprise in ways that have the greatest impact on the growth of research
III. Future Initiatives of High Strategic Importance

**Future Initiative: Complete the development of the Brown Foundation Institute of Molecular Medicine for the Prevention of Human Diseases (IMM)**

The University of Texas created the Institute of Molecular Medicine for the Prevention of Human Diseases in 1995 under the leadership of Dr. James T. Willerson and Dr. Hans Muller-Eberhard to address the diseases of our time. Following Dr. Muller-Eberhard’s untimely death in 1998, Ferid Murad, M.D., Ph.D., who was later named a Nobel Laureate, became director of the institute. Today, the institute consists of six key research centers: Cardiovascular Diseases, Cell Signaling, Human Genetics, Immunology & Autoimmune Diseases, Protein Chemistry, and Vascular Biology.

UTHSC-H is winding down a successful $200 million campaign to build and equip a state-of-the-art home for the IMM, to recruit and retain the world’s best molecular and genetic scientists, and to provide them with the resources they need to excel. With the vision of Dr. Willerson, and the leadership of Dr. Murad, UTHSC-H will embark on its second phase. As a part of this phase, the IMM will expand its current exploration into the genetic and molecular aspects of disease and enhance its current efforts aimed at disease prevention and cure. The Institute will also add the efforts of biomedical engineering and biotechnology to provide translational support to all of the IMM research centers. Once fully established, the IMM will lead the way in Texas to new discoveries, higher levels of education, increased collaboration among our sister Texas Medical Center institutions, more effective patient care, and ultimately, prevention of common human diseases.

Measurable outcomes for this initiative include:
1. Number of faculty members hired
2. Number of faculty awards and honors
3. Number and dollar amount of new and renewed contracts and grants

**Future Initiative: Develop the University of Texas Research Park**

UTHSC-H is partnering with UT M.D. Anderson Cancer Center, and collaborating with other Texas Medical Center entities, in the development of a research center designed to foster the growth of the life sciences industry in Texas through new business formation, expansion of existing businesses, technology transfer, and education of a highly skilled technology workforce. When developed, the park will contain more than 1.2 million square feet of modern, well-equipped research, laboratory, office, and support space for public-private partnerships and not-for-profit research and will bring together a critical mass of technological interests in the basic, translational, and clinical sciences.

Supported by funding from a multitude of private and governmental sources, the park will boast state-of-the-art laboratories, offices, training centers, and conference or business resource/support facilities to assist new companies in testing the viability of their ideas.

Measurable outcomes for this initiative include:
1. Number and dollar amount (indirect and direct) of contracts and grants
2. Number and dollar amount of technology transfer that result from new discoveries
3. Number of partnerships or collaborations with participating private companies

IV.A. Other Critical Issues Related to Institutional Priorities: Impact of Initiatives

1. **Enrollment Management**
   Please refer to pages 10 and 16 regarding recruitment and retention

2. **Diversity of Faculty and Staff**
   Please refer to pages 11 and 15
3. **Community and Institutional Relations** Maintaining cordial relationships with the community and other institutions is a vital factor in managing UTHSC-H’s image and reputation, as well as cultivating support from those sources. In support of both short-term and long-term goals, the institution provides the following offices that perform community and institutional relations activities:
   a. The Office of Development: Donor Relations, Capital Campaigns, Endowment Campaigns
   b. The Office of Governmental Relations: Federal and State Relations
   c. The Office of Public Affairs: media relations, community services, health information services, publications
   d. The Office of International Programs: international affiliations and education

4. **Finances (tuition and market issues)** In addition to revenue sources identified elsewhere in this document to support meeting our institutional priorities, UTHSC-H has already earmarked new revenue generated from increasing tuition beginning with the 2004-2005 academic year (6.8 percent overall increase over FY 2003) to enhance the quality of our educational programs and the recruitment and retention of excellent faculty. All of the new tuition revenue (estimated at $1.3 million) will go directly to the schools and will be used to support faculty recruitment and retention efforts, improve the quality of teaching, provide basic student services, and ensure that the infrastructure is in place to support our academic programs and the development of outreach efforts through distance education. This new revenue will facilitate our efforts to ensure that our academic programs remain competitive and further our ability to attract the best faculty and students.

5. **Facilities**

   Please refer to pages 2-6 and 14

6. **Other Infrastructure Issues**

   Not applicable

**IV.B. Other Critical Issues Related to Institutional Priorities: Unexpected Opportunities or Crises**

During the past year, executive leadership has focused a significant amount of attention on matters related to institutional governance. The result of this effort has been the creation of the Executive Budget Committee, the Compensation Committee, and the IT Governance Committee. Leadership hopes that these entities will be significant forces in the quest to gain efficiencies during continued times of constrained budgets.

**V. System and State Priorities**

**Increasing Student Access and Success** In accordance with the State’s Uniform Recruitment and Retention Strategy and Closing the Gaps initiative, UTHSC-H has several programs in place to attract, enroll, retain, educate, and graduate students who reflect the socio-cultural and ethnic composition of Texas. Select programs include:
   a. Medical Assured and Dental Early Acceptance Programs
   b. Dental Branch Summer Enrichment Programs
   c. Medical School Alternate Pathway Program
   d. Medical School Pre-Entry Program

In addition, the Medical School is increasing the size of its fall 2005 entering M.D. class from 200 to 220. The Dental Branch’s D.D.S. class size will rise from 64 to 74 starting in fall 2005. Other
programs will follow suit given sufficient faculty levels and classroom space needed to support larger class sizes.

**Collaborations among UT System Institutions** Collaboration among UTHSC-H faculty, both within and without the university, is a critical factor in helping advance the health of the people of the state of Texas. UTHSC-H has several collaborative efforts in place with other UT System institutions (as included in the UT System Collaboration Survey):

- a. The Center for Academic and Reading Skills (CARS) [UT Austin]
- b. The Gulf Coast Consortia [UT M. D. Anderson Cancer Center, UT Medical Branch]
- c. Support of Human Subjects Protection Program at UTHSC-H and Regional Consortium of IRBs [UT Brownsville]
- d. Programs in Biotechnology [UT M. D. Anderson Cancer Center]
- e. Hispanic Health Research Center (Lower Rio Grande Valley) [UT Brownsville]
- f. Collaborative Doctoral Degree in Nursing [UT El Paso]
- g. Collaborative Master of Public Health Degree [UT El Paso]
- h. The University of Texas Graduate School of Biomedical Sciences at Houston joint graduate programs with UT M. D. Anderson Cancer Center

**Increasing External Research Funding** UTHSC-H's FY 2004 research expenditures totaled $148.3 million. In the past five years, research expenditures rose 38.5 percent while the past decade has seen an 89.4 percent increase. Over the next five years, we anticipate a 3 to 4 percent increase in federal research expenditures each year. As the NIH decreases funds allocated to research, growth in research expenditures could follow a downward trend. However, we hope that recruitment efforts underway for the Brown Foundation Institute of Molecular Medicine, coupled with strong school-based research programs, will counteract this NIH decrease.

**Increasing Tangible Marks of Academic and Health Care Excellence**

- a. UTHSC-H National Institutional Rankings Summary
  - #86 in FY 2002 science and engineering expenditures (NSF, 2004)
  - In top 26-50 of public research universities (TheCenter, December 2004)
- b. UTHSC-H National School Rankings Summary
  - School of Nursing – top 10 percent of graduate programs (U.S. News, 2004)
  - School of Public Health – doctoral program in Health Education ranked #1 in the nation (independent study by researchers at the University of Illinois, Urbana-Champaign, and the University of Alabama, 2003)
- c. UTHSC-H Faculty Strength
  - 1 Nobel Prize laureate
  - 1 Prince Mahidol Award for Medicine winner
  - 4 Institute of Medicine members
  - 1 National Academy of Science member
  - 3 Academy of Arts and Sciences Fellows
  - 14 American Academy of Nursing Fellows
  - 2 American College of Medical Informatics Fellows
  - 6 American Association for the Advancement of Science Fellows
  - 8 American Society for Clinical Investigation members
  - 19 faculty members named as America’s Top Doctors
  - 11 faculty members named as The Best Dentists in America

**Development and Alumni Relations** The health science center's five-year, $200-million New Frontiers Campaign for the Institute of Molecular Medicine (IMM) is 95 percent complete after only four years into the effort. Funds for the new building are already committed and, once raised, the remaining $10 million will help recruit and retain top scientists for the IMM. In addition to the campaign efforts, the health science center received gift commitments of $1
As the New Frontiers Campaign winds to a close, a comprehensive campaign to benefit all six schools, HCPC, and some general university-wide priorities is now in the planning stages. While specific campaign details (i.e., fund raising targets, priorities, etc.) are not yet finalized, the campaign will include all philanthropic elements contained in this Compact. It will also likely include faculty and scholarship endowments and several significant capital building projects. University leaders plan to launch the campaign via a public announcement by spring 2006.

**VI. Compact Development Process**

Building on the success of the health science center's inaugural 2005-2006 Compact with The University of Texas System, UTHSC-H leadership continues to meet quarterly to ensure that Compact objectives are both programmatically and fiscally sound. The Steering Team, which consists of the Senior Executive Vice President, Executive Vice Presidents, Deans, Vice Presidents, the HCPC Administrator, and the Chief Legal, Human Resources and Audit Officers, last met on March 30, 2005, to finalize contents for this 2006-2007 Compact draft due on May 1, 2005. As was the case in the past year, each priority objective has an assigned owner who is responsible for monitoring progress and ensuring that projects remain on track.

During April and May 2005, Michael McKinney, M.D., Senior Executive Vice President, and L. Maximilian Buja, M.D., Executive Vice President for Academic Affairs, hosted a series of brown bag Town Hall meetings to share the draft Compact with the university community. They also met with the Student InterCouncil, InterFaculty Council, and Diversity Council to ensure that development of the health science center's strategic objectives is inclusive in nature.

In addition to the priorities listed in this Compact document, there are others that fall outside the Compact's FY 2006-2007 period. For this reason, UTHSC-H will create and maintain a longer-term planning document that will allow the development of a more strategic process with mechanisms to tie budgeting to planning and develop appropriate and quantifiable progress measures. An Executive Budget Committee is now in place to review and make recommendations on budget requests that occur during the formal budgeting process as well as incrementally throughout the year. Additionally, UTHSC-H leadership is gearing up for an executive-level planning retreat this fall. This Compact will serve as a springboard with the hope of extending plans out over the next seven to ten years. This timeframe will encompass a new Advancement Initiative as well as the health science center's next SACS re-accreditation site visit in 2010.

UTHSC-H leadership views this as a dynamic process that will evolve over time and contribute to the university's long term strength and stability.

**VII. System Contributions**

- Legislative funding (Governmental Relations)
- Capital building (Facilities Planning and Construction)
- Faculty and staff salaries (Governmental Relations; External Relations and Development)
- Marketing health science by the entire UT System (Health Affairs; Public Affairs)
VIII. Appendices

VIII.A. Budget Summary

The University of Texas Health Science Center at Houston
Operating Budget
Fiscal Year Ending August 31, 2005

<table>
<thead>
<tr>
<th>FY 2004 Adjusted Budget</th>
<th>FY 2005 Operating Budget</th>
<th>Budget Increases (Decreases) From 2004 to 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td>3,082,766</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$ 14,585,501</td>
<td>17,668,267</td>
</tr>
<tr>
<td>Federal Sponsored Programs</td>
<td>118,200,108</td>
<td>125,185,465</td>
</tr>
<tr>
<td>State Sponsored Programs</td>
<td>25,475,673</td>
<td>25,183,382</td>
</tr>
<tr>
<td>Local and Private Sponsored Programs</td>
<td>111,035,109</td>
<td>105,224,131</td>
</tr>
<tr>
<td>Net Sales and Services of Educational Activities</td>
<td>13,539,247</td>
<td>14,138,054</td>
</tr>
<tr>
<td>Net Sales and Services of Hospital and Clinics</td>
<td>8,790,350</td>
<td>8,790,350</td>
</tr>
<tr>
<td>Net Professional Fees</td>
<td>99,895,626</td>
<td>117,033,719</td>
</tr>
<tr>
<td>Net Auxiliary Enterprises</td>
<td>13,767,770</td>
<td>13,360,557</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>5,891,025</td>
<td>8,831,988</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>411,180,409</td>
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<td>Operating Expenses:</td>
<td></td>
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<td>Instruction</td>
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<td>Academic Support</td>
<td>22,492,473</td>
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<td>Research</td>
<td>120,529,511</td>
<td>119,919,359</td>
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<td>Public Service</td>
<td>13,284,167</td>
<td>17,598,972</td>
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<td>Hospitals and Clinics</td>
<td>69,400,966</td>
<td>75,140,422</td>
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<td>Institutional Support</td>
<td>54,168,118</td>
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<td>Student Services</td>
<td>2,207,789</td>
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<td>Operations and Maintenance of Plant</td>
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<td>4,757,052</td>
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<td>Scholarships and Fellowships</td>
<td>14,401,061</td>
<td>14,333,536</td>
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<td>Total Operating Expenses</td>
<td>558,339,337</td>
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<td>Operating Surplus/Deficit</td>
<td>(147,158,928)</td>
<td>(156,539,218)</td>
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<td>(9,380,290)</td>
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<td>State Appropriations &amp; HEAF</td>
<td>137,753,540</td>
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<td>Gifts in Support of Operations</td>
<td>5,368,278</td>
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<td>Net Investment Income</td>
<td>5,262,936</td>
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<td>Other Non-Operating Revenue</td>
<td>4,287,655</td>
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<td>Other Non-Operating (Expenses)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Net Non-Operating Revenue/(Expenses)</td>
<td>152,672,409</td>
<td>161,087,507</td>
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<td>Transfers and Other:</td>
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<td>-</td>
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<tr>
<td>AUF Transfers (Made)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Transfers From (To) Unexpended Plant</td>
<td>(8,391,593)</td>
<td>(8,431,643)</td>
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<td>Transfers for Debt Service</td>
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<td>4,080,823</td>
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<td>Other Additions and Transfers</td>
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<td>(4,048,823)</td>
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<td>Total Transfers and Other</td>
<td>(8,743,682)</td>
<td>(8,399,643)</td>
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<tr>
<td>Surplus/(Deficit)</td>
<td>$ (3,230,201)</td>
<td>(3,851,354)</td>
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Note: Operating Budget Highlights with a glossary of terms are included on Page 1.
### Statement of Revenues, Expenses and Changes in Net Assets (SRECNA)

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005 YTD/Annualized</th>
<th>FY 2005 Operating Budget</th>
<th>FY 2006 Projected SRECNA</th>
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<tr>
<td>14,514,251</td>
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<tr>
<td>133,822,478</td>
<td>135,722,478</td>
<td>130,274,206</td>
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<td>(16,004,175)</td>
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<td>450,545,133</td>
<td>477,050,441</td>
<td>475,550,441</td>
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<td><strong>Operating Expenses:</strong></td>
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<td>246,576,557</td>
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<td>284,507,420</td>
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<td>(113,000)</td>
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<td>(933,317)</td>
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<td>56,214,668</td>
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<td>3,927,311</td>
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<td>18,562,487</td>
<td>20,610,441</td>
<td>18,199,825</td>
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<td>4,080,293</td>
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<td>13,763,946</td>
<td>22,662,814</td>
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<td>16,576,488</td>
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<td>18,159,058</td>
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<td>574,011,032</td>
<td>609,380,772</td>
<td>640,080,444</td>
<td>6,574,544</td>
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<td>(113,822,243)</td>
<td>(158,835,639)</td>
<td>(163,530,003)</td>
<td>(8,074,544)</td>
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<td><strong>Nonoperating Revenues (Expenses):</strong></td>
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<td></td>
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<td>137,829,853</td>
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<td>7,720,179</td>
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<td>8,395,493</td>
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<td>127,227</td>
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<td>6,701,249</td>
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<tr>
<td>11,372,468</td>
<td>3,771,583</td>
<td>4,080,293</td>
<td>4,080,293</td>
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<tr>
<td>(3,806,079)</td>
<td>4,019,455</td>
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<td>163,532,151</td>
<td>192,254,804</td>
<td>170,790,468</td>
<td>170,790,468</td>
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<tr>
<td><strong>Net Non-Operating Revenue/ (Expenses):</strong></td>
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<td></td>
<td></td>
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<tr>
<td>12,035,320</td>
<td>7,255,497</td>
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<td>3,069,388</td>
<td>3,200,000</td>
<td>3,500,000</td>
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<td>(12,030,159)</td>
<td>(13,349,683)</td>
<td>(14,394,485)</td>
<td>(13,358,994)</td>
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<td>48,679,599</td>
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<td>101,414,056</td>
<td>46,436,705</td>
<td>(6,679,020)</td>
<td>24,571,397</td>
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</table>

The University of Texas Health Science Center at Houston Compact FY 2006-07 23
## VIII.C. Statistical Profile

### UT Health Science Center - Houston

#### Enrollment headcount

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomedical Sciences</td>
<td>416</td>
<td>443</td>
<td>465</td>
<td>490</td>
<td>514</td>
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<tr>
<td>Dental</td>
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<td>414</td>
<td>413</td>
<td>398</td>
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<td>Health Information Sciences</td>
<td>45</td>
<td>64</td>
<td>62</td>
<td>74</td>
<td>64</td>
</tr>
<tr>
<td>Medical</td>
<td>817</td>
<td>829</td>
<td>825</td>
<td>837</td>
<td>847</td>
</tr>
<tr>
<td>Nursing</td>
<td>581</td>
<td>646</td>
<td>683</td>
<td>698</td>
<td>760</td>
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<tr>
<td>Public Health</td>
<td>910</td>
<td>890</td>
<td>886</td>
<td>908</td>
<td>837</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3,143</strong></td>
<td><strong>3,286</strong></td>
<td><strong>3,334</strong></td>
<td><strong>3,405</strong></td>
<td><strong>3,399</strong></td>
</tr>
</tbody>
</table>

#### Enrollment by ethnicity

<table>
<thead>
<tr>
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<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
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<td>White</td>
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<td>1,948</td>
<td>1,950</td>
<td>1,939</td>
<td>1,882</td>
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<tr>
<td>African American</td>
<td>173</td>
<td>210</td>
<td>196</td>
<td>189</td>
<td>200</td>
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<tr>
<td>Hispanic</td>
<td>322</td>
<td>380</td>
<td>392</td>
<td>425</td>
<td>411</td>
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<tr>
<td>Asian American</td>
<td>425</td>
<td>430</td>
<td>457</td>
<td>448</td>
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<tr>
<td>Native American</td>
<td>16</td>
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<td>11</td>
<td>16</td>
<td>15</td>
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<tr>
<td>International</td>
<td>265</td>
<td>276</td>
<td>279</td>
<td>299</td>
<td>401</td>
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<td>Unknown</td>
<td>16</td>
<td>25</td>
<td>49</td>
<td>89</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,143</strong></td>
<td><strong>3,286</strong></td>
<td><strong>3,334</strong></td>
<td><strong>3,405</strong></td>
<td><strong>3,399</strong></td>
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</tbody>
</table>

#### Certificates and degrees awarded

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<td>67</td>
<td>75</td>
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<tr>
<td>Dental</td>
<td>146</td>
<td>143</td>
<td>156</td>
<td>132</td>
<td>149</td>
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<tr>
<td>Health Information Sciences</td>
<td>3</td>
<td>15</td>
<td>12</td>
<td>9</td>
<td>25</td>
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<tr>
<td>Medical</td>
<td>201</td>
<td>186</td>
<td>214</td>
<td>186</td>
<td>194</td>
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<tr>
<td>Nursing</td>
<td>213</td>
<td>232</td>
<td>208</td>
<td>233</td>
<td>249</td>
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<tr>
<td>Public Health</td>
<td>142</td>
<td>147</td>
<td>154</td>
<td>147</td>
<td>213</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>779</strong></td>
<td><strong>790</strong></td>
<td><strong>819</strong></td>
<td><strong>793</strong></td>
<td><strong>907</strong></td>
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#### Licensure exam pass rates

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<th>2000</th>
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<th>2002</th>
<th>2003</th>
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<tbody>
<tr>
<td>Allied Health</td>
<td>100.0%</td>
<td>97.0%</td>
<td>97.4%</td>
<td>100.0%</td>
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<td>Dentistry</td>
<td>95.0%</td>
<td>99.0%</td>
<td>96.5%</td>
<td>96.7%</td>
<td>91.3%</td>
</tr>
<tr>
<td>Medicine</td>
<td>95.0%</td>
<td>91.0%</td>
<td>91.0%</td>
<td>91.0%</td>
<td>91.0%</td>
</tr>
<tr>
<td>Nursing (BSN)</td>
<td>95.0%</td>
<td>91.0%</td>
<td>94.0%</td>
<td>97.0%</td>
<td>94.0%</td>
</tr>
<tr>
<td>Nursing (MSN)</td>
<td>55.0%</td>
<td>62.0%</td>
<td>66.0%</td>
<td>73.0%</td>
<td>68.0%</td>
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</table>

#### Total research expenditures

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<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal research expenditures</td>
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<td>$128,161,248</td>
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<tr>
<td>Total number of grant proposals</td>
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<td>956</td>
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<td>1,121</td>
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<td>Total NIH awards ($)</td>
<td>$79,440,110</td>
<td>$83,903,275</td>
<td>$90,452,217</td>
<td>$89,956,123</td>
<td></td>
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</table>
VIII.D. Institution-specific Information

Peer Analysis
UTHSC-H is looking at ways to benchmark progress against a set of comparative and aspirational peer institutions. Comparative peer institutions are likely to include UT Southwestern Medical Center, UTMB-Galveston, UTHSC-San Antonio, University of North Carolina-Chapel Hill, and the University of Michigan. Aspirational peer institutions could include University of Washington-Seattle, University of California San Diego, University of California San Francisco, University of California Los Angeles, Johns Hopkins University, Stanford University, Harvard University, Yale University, and Washington University St. Louis.

VIII.D. Links to Web Resources

UTHSC-H 2006-2007 Compact with The University of Texas System
www.uthouston.edu/compact/

UTHSC-H Fact Book 2005
www.uth.tmc.edu/factbook/2005/index.html

UT System Accountability and Performance Report
www.utsystem.edu/cha/Accountability.htm

UT System Statistical Handbook
www.utsystem.edu/isp/stathandbook.htm
The University of Texas Health Science Center at San Antonio

Compact with The University of Texas System
FY 2006 through FY 2007
I. Introduction: Institution Mission and Goals

The primary goals of the University of Texas Health Science Center at San Antonio are to:

- educate health care providers and scientists
- engage in biomedical and clinical research to improve the health of mankind
- provide state-of-the-art clinical care
- enhance community health awareness
- address health disparities

Mission Statement
The mission of the University of Texas Health Science Center at San Antonio is to serve the needs of the citizens of Texas, the nation, and the world through programs committed to excellence and designed to:

- educate health professionals for San Antonio and the entire South Texas Community and for the State of Texas to provide the best possible health care, to apply state-of-the-art treatment modalities, and to continue to seek information fundamental to the prevention, diagnosis, and treatment of disease.
- play a major regional, national and international role as a leading biomedical education and research institution in the discovery of new knowledge and the search for answers to society's health care needs.
- be an integral part of the health care delivery system of San Antonio and the entire South Texas community, as well as an important component of the health care delivery system of the State of Texas and the nation.
- serve as a catalyst for stimulating the life science industry in South Texas, culminating in services and technology transfer that benefit local and state economies.
- offer continuing education programs and expertise for professional and lay communities.

Including a total of 1,494 full-time and part-time faculty; 3,186 staff members, and 2,837 students, all of whom are housed on six campuses, UTHSCSA is one of the six health science centers within the UT System. In keeping with its mission, UTHSCSA admits a diverse student body into five different professional schools including Allied Health Sciences, Dental, Biomedical Graduate Studies, Medical and Nursing.

II. Major Ongoing Short-Term and Long-Term Priorities and Initiatives

SHORT-TERM INITIATIVE: ENHANCEMENT OF EXCELLENCE IN EDUCATION

PRIORITY: #1

Goal 1.1- Develop and sustain the quality and capacity of the faculty and the student learning experience by establishing the Academic Center for Excellence in Teaching (ACET).

(Note: The name of the teaching center has been changed. In prior versions of the Compact, it was referred to as the Center for Effective Learning and Teaching.)

Objective:

- Create a center for learning and teaching to provide “umbrella” support for the five schools in order to ensure that they encourage intellectually rigorous teaching and scholarship in health care professional education that inspires students to become outstanding care providers and future academic leaders.
**Strategies:**
- Design the framework for the center including appointment of a director; identify the specific areas of focus, menu of programs, services to be sponsored, and methods to certify teaching expertise.
- Review and analyze the current programmatic instruction and methods of delivery.
- Review current methods of instruction for the various academic programs and evaluate the effectiveness of each method.
- Plan/Implement course offerings, technical assistance, and a small grants program.
- Work with each school to create an individual strategy designed to enhance teaching and scholarship and to offer additional career enhancements for the faculty.

*Revisions to the Compact are presented in bold, italic type throughout the document.*

**Resources:**
- Designate 10% of funds from the newly approved tuition increase to create the center.
- Reallocate additional funds where appropriate.

**Progress Measures:**
- Progress report submitted annually by the director of the center including information regarding upward evaluation by clients, performance of students, and results of accreditation processes.
  
  **Progress:** To date, Faculty Planning Committee for the Teaching Center completed a study of priorities for faculty and an action plan for implementation.
- Timelines, developed by May 2005, detailing organization and implementation plans for specific activities of the center.  **Progress:** Pending finalization.

**Major Obstacles:**
- Cultural change necessary to integrate researchers and clinicians.
- Availability of space in which to house the Center and its staff.

**Goal 1.2- Faculty Recruitment & Retention**

**Objective:**
- Retain and recruit a diverse faculty of exceptional quality for all schools.

**Strategies relevant to all schools:**
- Ensure that all searches for new faculty are competitive and nationwide.
- Decrease the difference between the mean faculty compensation at UTHSCSA and comparable figures for equivalent positions at peer schools.
- Provide the faculty with annual incentive payments that are merit based and tied to standards of performance in teaching, patient care, and research as articulated in the mission statement.
- Provide training opportunities for faculty in order to enhance teaching, clinical, and research skills.
- Develop specific strategies designed to increase funding for the HSC and to support recruitment of a diverse faculty.

**Additional strategies:**
- Provide merit based annual incentive payments tied to mission-based performance in teaching, patient care, and research.  (Medicine)
- Recruit, in 12-months, at least one new faculty member who has NIH funding.  (Nursing)
- Increase the number of 12-month faculty contracts in order to compete more effectively with other schools of nursing in Texas.  (Nursing)
- Implement a peer review process in which faculty members apply for awards of merit, and peers determine the award recipients.  (Nursing)
Resources:
- Revenue derived from the recently approved tuition increase. (All schools)
- General revenue, enhanced clinical revenue, research grants and gifts. (HSC)

Progress Measures relevant to all schools:
- Reduction in the difference between the mean faculty compensation at UTHSCSA and comparable figures for equivalent positions at peer schools. Progress: All schools have evaluated salary differentials using comparisons with national faculty salary survey data. The Dental School has implemented an Academic and Clinical Faculty Incentive Program. The Medical School continues to develop a faculty performance-based compensation plan. The Graduate School did a comparison study of faculty salaries with the AAMC faculty salaries for basic sciences.
- Evaluation of faculty searches in terms of success/failure in recruitment and in retention and comparison of current data to that of the previous two years. Progress: Data are being collected through the end of FY05 to assess this measure.
- Evaluation of faculty in terms of defined measures of clinical, research and scholarly productivity. Progress: Data are being collected through the end of FY05 to compare with baseline measures.
- Evaluation of diversity among faculty. Progress: The School of Medicine is seeking ways to locate a wider diversity of candidates for unfilled/new positions. The School of Nursing is advertising faculty positions in a broader range of journals than previously.

Additional Progress measure:
- Increase in number of 12-month contracts for faculty. (Nursing) Progress: The School of Nursing is working on means of providing salary to convert current 9-month contract faculty to 12-month contract faculty.

Major Obstacles for all schools:
- Inadequate start-up dollars to hire new faculty and/or senior, funded research faculty.
- Inadequate space for each recruiting activity.

Additional Major Obstacles specific to Nursing:
- Insufficient financial resources to attract funded senior research faculty.
- Insufficient financial resources to increase the number of 12-month contracts for faculty.

Goal 1.3- Student Access and Success: Cultivating An Effective Learning and Professional Environment

Objectives:
- Increase enrollment and retention of diverse, top-quality students.
- Follow the NIH Roadmap with regard to interdisciplinary graduate education.

Strategies for each school:
- Allied Health Sciences
  - Create two student centers designed to welcome students and assist them in acclimating to the School: a virtual center on-line, a physical center at the School.
  - Establish early acceptance programs for qualified students coming from regional feeder schools.
- Dentistry
  - Increase the number of elective courses in order to allow students to explore a variety of future career choices, pursue individual research interests and acquire teaching experience.
  - Encourage students to participate in dual degree options and Research and Teaching Training Honors Programs.
Explore funding opportunities in order to expand the dental academic career program, DoSTAR.

**Graduate School**
- Appoint a faculty committee to develop and expand the range and scope of graduate programs so that they reflect the nature and complexity of contemporary biomedical science, the nature and scope of faculty research interests, and current mandates from federal/private funding agencies, such as the NIH Roadmap.
- Finalize the program components for the MS/PhD program.
- Develop financial resources for the DDS/PhD and MD/PhD programs.

**Medicine**
- Create an Office of Professionalism and Diversity that is charged with enhancing professionalism and humanism among students and faculty.
- Create a Teaching Academy within the school and under the umbrella of the HSC Academic Center for Excellence in Teaching, the goal of which is to support teaching and learning.
- Redesign the medical curriculum so that it emphasizes self-directed learning, integrates basic sciences with clinical training, and encourages use of technology.
- Expand the activities of the Regional Academic Health Center (RAHC) in order to offer experiences in border health to more students.
- Implement the new Clinical Skills Center.

**Nursing**
- Implement clinical course offerings for nurse practitioner majors in the summer in order to decrease time needed to graduate.
- Implement curriculum changes at all levels and assess related outcomes.
- Institute an interview as part of the screening process for admission.
- Provide web-based format for all masters’ level core courses.
- Offer a Psych/Mental health degree preparation at the MS level.
- Partner with the VA to develop a model curriculum for certification as a Clinical Nurse Leader.

**Resources for all schools:**
- Revenues derived from the newly approved tuition increase.
- Reassignment/reallocation of staff, where appropriate.
- Leveraging of funds, where possible, including student fees, training grants and other resources.

**Additional resource for Dental, Graduate, Medical:**
- New resources designated for initiating new degree programs including dual degree programs.

**Progress measures relevant to all schools:**
- Improved student profile when figures are evaluated for diversity and number of students recruited, retained and graduated. **Progress:** The School of Allied Health has nearly completed early acceptance agreements with UT Brownsville and Prairie View A&M. The Graduate School of Biomedical Sciences has $9M in federal grants pending review to support an increase in under-represented minorities at the graduate level in biomedical sciences. Graduate School has also obtained $200k from UT System to jointly host a summer internship program for disadvantaged science students at UTSA for the next two years. The School of Nursing is working to obtain approval for an LVN to BSN program through the Laredo Extension Campus (LEC).
- Increase pass rates for licensure and certification. **Progress:** The School of Medicine is holding the ministep 1 exam later in the year, is adding several Step 1 prep sessions, and has implemented its own clinical skills practice exam for test preparation. The School of Nursing is referring more students to review courses for exam preparation. The School of Allied Health is studying means of improving students’ results on the national board examinations in Deaf Education and Hearing Science as well as Physical Therapy.
Progress measures specific to Allied Health Sciences:
- By summer 2004, student welcome centers will be established. Progress: Completed.
- Number of applicants will increase by 10% by fiscal year 2006. Progress: Pending.
- By October 2004, initiate an early acceptance agreement with Prairie View A&M. Progress: Continuing development.

Progress measure specific to Dentistry:
- In fiscal year 2006, implement a year-round curriculum designed to offer a wide array of electives that will enrich students’ education. Progress: The Dental School has introduced a new policy that, starting with entering students in 2004, students will have mandatory summer clinic sessions between year 2 and 3 and between year 3 and 4. Further planning on converting to 12-month curriculum is nearly finalized.

Progress measure specific to Graduate School:
- Track requests to the Coordinating Board for new programs or changes to existing programs. Progress: A faculty committee at the Graduate School of Biomedical Sciences is working on recommendations for new interdisciplinary programs, with expectation that new programs might be presented to the Coordinating Board in September 2006 at the earliest. Programs in neuroscience and bioinformatics are top prospects.

Progress measures specific to Medicine:
- In Spring 2005, implement the Clinical Skills Center to enhance the pass rates of medical students on the new NBME Step 2 Clinical Skills examination. Progress: Construction of a new Clinical Skills Center has been completed, equipment installed, and a director for the program hired.
- Develop teaching sites for the RAHC throughout the Valley. Progress: A new teaching site was established with an area ophthalmologist.

Major Obstacles for all schools:
- Ability to secure new and/or reallocated funding.
- Physical space to support these activities.
- Identification of faculty who are willing to participate in these activities.
- Increased integration of Graduate School with teaching programs in the other schools.
- Competition among peer institution for qualified minority students.

SHORT-TERM INITIATIVE: EXPANSION OF SUCCESS IN RESEARCH ACTIVITIES

PRIORITY: #2

Goal 2.1- Increased Funded Research and Training Grants from all Sources

Objectives:
- Increase funding for research dollars from NIH and other extramural sources and expand research programs which focus on identified thematic areas.
- Increase faculty research productivity.

Strategies:
- Institutional
  - Assure that UTHSCSA has the financial capacity and physical space to support new research activities including RO1’s and to promote programmatic/thematic research and training grants.
o Recruit a Vice President for Research whose responsibility it will be to facilitate institutional research efforts.
o Modernize the IRB to facilitate enhanced productivity.
o Develop a Clinical Studies Web Site.
o Increase the number/quality of invention disclosures through our Office of Technology Ventures.
o Increase the amount of income generated from intellectual property and accelerate the movement of technology to the marketplace.

- **Allied Health Sciences**
o Hire at least one new research faculty in each of the next two years.
o Increase extramural funding by 10% a year in the next two years.

- **Dentistry**
o Organize and promote development of thematic research areas.
o Expand clinical research programs through special training opportunities in order to address the increasing emphasis of NIH on clinical research.

- **Graduate School**
o Develop an Institutional Postdoctoral Training Center/Office to enable the research faculty to recruit, retain and finance postdoctoral research fellows who reflect quality and greater diversity.
o Support and encourage interdisciplinary, collaborative research initiatives and sharing of core facilities with interested colleagues in all five schools.
o Increase the number of individual and group pre- and post-doctoral training grants awarded to faculty or groups thereof.

- **Medicine**
o Actively seek additional NIH funding awards by recruiting known research faculty in order to improve the national ranking of the school.
o Identify opportunities to develop and expand centers of excellence for translational research.
o Allocate resources for research using Mission Aligned Planning process (MAP™) and other data to align support with research efforts.
o Expand support for collaborative research through continued development of the Medical Education Research Fund, San Antonio Life Sciences Institute (SALSI) and ERC activities.
o Expand research opportunities and training for junior physician faculty/students/residents, both on main campus and RAHC, and mentor faculty for research success.
o Create a plan for ongoing maintenance and upgrade of research facilities.

- **Nursing**
o Increase funding applications and success rate for sponsored research.
o Secure new faculty members who have existing external research funding.
o Brief faculty on research development and translate research instruments to include more culturally diverse subjects.

**Resources for all schools:**
- Grant and contract awards.
- Funds generated from recent tuition increases, where appropriate.
- Incentive plans, including optimizing the use of institutional F & A dollars.

**Resources for the Health Science Center:**
- Existing funds that can be reallocated.
- UTHSCSA resources available to faculty on a competitive basis: 1) SALSI grants; 2) New Investigator Funds; 3) Pilot Projects; 4) Faculty Enrichment; and 5) Presidential Research Enhancement Fund.
- Incentives for invention disclosures, patents and revenue sharing.
**Progress Measures for all schools:**
- Increased number of research and training grants applied for, and awarded. **Progress:** A Vice President for Research was appointed in October. New or expanded collaborations have been developed with the San Antonio Institute for Molecular and Cellular Primatology, Central Texas Retreat on Aging, BorderPlex Council, and Center for Research in Musculoskeletal Diseases to advance establishing strong thematic centers for research.
- Increase in the proportion of faculty with active funding. **Progress:** Quantitative data are being collected after close of FY05 to assess progress on this measure.
- Increase in the number of publications and national presentations. **Progress:** Quantitative data are being collected after close of FY05 to assess progress on this measure.
- Increase in number of invention disclosures, patents, and income from intellectual property. **Progress:** Quantitative data are being collected after close of FY05 to assess progress on this measure.

**Major Obstacles for all schools:**
- Competition for talented faculty and post-docs nationwide.
- Limited availability of faculty start-up packages.
- Funding necessary to upgrade and maintain existing laboratories/equipment.

**SHORT-TERM INITIATIVE: EXPANSION OF EXCELLENCE IN CLINICAL AREAS**

**PRIORITY: #3**

**Goal 3.1- Enhance clinical programs in order to ensure excellence in patient care**

**Objectives:**
- Become the provider of choice for many clinical programs in South Texas and beyond, by offering outstanding, efficient and safe patient service.
- Provide care to those most in need.

**Strategies:**
- **Allied Health Sciences**
  - Implement a faculty practice.
- **Dentistry**
  - Establish faculty development programs to enhance clinical skills.
  - Recruit dentists with broad training who can function in a general practice setting.
- **School of Medicine**
  - Finalize plans for the new Medical Arts and Research Center (MARC) building.
  - Improve and expand patient service at all ambulatory facilities by streamlining customer service via the Vice President for Patient Services at the University Physicians’ Group (UPG) and developing patient safety initiatives which focus on the electronic medical record.
  - Continue strategic redesign of UPG’s infrastructure.
  - Recruit UPG Vice President for Medical Staff/Associate Dean for Clinical Affairs.
  - Enhance relationships with University Hospital, the VA, CTRC, Christus Santa Rosa and other area health care institutions.
- **Nursing**
  - Expand clinical service and contracts in primary care settings.
  - Expand Faculty Enrichment program to encourage more clinical practice programs and increase collaboration with MD’s in clinical practice.
  - Increase clinical practice and research by outreach to underserved communities through support for both research and practice efforts under MESA Funding.
Resource for Dental and Nursing:
- Increased productivity of clinical faculty as a result of incentive systems.

Resources for Medical:
- Increase in clinical revenue.
- Consider various mechanisms for funding the new ambulatory building.
- Increased productivity of clinical faculty as a result of incentive systems.

Progress Measure for Allied Health:
- Adoption of faculty practice plan for Allied Health by Spring 2005. Progress: UTHSCSA Allied Health Partners Faculty Practice Plan was approved by Board of Regents. Currently, the Low Vision Center of the Practice Plan is actively treating patients.

Progress Measures for Dental:
- Billing and collection data for Dental practice plans. Progress: Data are being collected through the close of FY05 for assessment of progress.
- Dental school faculty development programs put into place. Progress: Faculty development programs in the Dental School have been expanded including setting aside one hour each Friday morning during the academic year to have presentations - inviting high caliber speakers for these sessions - to faculty (and students) on new advances in dentistry. Dental Continuing Education credit is awarded for these sessions.

Progress Measures for Medical:
- Billing and collection data for Medical practice plans. Progress: Data are being collected through the close of FY05 for assessment of this measure.
- Adoption of formal plan for the new ambulatory building. Progress: The Project Planning Schedule has been developed with key milestones. Proposals from architectural and design firms are undergoing review.

Progress Measure for Nursing:
- Dollars in Faculty Enrichment plans and number of faculty with contracts at the Nursing School. Progress: Faculty Enrichment Plan policies have been revised to encourage greater participation by the nursing faculty.

Major Obstacle for Allied Health, Dental, and Nursing:
- Assuring that efficient and effective clinical operations are in place and functioning.

Major Obstacles for Medicine:
- Aligning the faculty culture with the need for clinical productivity and responsiveness.
- Successful recruitment of clinical faculty, as needed.
- Assuring that efficient and effective clinical operations are in place and functioning.

**SHORT-TERM INITIATIVE: ORGANIZATIONAL EFFECTIVENESS AND PRODUCTIVITY**

**PRIORITY: #4**

Goal 4.1- Improve the fiscal infrastructure and support services at all levels in order to enhance the goals and priorities of the Health Science Center.

**Objectives:**
- Administration, Business Affairs, and Information Technology
o Upgrade the PeopleSoft administrative system to allow web access and phase in the student module. (HSC)
o Define and develop opportunities to better address compensation and classification issues related to non-faculty positions. (HSC)
o Meet the April 2005 deadline for the Security Rule component authorized under the Health Insurance Portability and Accountability Act (HIPAA). (HSC)
o Limit use of the social security number as personal identification to those uses permitted or required by applicable law or University policy. (HSC)
o Develop a feasibility study for the capital financing plan to fund the construction of the MARC project and a new parking and auxiliary services structure for the main campus. (Medical)

**Outreach Activities**

Enhance K-16 pipeline activities and early admission agreements with key feeder schools. (All schools)
Increase alumni donations. (All schools)

**Capital Campaign for Health Science Center**

- Conduct a successful capital campaign to secure adequate support for the endowment and construction of a major research tower.
- Secure the lead campaign gift or pledge.
- Increase membership in the President’s Council and the Ambassadors’ Circle of the Children’s Cancer Research Institute.
- Conduct a comprehensive assessment of potential donors’ interest in the health science center.

**Resources for Health Science Center:**

- Existing funding augmented by new dollars from local and federal sources.
- Re-allocation of existing funding.

**Progress Measures:**

- Obtain Web access on PeopleSoft and convert student information system. **Progress:** Use of new PeopleSoft Student Administrative component continues as planned and Student/Financial Aid system has been successfully implemented.
- Implement the security component of HIPAA. **Progress:** UTHSCSA remains on schedule to achieve HIPAA Security Rule compliance by April 2005.
- Deploy software updates for security vulnerabilities automatically, by January 2005. **Progress:** Centrally managed anti-virus and patch management protection continues to be enhanced, but further progress is pending release of production quality software by Symantec and BigFix.
- Eliminate social security numbers on all documents, as prohibited by law. **Progress:** Of the 21 actions required by BPM 66 to be implemented by 1/30/05, 20 have been implemented and the final requirement is expected to be completed by the end of fiscal year 2005.
- Prepare a recommendation for salary adjustments in the Classified Pay Plan to improve compensation. **Progress:** The review of all classification salary ranges has been completed and recommendations for changes are being considered.
- Develop programs to reward employees with merit raises based on performance. **Progress:** UTHSCSA has implemented merit-based salary increase programs for faculty and staff and for clinical and research faculty.
- Prepare budget estimates, analysis of revenue streams and final projections for capital financing for the MARC project. **Progress:** Projections are pending final space requirements of signature programs, final construction estimates, and final equipment requirements.
- Completion of an assessment of potential donors’ interest in the health science center. **Progress:** On-line Internet giving via donor credit cards was activated at the end of December 2004. Plans are being developed by the school development officers and
the President’s Council’s program coordinator to conduct e-mail solicitations of new and current donors.

- Conduct a successful capital campaign to secure support for the construction of a research tower and development activities to secure increased endowment. **Progress:** Additional funds raised since end of FY04 for endowment = $1,998,605, others: $10.8 million.

- Secure a lead gift/pledge of $25 million or more for the capital campaign. **Progress:** A detailed written Campaign Plan has been prepared and reviewed with numerous constituencies. The Capital Campaign’s volunteer leaders have been recruited.

- Increase in annual membership to the President’s Council and Circle. **Progress:** 18 new members have been recruited for the President’s Council and 21 new members have been recruited for the Ambassador’s Circle since September 2004.

- Increase in the number of contacts of high school and college students. (All schools) **Progress:** Each school has engaged in activities to increase their interactions with high school and college students in the greater San Antonio area and in South Texas. The number of contacts will be assessed quantitatively after all data are collected for FY05.

- Increase the number of early admission agreements with key feeder schools. **Progress:** The Dental School has trained advisors at UTEP regarding the newly established early admissions agreement with UTEP. The Dental School also has collaboratively drafted an early admissions program with Midwestern State University that is currently under review.

- Increase in alumni donations. (All schools) **Progress:** Four of the five schools are working on developing systems to more completely identify and communicate with their alumni regarding donations.

**Major Obstacles:**
- Lack of funds to deploy fully vendor provided software updates. (HSC)
- Increased, effective communication to enhance recognition of the HSC by the community. (HSC)
- Generating funding and engaging the faculty in outreach and access programs. (All schools)

**SHORT-TERM INITIATIVE: COMMUNITY AND INSTITUTIONAL RELATIONS**

**PRIORITY: #5**

**Goal 5.1- Increase collaborations with the University of Texas at San Antonio (UTSA).**

**Objective:**
- Develop more educational, research, and other types of collaborative efforts with UTSA.

**Strategies:**
- Plan and carry out effective joint research, degree and other programs.
- Expand the existing cross campus cost efficient delivery of services relationship.

**Resources:**
- Funds from the UT System.
- Contributions from each institution, grants and fundraising.

**Progress Measures:**
- Increase in the number of education, research and other types of collaborative efforts with UTSA. (All schools) **Progress:** SALS funded 9 new proposals (at $1.1 million combined), one of which was for education and the remaining were research proposals ranging across a broad spectrum. The School of Allied Health Sciences and the School of
Medicine are working on development of an interdisciplinary doctoral degree in Communication Science with UTSA. The School of Medicine is developing a five-year plan for a Women’s Health Curriculum that will involve joint teaching by UTSA and HSCSA faculty. A grant has also been received to establish a National Center for Women’s Health on the HSCSA campus.

**Major Obstacles:**
- Perceived cultural differences between the two institutions.
- Limited availability of funds for both short-term and long-term projects.

**Goal 5.2- Increase development of the Laredo Extension Campus (LEC)**

**Objective:**
- Provide a progressive health professional educational service in an underserved area.

**Strategies:**
- Provide continuing education for health professionals.
- Continue environmental health training and education (STEER).
- Strengthen student health careers pipeline activities.
- Provide training for dental students and residents.
- Develop a regional learning center in fiscal year 2006.
- Provide infrastructure support for community/population based education.
- Promote selected Allied Health educational activities.

**Progress Measures:**
- Increase in numbers of educational activities in Allied Health. **Progress:** A partnership between the School of Allied Health Sciences and Texas A&M has been developed for a collaborative offering of a Physicians Assistant Program through the LEC. The Memorandum of Understanding has been submitted to all parties.
- Increase in numbers of virtual and Web courses offered. **Progress:** Medical School and Nursing School are providing limited continuing education programs. School of Nursing is proposing a LVN to BSN program with Texas A&M University.

**Major Obstacle:**
- Insufficient funding from the state.

**LONG-TERM INITIATIVE: CULTIVATION OF OUTSTANDING ACADEMIC ENVIRONMENT**

**PRIORITY: #1**

**Goal 1.1- Create an infrastructure that develops and supports an environment which attracts a diverse group of faculty/staff and students and enhances their success.**

**Strategies for all schools:**
- Encourage academic productivity through financial incentives and recognition through promotion and tenure.
- Develop collaborative models for joint projects that integrate the work of schools and individual departments and identify potential funding support.
- Develop initiatives designed to promote “professionalism” in each school and to create a welcoming and respectful academic environment.
- Consider diversity to be an issue of fundamental importance to both the student admissions and faculty recruitment processes.
Resources:
- HSC budgets limited resources strategically.
- Refining the administrative structure and budgetary process.

Progress Measures for all schools:
- Increased recruitment and retention of faculty as measured by open and/or internal searches.
- Rankings of scholarly achievement as demonstrated by research grants, appointments to prestigious academic bodies, successful recruitment and matriculation of students, publication, and successful technology transfer.
- Increase in unrestricted funds that enable the HSC to be competitive in attracting and retaining top quality academic talent. (HSC)

Major Obstacles:
- An existing institutional ethos that does not encourage multidisciplinary and inter-school collaboration. (All schools)
- Willingness to make difficult decisions regarding allocation of resources. (All schools)

LONG-TERM INITIATIVE: SERVICES TO THE COMMUNITY

PRIORITY: #2

Goal 2.1- Enhance and solidify the role of UTHSCSA in South Texas

Objectives:
- Ensure reliable telecommunications service to areas in South Texas.
- Use the Regional Academic Health Center (RAHC) and Laredo Extension Campus (LEC) as models for the development of meaningful programs for community constituencies.
- Ensure that UTHSCSA is represented at important healthcare and health professional functions in the 38-county region of South Texas.

Strategies:
- Create a network infrastructure in South Texas to deliver reliable telecommunications services including video, voice, data, and computer systems.
- Work with existing South Texas partners to coordinate health programs, develop/monitor calendar of health-related events in a 38 county region.
- Co-sponsor international seminars, symposiums, and continuing education programs for health professionals.
- Partner with federal and state agencies in grants and contracts to provide educational training and activities, i.e.-emergency medical services.
- Expand the number and variety of community-based health professionals and institutions participating in the pipeline program (e.g., the MedEd Program.)

Resources:
- Reallocation of funding as well as faculty and staff time.
- PUF/LERR Funds, where appropriate.
- Administrative staff who routinely travel throughout the 38-county region to maintain visibility and to ensure knowledge of local activities.
- Staff at sites that are in operation in Harlingen, McAllen, Edinburg, and Laredo form the baseline for expansion activities.
**Progress Measures:**
- Installation of common carrier circuits by summer 2005.
- Increased enrollment and graduation of students from South Texas.
- Identification of potential partnerships with local stakeholders to address health care issues.
- Increased number of health care organizations seeking consultations/information.
- Increased number of health professional students seeking remote clinical rotations, selectives, and/or electives in South Texas.
- Increase in the number of program participants, and the number/percentage of applicants to a professional school accepted, enrolled and graduated.

**Major Obstacles:**
- Funding new initiatives and sustaining ongoing funding needs.
- Limited staff and funds to cover clinical training and education for health care professionals and related health initiatives.
- Limited funding for remote student housing.
- Difficulties in hiring/contracting faculty.
- Participation by the Office of Telecommunications of the UT system is critical to the success of the fail-safe ring for South Texas.

**LONG-TERM INITIATIVE: ORGANIZATIONAL EFFICIENCY**

**PRIORITY: #3**

**Goal 3.1- Construction of New Buildings**

**Objective:**
- Design and construct new buildings to meet the needs of the institution.

**Strategies:**
- Ensure that designs for new building are structurally sound and meet the occupants’ needs.
- Represent the best value in construction costs verses future maintenance costs.
- Incorporate energy features that are both efficient and environmentally sound.

**Resources:**
- Reallocation of existing resources.
- Tuition Revenue Bonds, PUF/LERR funds.
- Requests to legislature for funding.

**Progress Measures:**
- Diminished needs for leased space.
- Increase in qualified faculty, students and staff that reflect diversity.
- Increase in funding through grants.

**Major Obstacle:**
- Lack of recent success in obtaining funds.

**Goal 3.2- Improve the position of the UTHSCSA with regard to deferred maintenance, emergency preparedness and fire and life safety issues.**

**Objectives:**
- Install, test, and upgrade existing emergency, fire and life safety programs.
Provide resources necessary to reduce the frequency of fires through education, and the magnitude of fires via the phased-in installation of automatic sprinkler systems.

**Strategies:**
- Request additional resources for emergency preparedness and deferred maintenance.
- Improve the knowledge of faculty/staff, and students about appropriate emergency responses.
- Allocate institutional funding each year to address deferred maintenance and fire/life safety systems.

**Resources:**
- Funding from the legislature and PUF/LERR Funds.
- Additional knowledgeable emergency, fire, and life safety professionals.
- Capital expense resources to address safety and deferred maintenance needs.

**Progress Measures:**
- Increase the percentage of new employees who participate in safety training programs to 100%, and achieve 25% participation of current staff through new web-based technology, by fiscal year 2006.
- By fiscal year 2006, decrease of 5% in rate of occupational injury, decrease by 5% the worker's compensation premium rate, and increase the annual workplace safety evaluations to 100%.
- Install automatic sprinklers within 36 months of the completion of the new research tower complex.
- Implement fire safety remediation plan over 10 years.

**Major Obstacles:**
- Lack of funding.
- Construction costs inflated by 5% annually.
- UT System retaining more risk with higher insurance deductibles.

### III. Future Initiatives of High Strategic Importance

**NOTE:** The HSCSA was asked by the System to review, and change if needed, its future initiatives for this Compact Update. Because the HSCSA is in the process of conducting long-term, institutional strategic planning and is committed to aligning our strategic planning and the Compact, at this time, no changes have been made to the future initiatives as submitted in the original Compact document. We anticipate that our institutional planning process will be completed by the end of February 2006. Appropriately, any changes to our future initiatives will be incorporated into the Compact after our planning process is complete to ensure alignment.

#### INITIATIVE: CONTINUED CULTIVATION OF OUTSTANDING ACADEMIC ENVIRONMENT

**PRIORITY #1**

**Objective 1.1:** The HSC Library will expand its role in knowledge management.

**Strategies:**
- Obtain input from major stakeholders through strategic planning activities.
- Set priorities for implementation of knowledge management as identified above.
- Foster interdisciplinary collaborations by facilitating the development of unlikely partnerships.
- Work with the schools to integrate library and information management into academic programs.
Resources:
- Availability of resources for expertise, funding, faculty/staff, and physical space is currently unknown.

Progress Measures:
- Completed needs assessment of users.
- Summary of strategic planning results, including prioritized action items.
- Increase in collaborative activities between the library and others.
- Increased integration of information management in academic programs.

Major Obstacles:
- Involvement of the institution, overcoming resistance to change.
- Escalating costs of information acquisition and storage.
- Ability to obtain resources: expertise, finances and personnel

INITIATIVE: INCREASING EVIDENCE OF CLINICAL EXCELLENCE

PRIORITY #2

Objective 2.1: The School of Medicine will build an Academic Group Practice that serves the community and offers state-of-the-art clinical services which support the School’s missions of teaching, research, and patient care.

Strategies:
- Institute the “Patient First” initiative to measure and improve patient satisfaction.
- Develop new tools for measuring performance in key service quality indicators.
- Develop a care team model to optimize use of physician time.
- Improve management of patient appointments in order to enhance access, decrease the number of missed appointments, and reduce wait times.
- Redesign medical records system to improve efficiency.
- Study the design of the facility in order to evaluate if the number of exam rooms is adequate and to determine the efficiency of flow for patients and staff.
- Modify practice name to reflect ties to the University of Texas.
- Develop a marketing plan with a specific differentiation strategy for the practice.
- Budget funds for marketing and execute the plan.
- Conclude planning process for new ambulatory campus.
- Conclude construction of new ambulatory campus.

Resources:
- Financing required to be determined for ambulatory clinical campus.
- School of Medicine will determine additional physician and staff resources.

Progress Measure:
- Milestones to be established; UPG will monitor achievement toward objectives.

INITIATIVE: DEFINE THE SCOPE OF THE ROLE OF UTHSCSA IN SOUTH TEXAS

PRIORITY #3

Objective 3.1: Define the activities of the UTHSCSA, South Texas initiatives, RAHC and Laredo Extension Campus (LEC) in the Lower Rio Grande Valley; develop a system to ensure
that these activities are aligned with the missions of the institution; develop additional clinical sites for medical student rotations.

**Strategies:**
- Require each UTHSCSA medical student to complete at least one clinical rotation at an approved clinical site in the 7 border counties of South Texas.
- Broaden health profession education programs at the RAHC and LEC to support an environment of excellence in teaching for students/residents and faculty.
- Broaden both the clinical research and basic research programs at the RAHC in order to support excellence in research for students, residents and faculty.
- Develop a business plan that ensures that the UTHSCSA will have the resources required to sustain the quality of its education and research programs at the RAHC and LEC long term.
- Inventory all School of Medicine activities in the Lower Rio Grande Valley.
- Align activities to specific missions of the UTHSCSA.
- Establish extensive listing of approved remote clinical training sites, clinical faculty, and preceptors.

**Resources:**
- Faculty time.
- Funding streams from the State of Texas.
- Grants and contracts.
- Faculty practice to be explored.

**Progress Measures:**
- Increased number of UTHSCSA medical students participating in remote clinical experiences in the Texas-Mexico border region.
- Sustainable financial models created with stable funding.
- Tracking recruitment of excellent clinical faculty to the RAHC.
- Tracking recruitment of excellent basic and clinical research faculty to the RAHC.
- Expansion of health profession education programs at the RAHC and LEC.
- Development of basic and clinical research activities at the RAHC.

**Objective 3.2: The Dental School will engage in a planning process to determine what role it should play in addressing oral health disparities in South Texas.**

**Strategies:**
- The School will initiate a comprehensive planning process to determine where it can best invest assets in order to improve the oral health of all South Texas residents, especially those who are most needy.
- The School will develop a long-term plan for clinical education programs in South Texas.

**Resources:**
- Staff support required to conduct the inventory of activities and to develop business plans.
- Leveraged revenue sources.
- State appropriations needed in partnership with local foundations.
- Possible federal and/or national foundation grants.
- Other financial resources unknown at this time.

**Progress Measures:**
- Comprehensive planning documents developed.
- Advocacy by South Texas communities.
- Make the clinical education program for dentistry a HSC legislative funding priority.
- Documented inventory of activities.
- Documented business plans.

**Objective 3.3:** Provide appropriate training and education for community response to natural and man-made disasters in South Texas.

**Strategy:**
- Acquire recognition as the regional health professional institution that provides emergency response training, education, and resources to a bi-national geographic region in the event of natural or man-made disasters.

**Resources:**
- Federal and state funds.

**Progress Measure:**
- Increase in number and variety of emergency response training measures as a response to natural and man-made disasters.

**IV. Other Critical Issues Related to Institutional Priorities**

**A. Impact of Initiatives:**
- Enrollment Management: (See pages 3-4.)
- Diversity: (See pages 1-5, 9-10.)
- Community and Institutional Relations: (See pages 1, 8-14.)
- Finances: (See pages 7-8.)
- Facilities: (See pages 4-8, 10.)
- Other infrastructure issues: (See pages 6-11.)

**B. Unexpected Opportunities or Challenges/Crises:**

**Opportunities:**
- Obtaining state general revenue funding for indigent care.
- Revising the higher education funding formula to recognize excellence in education, research and clinical services.
- Including higher education employees in the across-the-board, cost-of-living raise for state employees.
- Obtaining Tuition Revenue Bond funding for the HSCSA Research Tower, Faculty Office Building and Clinical Research Building.

**NOTE:** “Opportunities” included in the initial Compact that were deleted in this update and the reason for the deletions are as follows; 1) A fourth formula was added to fund Graduate Medical Education (GME), and, as a consequence, the HSCSA received $3 million for support of its GME program. 2) Funding for faculty and staff compensation and benefits was not deleted from the opportunities list inasmuch as higher education employees were excluded from the across-the-board raise for state employees. However, the HSCSA has addressed this critical need for upward adjustment of employee salaries in part through internal reallocation of HSCSA funds to support a modest funding pool for employee merit raises. 3) The HSCSA did receive an additional $5 million for the coming biennium--$3 million of which was designated for support of our South Texas programs.
Challenges and Crises:
- Changes in state regulations regarding faculty-student ratios and/or curricular requirements for licensure and certification.
- Continued vulnerability of our clinical partners.
- Dependency on community support for our primary care residency program in South Texas.
- Need to obtain incremental funding to support the continued growth of the RAHC, particularly for the impact of the Edinburg Research facility coming on-line and maturing during the coming biennium.
- Lack of sufficient resources for competitive recruitment of premier faculty, especially for attractive start-up funds for research activities of new faculty members.
- Funding for faculty and staff compensation and benefits.
- Need to obtain Tuition Revenue Bond and/or PUF funding to address HSCSA’s 300,000+ square feet space deficit.
- Critical need for funding for fire and life safety and deferred maintenance.
- Potential reduction of federal funding for research.
- Unanticipated call-up of faculty and students for national service in the military or for other federal initiatives.

NOTE: One “challenge” presented in the initial Compact was, “The elimination of the Section 56 State Relief Fund.” This “challenge” has been deleted since Section 56 support was rolled into recurring General Revenue funding. Consequently, this potential “challenge” was favorably resolved.

V. System and State Priorities
- Increase student access and success. (See pages 2-4.)
- Collaborate with institutions in the UT System, particularly academic-health institution collaborations. (See pages 4-5, 8-9.)
- Increase external research funding. (See pages 4-5, 8, 12.)
- Increase tangible marks of academic and health care excellence. (See pages 1-4, 6-7, 11-13.)
- Improve development and alumni relations. (See pages 7-8.)

VI. Compact Development Process
In developing the original draft of this Compact, UTHSCSA wished to ensure widespread participation from all interested parties on campus. To this end, each member of the Executive Committee was responsible for coordinating the involvement of faculty, staff and students in his/her respective area. Most units selected a representative group of faculty, staff and student leaders to draft their individual documents. Specifically, the Dental School extracted information from its own strategic planning document to identify and address issues for the next 18-24 months. During the preparation of the draft, various Deans also requested input from the faculty assembly of their respective schools. The Executive Committee members met individually with their department heads. Members of the Executive Committee compiled information, submitted their drafts, and met with the President to refine the document. In addition, members of the Faculty Senate of the Health Science Center reviewed the draft. The President solicited input from the Executive Vice President for Academic and Health Affairs, the Executive Vice President for Business and Chief Financial Officer, and the members of the entire Executive Committee. Then, the President compiled the final version of the Compact.

The preliminary draft update and progress report to the Compact were identified during the process of collecting baseline data and progress updates from constituents across the HSC campus. This process included discussions with all five Deans, several Vice Presidents, and numerous faculty and staff. The President, in consultation with the Vice President for Academic Administration, reviewed and finalized the preliminary draft update submitted in May 2005.
Because of the limited focus of the sections to be reviewed for this Compact Update per directive from the System (extensive updates to Section II of our Compact in May 2005 were determined by the System to eliminate the need to further revisions to that section), the Compact review and decisions to make the revisions presented here primarily involved various administrators and key staff. Representatives from all major sectors of the HSCSA campus community are involved in the development of the institutional strategic plan and in the alignment of the Compact and the strategic plan. As noted above, we expect this intensive planning and alignment process to be completed by February 2006.

VII. System Contributions

- Support the request of the HSCSA for Tuition Revenue Bond Priorities. (pending)
- Support the LERR request submitted by the HSCSA. (to be addressed at the August Board of Regents’ meeting)
- Assist HSCSA in acquiring funding support for deferred maintenance.
- Provide HSCSA with funding support for faculty recruitment and retention packages.
- Advocate market-competitive compensation funding for both faculty and staff.
- Support funding through PUF for reducing the significant space deficit at HSCSA.

NOTE: Items identified in the initial Compact as potential System contributions that were actualized (and therefore were deleted from this update) include: 1) support for HSCSA legislative priorities for enhanced funding during the legislative session, and 2) for state-wide legislative initiatives to improve the application of formula funding in order to sustain growth at the HSCSA.
## VIII. Appendices

### A. Budget Summary:

The University of Texas Health Science Center at San Antonio
Operating Budget
Fiscal Year Ending August 31, 2006

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted</td>
<td>Operating</td>
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<tr>
<td>Budget</td>
<td>Budget</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td>Operating Revenues:</td>
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</tr>
<tr>
<td>Tuition and Fees $14,306,729</td>
<td>17,759,619</td>
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<tr>
<td>Federal Sponsored Programs 94,850,962</td>
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<td>3,793,750</td>
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<td>Local and Private Sponsored Programs 68,376,481</td>
<td>68,810,647</td>
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<tr>
<td>Net Sales and Services of Educational Activities 1,009,600</td>
<td>3,099,000</td>
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<tr>
<td>Net Sales and Services of Hospital and Clinics</td>
<td>-</td>
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<tr>
<td>Net Professional Fees 89,148,104</td>
<td>89,363,697</td>
</tr>
<tr>
<td>Net Auxiliary Enterprises 2,260,000</td>
<td>2,278,084</td>
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<tr>
<td>Other Operating Revenues 15,442,227</td>
<td>14,563,245</td>
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<tr>
<td>Total Operating Revenues 280,720,035</td>
<td>303,318,855</td>
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Operating Expenses:

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Budget Increases (Decreases)</th>
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</thead>
<tbody>
<tr>
<td>Instruction 107,402,098</td>
<td>101,661,640</td>
<td>4,140,452</td>
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<tr>
<td>Academic Support 19,774,090</td>
<td>23,669,236</td>
<td>3,895,146</td>
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<tr>
<td>Research 113,837,808</td>
<td>98,848,137</td>
<td>(14,989,671)</td>
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<tr>
<td>Public Service</td>
<td>21,215,001</td>
<td>21,215,001</td>
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<tr>
<td>Hospitals and Clinics 57,846,190</td>
<td>74,519,919</td>
<td>16,673,729</td>
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<tr>
<td>Institutional Support 28,867,790</td>
<td>23,310,931</td>
<td>(5,556,859)</td>
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<tr>
<td>Student Services 2,964,448</td>
<td>2,419,169</td>
<td>(545,279)</td>
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<td>Operations and Maintenance of Plant 19,022,622</td>
<td>21,661,010</td>
<td>2,638,387</td>
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<td>Scholarships and Fellowships 125,000</td>
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<td>761,769</td>
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<tr>
<td>Auxiliary Enterprises 2,488,858</td>
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<td>Total Operating Expenses 432,369,404</td>
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<td>28,040,733</td>
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<tr>
<td>Operating Surplus/Deficit (151,668,601)</td>
<td>(157,081,281)</td>
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Nonoperating Revenues (Expenses):

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Budget Increases (Decreases)</th>
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</thead>
<tbody>
<tr>
<td>State Appropriations &amp; HEAF 138,393,231</td>
<td>143,334,618</td>
<td>4,941,387</td>
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<tr>
<td>Gifts in Support of Operations 4,916,625</td>
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<tr>
<td>Net Investment Income 21,762,889</td>
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<td>Other Non-Operating Revenues</td>
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<tr>
<td>Other Non-Operating (Expenses)</td>
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<td>-</td>
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<td>Net Non-Operating Revenues/(Expenses) 105,072,346</td>
<td>170,071,142</td>
<td>4,998,797</td>
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Transfers and Other:

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<th>FY 2004</th>
<th>FY 2005</th>
<th>Budget Increases (Decreases)</th>
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<tbody>
<tr>
<td>AUF Transfers Received</td>
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<tr>
<td>AUF Transfers (Made)</td>
<td>-</td>
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<tr>
<td>Transfers From (To) Unexpended Plant</td>
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<td>-</td>
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<td>Transfers for Debt Service (10,379,667)</td>
<td>(10,195,297)</td>
<td>184,360</td>
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<tr>
<td>Other Additions and Transfers 10,109,866</td>
<td>11,147,375</td>
<td>1,037,509</td>
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<tr>
<td>Other Deductions and Transfers (9,024,865)</td>
<td>(8,827,376)</td>
<td>197,489</td>
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<tr>
<td>Total Transfers and Other (6,994,857)</td>
<td>(7,875,297)</td>
<td>879,440</td>
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Surplus/(Deficit) $4,169,687 | 5,114,664 | 945,777 | 22.7% |

<table>
<thead>
<tr>
<th>FY 2004</th>
<th>FY 2005</th>
<th>Budget Increases (Decreases)</th>
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<tbody>
<tr>
<td>Total Revenues 448,823,148</td>
<td>473,389,998</td>
<td>24,566,850</td>
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<td>Total Expenses and Debt Service Transfers (442,739,061)</td>
<td>(470,985,434)</td>
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<td>Surplus (Deficit) 5,084,087</td>
<td>2,414,564</td>
<td>(2,669,523)</td>
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Note: Operating Budget Highlights with a glossary of terms are included on Page 1.
### B. Statistical Profile:

**UT HSC - San Antonio**

<table>
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<th>ENROLLMENT</th>
<th>Fall</th>
<th>Undergraduate</th>
<th>Graduate/professional</th>
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</tr>
<tr>
<td></td>
<td></td>
<td>Allied Health</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>341</td>
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<td></td>
<td></td>
<td>347</td>
<td>205</td>
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<td></td>
<td></td>
<td>Nursing</td>
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</tr>
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<td></td>
<td></td>
<td>421</td>
<td>272</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>2,543</td>
<td>1,341</td>
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<td></td>
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<td>2,665</td>
<td>1,531</td>
</tr>
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<td></td>
<td></td>
<td>2,728</td>
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<td>2,754</td>
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<table>
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<tr>
<th>DEGREES AWARDED</th>
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<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
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<tbody>
<tr>
<td></td>
<td>Undergraduate</td>
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<td>Certificates</td>
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<td>157</td>
<td>213</td>
<td>212</td>
<td>155</td>
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<td>Baccalaureate awards</td>
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<td>Allied Health</td>
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<td>131</td>
<td>42</td>
<td>64</td>
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<td>Nursing</td>
<td>236</td>
<td>168</td>
<td>220</td>
<td>238</td>
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<tr>
<td></td>
<td>Graduate/professional</td>
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<tr>
<td>Allied Health</td>
<td>37</td>
<td>33</td>
<td>48</td>
<td>50</td>
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<tr>
<td>Biomedical Science</td>
<td>52</td>
<td>55</td>
<td>46</td>
<td>60</td>
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<tr>
<td>Dental</td>
<td>107</td>
<td>104</td>
<td>103</td>
<td>112</td>
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<tr>
<td>Medical</td>
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<tr>
<td>Nursing</td>
<td>46</td>
<td>56</td>
<td>46</td>
<td>31</td>
<td></td>
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<tr>
<td></td>
<td>Total graduate/professional</td>
<td>438</td>
<td>443</td>
<td>436</td>
<td>447</td>
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<th>GME PROGRAMS</th>
<th>Academic Year</th>
<th>02-03</th>
<th>03-04</th>
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<tbody>
<tr>
<td>Accredited GME resident programs</td>
<td>53</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Residents in GME accredited programs</td>
<td>700</td>
<td>648</td>
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<table>
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<tr>
<th>RESEARCH</th>
<th>Fiscal Year</th>
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<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tbody>
<tr>
<td>Federal research expenditures</td>
<td>$58,600,224</td>
<td>$66,852,477</td>
<td>$83,760,708</td>
<td>$86,854,337</td>
<td>$89,661,741</td>
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<table>
<thead>
<tr>
<th>FACULTY / STAFF</th>
<th>Fall</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tr>
<td>All instructional staff</td>
<td>not counted</td>
<td>1,393</td>
<td>1,404</td>
<td>1,405</td>
<td>1,774</td>
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<td>Classified employees</td>
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<td>2,572</td>
<td>2,695</td>
<td>2,611</td>
<td>2,662</td>
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<tr>
<td>Administrative/professional employees</td>
<td>431</td>
<td>549</td>
<td>521</td>
<td>523</td>
<td>524</td>
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<tr>
<td>Student employees</td>
<td>323</td>
<td>607</td>
<td>551</td>
<td>440</td>
<td>480</td>
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<th>PATIENT CARE</th>
<th>Fiscal Year</th>
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<th>2001</th>
<th>2002</th>
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<tbody>
<tr>
<td>Hospital days</td>
<td>201,745</td>
<td>123,266</td>
<td>224,311</td>
<td>202,000</td>
<td>224,366</td>
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<tr>
<td>Clinic visits</td>
<td>832,255</td>
<td>915,725</td>
<td>854,046</td>
<td>834,000</td>
<td>1,110,429</td>
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<tr>
<td>Unsponsored charity care (charges)</td>
<td>$94,385,418</td>
<td>$60,729,594</td>
<td>$60,602,900</td>
<td>$70,149,189</td>
<td>$77,586,366</td>
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<table>
<thead>
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<th>ENDOWMENT</th>
<th>As of</th>
<th>8/31/99</th>
<th>8/31/04</th>
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<tbody>
<tr>
<td>Endowment total value</td>
<td>$252,852,000</td>
<td>$278,385,000</td>
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</table>
C. Institution-Specific Information:
- Dental School surveys students after the completion of each course to assess their opinions regarding the effectiveness of the course.
- School of Allied Health Sciences survey their graduates regarding their levels of satisfaction about the learning environment.
- School of Nursing annually surveys incoming students on their knowledge and needs in technology.
- Student Services surveys a sample of students every other year on their levels of satisfaction for all support services.

D. Links to Web Resources:
(Institutional data profiles are currently under development.)
The University of Texas M. D. Anderson Cancer Center

Compact with The University of Texas System
FY 2006 through FY 2007
I. Institutional Overview

Mission: The mission of The University of Texas M. D. Anderson Cancer Center is: To eliminate cancer in Texas, the nation and the world through outstanding programs that integrate patient care, research and prevention, and through education for undergraduate and graduate students, trainees, professionals, employees and the public.

Vision: We shall be the premier cancer center in the world, based on the excellence of our people, our research-driven patient care and our science. We are Making Cancer History®.

Background: The Texas Legislature created M. D. Anderson Cancer Center (UTMDACC) in 1941 as a component of The University of Texas dedicated to the treatment and study of cancer. There are currently 935 faculty, both M.D. and Ph.D. UTMDACC is one of the nation’s original three Comprehensive Cancer Centers designated by the National Cancer Act of 1971 and is one of 39 such centers today. UTMDACC has ranked among the nation’s top two cancer hospitals in U.S. News & World Report’s “America’s Best Hospitals” survey since its inception 13 years ago, and achieved a number one ranking in four of the past six years.

Since 1944, more than 600,000 patients have turned to UTMDACC for cancer care in the form of surgery, chemotherapy, radiation therapy, immunotherapy, or combinations of these and other treatments. This multidisciplinary approach to treating cancer was pioneered here. In 2004, 70,960 patients received care at UTMDACC, and 26,000 of them were new. About one-third of these patients were Texans from outside Houston and another third came from outside Texas, seeking the research-based care that has made UTMDACC so widely respected. UTMDACC consistently sees approximately 22 percent of the cancer cases in Harris County, 10 percent of the cases in Texas, and 1 percent of the cases in the U.S.A.

At UTMDACC, scientific knowledge gained in the laboratory is rapidly translated into clinical care through research trials. During 2004, more than 11,000 patients participated in clinical trials exploring novel therapies, the largest such program in the nation. The results of a number of trials with UTMDACC clinical investigators as leaders or leading contributors have become standards of care for cancer treatment. Examples include fludarabine and Campath® for chronic lymphocytic leukemia, Gleevec® for chronic myelogenous leukemia, Iressa® for lung cancer, and Tamoxifin® as chemoprevention for breast cancer.

In 2004, the institution spent more than $314 million in research, and now ranks first in both the number of grants and total dollars awarded by the National Cancer Institute. The research budget has doubled over the past five years. UTMDACC holds nine NCI Specialized Programs of Research Excellence (SPORE) grants in lung, bladder, prostate, ovarian, head and neck, pancreatic, and endometrial cancers, melanoma, and leukemia. Expanded research efforts in epidemiology and behavioral sciences complement achievements made in the clinical cancer arena. Cancer prevention services are offered in individual and corporate programs, from personalized risk assessment to screening and genetic counseling.

More than 3,600 students take part in educational programs each year, including physicians, scientists, nurses, and other health professionals. UTMDACC offers bachelor’s degrees in seven allied health disciplines. Several hundred residents and fellows come to UTMDACC each year to receive specialized training, and 466 graduate students are enrolled in 21 areas of study in the graduate School of Biomedical Sciences, run jointly with the UT Health Science Center - Houston (UTHSC-H). More than 1,000 research fellows are being trained in UTMDACC’s laboratories. UTMDACC provides public education
programs to teach health individuals about cancer symptoms and risk factors, and how to make critical health care decisions when necessary.

During the past five years UTMDACC has experienced tremendous growth in each of its four mission areas. The number of patients served has increased 40 percent. There has been a corresponding increase in faculty and staff, as well as facilities. Between 2003 and 2005, the institution is opening 1.9 million square feet of new space for clinical, research, education, and prevention programs. This includes creation of a new University of Texas Research Park, 1.5 miles south of the campus, in collaboration with UTHSC-H.

The increases in our mission-driven activities fulfill our Strategic Vision for 2000-2005, which states, “We will aim to increase our research and patient care activities by up to 50% over the next five years.” This record of unparalleled growth has been made possible by the collaborative and coordinated planning efforts of many leaders on the faculty and administrative staff, along with financial support from operating margins, philanthropy, the state of Texas and the UT System. M. D. Anderson is now moving forward to achieve its new strategic vision and goals. The priorities of the compact are all contained within the Strategic Vision 2005-2010.

II. Major Ongoing Priorities and Initiatives

II. A. Immediate Priorities and Initiatives

Priority #1. We will enhance the excellence, quality, and safety of clinical care; increase productivity and efficiency; and reduce costs.

Objectives

- Encourage and enable patients who will best benefit from our services and those who are candidates for our clinical protocols to select UTMDACC as their first choice for cancer care.
- Increase productivity and improve utilization in our clinics and inpatient units.
- Renew our national status as a Magnet Hospital.
- Develop a non-punitive culture to encourage learning from errors and close calls in order to identify areas of greatest vulnerability.
- Continue to make breakthrough improvements in patient safety and quality of care.
- Align operational goals, strategies, and action plans of the operating units with those of the institution.

Strategies

- Retain, recruit, and reward the best clinical faculty, nursing, support, and administrative staff to provide the care and infrastructure to achieve our mission.
- Participate in the Institute of Healthcare Excellence IMPACT program to improve clinical outcomes in the intensive care units.
- Measure the utilization of space in the clinics and perioperative units and establish improvement interventions to optimize use.
- Develop and implement a system-wide, web-based mechanism for reporting close calls; initiate improvement interventions based on these data.
- Implement initiatives necessary to ensure a smooth transition into the new Ambulatory Clinical Building and Cancer Prevention Building, including the integration of support services for the two buildings. Update: Completed.
- Redesign and relocate the Emergency Center and renovate existing building entrances to provide enhanced patient-centered services. Update: Clinic lobby completed; new clinic entrance completed; Emergency Center relocation has begun.

**Resources**

- The relocation and expansion of the Emergency Center into the first and second floors of the Lutheran Pavilion is a $20 million project, with $12 million requested as M. D. Anderson's top priority for Tuition Revenue Bond Projects for the 2006-2007 Biennium.
- The resources to support the remaining strategies are included within the annual operating budget.

**Progress Measures**

- Number of improvement interventions adopted.
- Continuation of Magnet Nursing Service certification.  
  *In process; site visit being scheduled.*
- Successful JCAHO accreditation.  
  *Achieved.*
- Positive patient satisfaction surveys.  
  *4000 patients surveyed; 45% response rate. UTMDACC uses Problem Scores system, where the higher the score, the larger the problem. Consolidated data from surveys indicate areas most needing attention: 32% inpatients felt more information/communication needed on discharge and continuity, while 26% of outpatients expressed unhappiness with wait times or time spent with provider.*
- Positive referring physicians satisfaction surveys.  
  *Overall satisfaction has improved from 72% (2000) to 78.4% in 2005. 82.5% respondents will continue to refer; 79.6% would recommend that colleagues refer to UTMDACC; 85.1% indicated quality of care very good to excellent. Areas for improvement include referral process (66.3% very or completely satisfied); physician to physician communications (62.9% very or completely satisfied) and follow-up communication (67.3% very or completely satisfied).*
- Productivity in clinics, clinical departments, support departments, and inpatient units.  
  *Clinical Operations is instituting a clinical productivity model for FY06.*
- Number of close calls reported and associated interventions.  
  *UTMDACC part of UT System program (UTCCRS). UTMDACC close calls reported in FY04 = 69, and in FY05 = 49. (Note: an event may be reported in more than one category.) This represents 5 pilot units, and the program will go throughout the hospital and clinics in FY06.*

**Priority #2. Advance M. D. Anderson as an employer of choice in health care and biomedical research.**

**Objectives**

- We will foster an employee-focused culture that will enhance our ability to recruit, retain, reward, and empower an excellent and diverse staff and faculty committed to achieving our mission.
- Establish a work environment with meaningful rewards based on individual and team performance.
- Create a caring environment of the utmost dignity and respect for every employee (as we do for our patients) through frequent, open and honest communications from a visibly accessible senior leadership and by ensuring faculty and staff responsibility and accountability.
- Provide employees with opportunities for new learning and new responsibilities and for horizontal and upward mobility.
- Increase the diversity of faculty and senior administrative staff.
- Instill cultural sensitivity and a spirit of inclusion in the workforce through diversity training.

**Strategies**

- Make a public and known commitment to mentoring at all levels of the organization.
- Incorporate activities of the Institute for Healthcare Excellence, Human Resources, Internal Communications, and the Office of Institutional Diversity to create a comprehensive approach to becoming the employer of choice. Update: A special Cultural Change Initiative Committee, chaired by the President, has been working with these departments and others to determine the culture we seek, particularly the caring core value. Discussions are beginning on implementation.
- Promote employee health, well-being, and a balanced work and life situation through wellness programs, accessible employee amenities, and flexible work schedules. Update: Employee Health & Well-Being department now has 26 employees, and the Wellness Coach is highly visible throughout the institution.
- Provide leadership training for faculty and administrative staff.
- Increase awareness of the Ombuds Program and the Faculty Health Program. Update: Search for recruitment of full-time Ombuds Director to replace part-time faculty member underway.

**Resources**

- The resources to support the above strategies are included within the annual operating budget.

**Progress Measures**

- Incorporation of unit responses to Employee Opinion Survey into practice.
  
  *This process tied to the first Employee Opinion Survey largely completed; focus is shifting to the next survey, fall 2005.*
- Follow-up survey to the Employee Opinion Survey.
  
  *Scheduled for fall 2005*
- Feedback from and enrollment in Faculty Leadership Academy.
  
  *133 faculty have completed the program and are extremely enthusiastic. There is now a waiting list for the program. “Graduate” sessions have also been initiated to bring cohorts back together periodically.*
- Feedback from and enrollment in Administrative Leadership Program.
  
  *141 administrators have completed the program. Human Resources is redesigning the program to stratify participants with more senior personnel having studies more tailored to their management level.*
- Decreased employee turnover.
  
  *March 2003-March 2004: 11.6% turnover
  March 2004-March 2005: 12.8% turnover*
- Increased percent of minorities in administrative staff and faculty ranks.
  
  *Baseline using July 2005 data:
  Executive job group: 53 total, 4 minorities
  Administrative staff: 169 total, 25 minorities
  Faculty: 1263 total, 517 minorities*

**Priority #3. We will safeguard and enhance our resources.**

**Objectives**

- Continuously improve our administrative infrastructure in human resources, finance, facilities, and information systems to support the efforts of all employees in achieving our mission and strategic goals.
- Review and prioritize proposed and existing programs to grow in appropriate areas and consolidate others.
- Maintain an operating margin required to continue investment in new people, resources, and facilities for our future.
- Create an organization and work environment that aligns individual and team performance with institutional values.
- Provide high-quality, reliable facilities for all mission areas and administrative functions.
- Provide accurate, collaborative, and timely budget forecasting and budget development processes and timely reporting to management of areas of financial concern.
- Deliver information technology solutions that increase the value and efficiency of our patient care, facilitate research, and streamline administrative functions.

**Strategies**

- Design innovative rewards and recognitions, pay, and benefit practices.
- Implement the Employee Service Center and HR portal. Update: Completed.
- Provide accurate, collaborative, and timely budget forecasting and development processes.
- Assist operating units in meeting the operating budget.
- Continually educate all appropriate employees on the patient care revenue cycle to maximize charge capture, reduce denials, and improve collections.
- Provide clear and concise productivity metrics to address capacity management; optimal utilization of resources; and employee recruitment, deployment, and development.
- Collaborate with the UT System and other UT System health institutions on business and finance and patient safety projects.
- Deliver information technology solutions that increase the value and efficiency of our patient care, facilitate research, and streamline administrative functions.
- Implement key components of the electronic medical record, including the clinical data repository, allied health documentation, nursing documentation, and a comprehensive clinical laboratory system.
- Foster a professional IT staff and provide development through formal training and certification programs to achieve employer of choice status in the local IT job market. Update: The new Chief Information Officer has made significant progress with the IT staff.

**Resources**

- The resources to support the above strategies are included within the annual operating budget.

**Progress Measures**

- Reduced employee turnover.
  
  March 2003-March 2004: 11.6% turnover  
  March 2004-March 2005: 12.8% turnover  

- Increased number of reward and recognition events/opportunities.
  
  Monthly outstanding employee award: highly publicized.  
  2000 honorees per year for employee service awards.  
  Performance recognition gift cards distributes up to $225,000 in spot gift cards of $25 and $50.  
  Recognition leave program.  

- Revisions to Economic Forecasting Model at regular intervals to assure accuracy and viability of the long-term capital plan, workforce, and space requirements.  

  Ongoing. At the completion of the FY06 budget process, the Economic Forecasting Model will be updated, in consultation with the clinical leadership, for review by the Executive Committee. The model is then a tool used to assess space needs and balance sources and uses of funds in relation to the Long Term Capital Plan.
- Successful recruitment of a new VP and Chief Information Officer and restructuring of IS governance.
  *Dr. Lynn Vogel has been recruited.*
- Deployment of online clinical data reporting, structured nursing documentation, allied health documentation, and comprehensive clinical laboratory system.
  *Update pending.*
- Continue comprehensive, collaborative processes to assure completion and activation of the Ambulatory Clinical Building, George and Cynthia Mitchell Basic Sciences Research Building, Cancer Prevention Building, and South Campus II Building.
  *Ambulatory Clinical Building, Cancer Prevention Building, and Mitchell building activated and occupied. South Campus II will begin move-ins late summer/early fall.*
- Work with UT System, UTHSC-H, and local authorities in planning campus safety in the event of disaster (flooding, terrorism).
  *Flood wall protection nearing completion, largely funded by FEMA.*
- Develop a new five-year campus master plan.
  *A Master Plan through 2015 has been approved.*

**Priority #4. We will create integrated programs and resources to support activities that promote technology development and commercialization.**

**Objectives**

- Conversion of scientific discoveries into useful products and devices through enhanced technology development and transfer.
- Enhancement of technology transfer and support for commercialization.
- Create a prioritized pipeline of M. D. Anderson intellectual property. Expand screening and toxicology capabilities for drugs and biologicals.

**Strategies**

- Strengthen the existing infrastructure of:
  1) The Office of Technology Discovery (OTD), which advises faculty inventors on all aspects of developing their discoveries into useful commercializable products; reviews Concept Reports and Invention Disclosure Reports submitted by faculty; and triages these for action/refinement.
  2) The Office of Technology Commercialization (OTC), which evaluates Concept Reports and Invention Disclosure Reports forwarded by OTD to determine the institution’s interest in applying for patents, submitting patent applications, and/or developing business plans for licensing or for new start-up companies.
  3) The Technology Review Committee, which undertakes peer review of research and funds projects leading to commercialization of discoveries.
- Recruit new VP for Technology Transfer.
- Utilize expertise of UTMDACC Board of Visitors special committee on research development.
  *Update: A subcommittee of the Institutional Initiatives Committee of the Board of Visitors is addressing research issues, including gap funding, and technology development.*
- Recruit corporations to collaborate and build in The University of Texas Research Park.
- Collaborations with UTHSC-H, other UT System institutions, Rice, Baylor, etc., on projects of mutual interest.
Resources

- UT M. D. Anderson and UT Health Science Center - Houston are seeking philanthropy for their portion of the match ($25 million) to the Texas Enterprise Fund for development of the Center for Advanced Diagnostic Imaging on the UT Research Park.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measures

- Successful recruitment of VP for Technology Transfer.
  Dr. Christopher Capelli has been recruited.
- Number of patents issued.
  FY00: 25, FY01: 27, FY02: 36, FY03: 32, FY04: 36
- Number of licenses/options granted to UTMDACC for intellectual property.
  FY00: 12, FY01: 10, FY02: 22, FY03: 24, FY04: 33
- Number of venture companies formed based on UTMDACC intellectual property.
  Number of portfolio companies (UTMDACC has equity) is 22. These have increased by about two-to three per year since FY98, except for an increase of 10 from FY01 to FY02.
- Number of biotech companies represented at UT Research Park.
  Two companies: Hitachi and General Electric Healthcare.

II. B. Longer Term Priorities and Initiatives

Priority #1. We will improve the quality of existing research programs and develop priority programs for the future.

Objectives

- Strengthen the quality and impact of our basic, translational, clinical, and population-based research through superior leadership, infrastructure, resources, and efficiencies.
- Support clinical trial recruitment through interdisciplinary collaborative communications and education efforts.
- Enhance our clinical research infrastructure.
- Improve the diagnosis and treatment of cancer by discovering, validating, and targeting specific genetic and molecular abnormalities; altering the organ microenvironment; and understanding the biology and chemistry of normal and malignant cells and tissues.
- Invest resources to seize emerging research opportunities and to reward excellence and innovation.
- Obtain increased funds from operating margins, grants/contracts, philanthropy, the state, and UT System to support outstanding research.
- Retain and recruit outstanding faculty and research leaders.
- Provide all investigators with research facilities and core support services that enable the most advanced scientific investigation.

Strategies

- Capture philanthropic support for a major funding initiative to support research for outstanding faculty and recruits. The George and Barbara Bush Endowment for Innovative Cancer Research. The goal is $50 million, and we aim to achieve this amount in contributions and pledges by June 2004.
- Strengthen existing departments and create new ones that are central to our strategic research goals, e.g., molecular epidemiology, molecular diagnostics, molecular imaging, health disparities research, veterinary medicine.
- Continue collaborations in bioengineering, structural biology, informatics, and other areas with UTHSC-H, other UT System institutions, other academic institutions, and industry.
- Provide peer-reviewed, intramural start-up funding for innovative research in targeted areas.
- Provide seed funding and infrastructure support for clinical trials. Update: The VP for Clinical Research has been allotted $3 million for these purposes.
- Improve processes for prioritizing and supporting clinical trials and for monitoring patient accrual status, completion of studies, and publication of results.
- Expand Phase I Trials program.

Resources

- LERR Funds for the recruitment and retention of distinguished faculty will be a UTMDACC priority.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measures

- Amount of grant and contract support for research from government and public entities.  
  *UTMDACC receives more awards (235) and dollars ($107 million) from the National Cancer Institute than any other institution. Research expenditures in FY 04 were $314 million, a five year increase of 100%.*
- Amount of contract support for research from pharmaceutical and biotech companies.  
  *Sponsored Research Agreements in FY 04: 231 ($36 million direct and $6.9 million indirect)  
  First six months of FY 05: 125 ($18.5 million direct and $4 million indirect)*
- Number of SPOREs, program project and other collaborative grants.  
  *9 SPORE grants (plus 1 jointly with UT Southwestern Medical Center), more than any other institution.*
- Number of peer-reviewed publications.  
  *1998: approximately 900; 2000: approximately 1,100; 2002: approximately 1,600.*
- Number of memberships in selective national organizations (e.g., IOM, ASCI).
- Successful high impact clinical research leading to FDA approval of a therapy or setting the standard of clinical practice.
- Number of patients entered on Phase I clinical trials.  
  *UTMDACC has established a Phase I Clinical Trials program and a Center for New Therapy. In FY04, 1,762 patients registered on Phase I trials at UTMDACC (1,310 under age 65).*
- Number of clinical trials.  
  *FY03: 1,035 active trials with patients registered; FY04: 1,072 active trials with patients registered.*
- Funding of the Bush Endowment.  
  *Achieved with $50 million in cash and pledges.*
- Yearly philanthropic contributions.  
  *FY04 philanthropy raised or committed was $103 million in cash and pledges. Year-to-date for FY05 is $103 million (July)*

Priority #2. We will expand addressing risk assessment, prevention, and early detection of cancer and develop strategies to disseminate these findings.

Objectives

- Integrate research on risk assessment, prevention, and early diagnosis into each of our multidisciplinary clinical programs (breast, lung, etc.).
- Promote research to identify predictive markers of an individual's cancer risk and of the appropriate treatment or intervention to prevent cancer.
Investigate therapeutic agents and behavioral and dietary interventions that can prevent cancer or reverse pre-cancerous conditions and early cancers.

**Strategies**

- Promote research to identify predictive markers of an individual’s cancer risk and of the appropriate treatment or intervention to prevent cancer.
- Provide education and risk assessment tools for application to patients and the public through integration of expertise in cancer, internal medicine, genetics, behavioral science, laboratory medicine, and communication.
- Creation of a Department of Health Disparities Research.
- Clinical trials of agents preventing cancer or reversing pre-cancer.
- Sponsor research and educational programs on health disparities, especially in minority and medically underserved populations in which the burden of cancer is excessive.

**Resources**

- The resources in support of these strategies are included within the annual operating budget.

**Progress Measures**

- Grant support for prevention and population sciences.
  
  1999: $8.8 million, 2004-05: $20.3 million
- Number of patients seen in consultation for risk assessment, and genetic or behavioral counseling.
  
  Genetic counseling: FY04: 1,078. FY05 (thru August): 1,054
- Validation of new markers predicting risk or presence of cancer.
- Successful recruitment of a chair for the Department of Health Disparities Research.
  
  Dr. David Wetter has been appointed.
- Successful activation of the Cancer Prevention Building.
  
  Achieved.

**Priority #3. We will develop our capabilities as a learning and mentoring organization for all students, trainees, employees and volunteers and create educational programs that prepare outstanding professionals for assuming responsibility and accountability.**

**Objectives**

- Enhance the quality and outcomes of our undergraduate and graduate degree-granting programs and our post-doctoral training programs.
- Bring renewed emphasis to the education mission so that it touches all areas of the institution.
- Advance the Graduate School of Biomedical Sciences (GSBS).
- Enhance the School of Health Sciences.
- Be recognized for outstanding oncology training for health-care providers.
- Provide continuing education and personal growth opportunities for all employees and volunteers.
- Be the provider of the best cancer information to patients and the public.
- Provide opportunities for all students to develop cultural sensitivity and an understanding of, and appreciation for, a professional code of conduct.
**Strategies**

- We will provide educational and training experiences to effectively prepare our graduate students for the range of scientific careers that will be available to them in a rapidly evolving scientific and technological environment.
- Broaden the diversity of the GSBS and rise to a national ranking in the top 20 of graduate schools of its class.
- Strengthen physician-scientist training through new programs and enhancement to our current MD/PhD program.
- Continue new cohorts in the Faculty Leadership Academy.
- Continue new cohorts in the Administrative Leadership Program.
- Explore new initiatives in distance learning.
- Expand and publicize the activities of the Education Council.
- Increase enrollment/GPA at the School of Health Sciences.
- Increase training of advanced-level physicians and nurses through Sister Institution and other collaborations.
- Increase placement of post-doctoral trainees in high quality career opportunities.
- Increase employee enrollment in skill improvement and personal growth courses offered by HR.

**Resources**

- The resources in support of these strategies are included within the annual operating budget.

**Progress Measures**

- GSBS admissions data (e.g., GPA, ethnicity).
  
  GPA of admissions steady at 3.4
  
  Ethnicity: 2001: 130 total admissions (Asian 15, African American 3, Caucasian 90, Hispanic 17, unknown 5); 2004: 147 total admissions (Amer Indian 1, Asian 20, African American 12, Caucasian 90, Hispanic 18, unknown 6)

- National rankings.

- School of Health Sciences admission and graduation data.
  
  GPA of admissions average 3.4.
  
  Degrees and certificates awarded in 2003: 39 and in 2004: 75.

- Achieve School of Health Sciences accreditation.
  
  SACS accreditation visit is July 2005

- Number of users of Learning Centers and other educational programs for public and patients.
  
  A third Learning Center opened in the Ambulatory Clinical Building in 2005, and the Rotary House Learning Center was closed for renovation for four months. In FY04, 23,660 visits were made to two Learning Centers; and in FY05, 17,349 visits were made in the first nine months.

- Number of UTMDACC-sponsored conferences and number of attendees.
  
  FY04: 51 conferences for which UTMDACC awarded CME were offered with attendance of 7,650.
  
  FY05: 58 conferences for which UTMDACC awarded CME were offered with attendance of 9,880.

- Number of employees enrolled in HR educational courses.
  
  FY03: 8,240 employees participated in HR training. FY05: 12,298 employees participated in HR training, through July.

- Hits to UTMDACC web site (number of web pages viewed by all site visitors)
  
  FY04: 55,733,284 total hits (16,326,074 internal and 39,407,210 external; of the external, 1,726,814 were unique visitors)
  
  FY05 (through June) 35,495,339 (9,302,127 internal and 26,193,212 external; of the external, 1,571,398 were unique visitors)
Priority #4. We will improve our information systems, bioinformatics, and computational capabilities to enable us to collect, integrate, and analyze large clinical and research databases, and to generate knowledge.

Objectives

- Create seamless exchange between research and clinical databases.
- Secure information technology solutions that allow appropriate access to all clinical and research data.
- Expanded IS support to the institutional needs in research.

Strategies

- Implement new governance and planning structure for IS.
- Recruit new VP and Chief Information Officer.
- Expand bioinformatics and research computing activities through faculty recruitment and educational programs.
- Integrate tissue, molecular, and clinical information on patients.
- Implement key components of the electronic medical record, including the clinical data repository, allied health documentation, and nursing documentation.

Resources

- A number of the above strategies are dependent upon the development of the Clinical Research Information System and the General Laboratory Software Project. These projects are the top two priorities on M. D. Anderson’s FY 05 LERR request.
- The resources in support of the remaining strategies are included within the annual operating budget.

Progress Measures (these are all under development)

- Integration of clinical and research data.
- Faculty acceptance of central data warehouses.
- Increased sharing of data and tissues across departments.
- Number of patients on clinical trials contributing data to a centralized, queriable system.
- Recruitment of new VP and CIO.
  
  Dr. Lynn Vogel has been recruited.

III. Future Initiatives of High Strategic Importance - Next Ten Years

Priority #1. We will increase our mission-driven collaborations and outreach.

Objectives

- Leverage the skills and strengths of UTMDACC faculty.
- Promote and reward interdisciplinary research to enhance the discovery of new knowledge and to hasten the translation of discoveries into clinical trials and clinical practice.
- Develop and facilitate more effective collaborations and share knowledge with physicians, extramural researchers, academic institutions, industry, and organizations involved in comprehensive cancer control initiatives.
- Obtain the intellectual and technical resources required for cutting-edge, innovative biomedical investigation.
Strategies

- Provide seed funds for SPORES, PO1s, and other targeted collaborations.
- Improved partnerships with community oncologists, statewide and nationwide, and strategies for the transfer of more long-term care to them.
- Expand telemedicine programs.
- Increase collaborations in bioengineering, structural biology, informatics, and other areas with UTHSC-H, other UT System institutions, the Gulf Coast Consortia (UTMDACC, UTHSC-H, UTMB, Rice, Baylor, TAMU), other academic institutions, and industry.
- Build mutually beneficial collaborations with pharmaceutical and biotechnology companies.
- Continue to expand collaborations with our Science Park Research Division in Smithville and our Department of Veterinary Sciences in Bastrop.

Resources

- The resources in support of these strategies are included within the annual operating budget.

Progress Measures

- Number of extramurally-funded collaborative research programs within UTMDACC.
- Number of collaborative research programs with other academic institutions.
- Number of research contracts and collaborative agreements with companies.
- Amount of research dollars from companies.
- Positive referring physician satisfaction survey.

Priority #2. We will be leaders in sharing information on cancer care and prevention and on key issues in cancer research with health-care professionals, leaders responsible for health-care policy, the media, and the public.

Objectives

- Disseminate to oncologists and health professionals worldwide the unique expertise of UTMDACC clinicians, researchers, and nurses in order to achieve our mission.
- Secure "top of mind" recognition of UTMDACC for the media seeking information on cancer.
- Secure recognition of the role and value of UTMDACC and UT System with state and federal policymakers.
- Expand programs and technologies to educate the public, and patients, about cancer.

Strategies

- Implement Sister Institution agreements (formalizing exchange of research, trainees, and medical practice strategies). Update: Physicians, scientists, and administrators from sister institutions and other collaborating centers will visit campus in May 2005 for the first UTMDACC Sister Institution Conference.
- Assist with promoting the new Texas Academy of Science, Engineering, and Medicine.
- Increase UTMDACC members in the Institute of Medicine and other organizations that recognize excellence and set public policy.
- Expand UTMDACC media programs to involve additional national and international venues.
- Participation by faculty as leaders/officers in national professional societies.
- Support the UTMDACC volunteers and Anderson Network with learning opportunities.
- Expand public education, outreach, community programs, and web site content.
Resources

- The resources in support of these strategies are included within the annual operating budget.

Progress Measures

- Ranking of UTMDACC in significant surveys.
  
  *For the 16th consecutive year, UTMDACC again ranked as one of the top two cancer hospitals “U.S. News & World Report.”*

- Number of trainees and faculty exchanges resulting from Sister Institutions and other collaborative agreements.

- Number of faculty elected into leading selective organizations, e.g., the Institute of Medicine and the National Academy of Science.

- Number of faculty chosen as leaders of significant national professional organizations, or as editors of professional research journals.
  
  *UTMDACC faculty are leading the three major research oncology and clinical oncology societies (surgery, oncology, and radiation therapy).*

- Number of interviews and news articles referring to UTMDACC in major print and broadcast news media, including the international press.
  
  *Approximately 2000 print and broadcast stories in major news media, September 2004 - May 2005."

- Hits on UTMDACC web site.

  *Reported in Priority 3*

- Number of attendees at Anderson Network conference.
  
  *Location of the conference in far west Houston has caused a decline in attendance from 673 in 2002 to 551 in 2004. The meeting is returning to downtown Houston to remedy this.*

IV. Other Critical Issues/Impact of Initiatives

IV. A. Impact of Initiatives

Enrollment Management

Several initiatives will have an impact on students and trainees. Efforts to enhance the Graduate School of Biomedical Sciences (joint program with UTHSC-H), and the School of Health Sciences will be directed at seeking the best candidates for enrollment. UTMDACC’s highly competitive fellowship and postdoctoral training programs will grow, and graduates who leave the institution help advance our mission and initiatives aimed at dissemination of knowledge.

Diversity of Faculty and Staff

Initiatives related to becoming the employer of choice in healthcare and biomedical research, educational programs, and learning and mentoring all have strong diversity components. The Office of Institutional Diversity (OID) will become more involved with candidate searches. OID hosts frequent informal seminars for employees. The faculty and administrative leadership programs contain a diversity module. The new Department of Health Disparities Research will have an impact throughout UTMDACC, particularly with minority enrollment in clinical trials, educational programs, and community outreach.

Community and Institutional Relations

With nearly 14,000 employees, UTMDACC is important to the city’s workforce, and Houston should benefit from our employer of choice initiatives. Certainly, the excellent clinical care provided at
UTMDACC is a benefit to Houston and Texas. Initiatives aimed at technology development and commercialization hold economic benefits for Houston. For example, successful development of The University of Texas Research Park will bring biotech companies to Houston, in turn providing jobs and adding to the tax base.

Outreach programs from initiatives addressing minority health, screening, and prevention will bring great benefit to the community. Initiatives related to sharing knowledge are directed to the public and patients.

With 1,400 community volunteers, and a goal to add 325 more in FY05, UTMDACC has the largest hospital-based volunteer program in the nation.

UTMDACC intends to continue to allocate unbilled charges for the care of indigent Texans at a level of 10 percent of the operating budget.

Relationships with UTMDACC donors will be impacted by efforts to secure funding for the Bush endowment, multidisciplinary research programs, and capital projects. The UTMDACC Development Office has an outstanding record and will be instrumental in balancing the many philanthropic needs.

**Finances**

UTMDACC has been able to sustain positive margins and an ambitious Long-Term Capital Plan, but we are always mindful that external factors could have consequences. Prioritization of programs and facilities will have to be part of the initiatives in the Compact and the Strategic Goals. Initiatives directed at maintaining our Economic Forecasting Model, improving infrastructure, productivity, and efficiency will all affect the finances of the institution. Initiatives aimed at educating state and national policy makers are critical to our finances. Third party reimbursement, managed care contracting, and legislative and regulatory directives can all have serious and immediate impact, and efforts to shield the institution from adverse consequences are imperative.

Strategies to increase grant and contract dollars and for collaboration with other institutions and industry should have positive financial implications.

**Facilities**

Several progress measures are keyed to facilities (e.g., successful activation of the Mitchell Basic Sciences Research Building, Ambulatory Clinical, and Cancer Prevention Buildings). The Proton Therapy Center will be one of only three such facilities in the nation, clearly linked to UTMDACC’s national ranking and reputation. Development of The University of Texas Research Park has an impact on facilities, and partnerships with industry will be sought to offset these costs.

**Other Infrastructure Issues**

Information systems, bioinformatics, and computational science are at the core of several initiatives: improving productivity and efficiency, development of integrated clinical and research databases, development of an electronic medical record, and clinical trial design. Enormous patient databases will be needed for wide-scale prevention trials. The re-engineering of the UTMDACC Information Services department, including recruitment of a new VP and Chief Information Officer, must be successfully achieved. IS activities are extremely expensive, and appropriate prioritization and faculty involvement will be critical to success in these initiatives.
Highly specialized equipment for proteomics, genomics, and molecular imaging will be required for initiatives aimed at detecting and treating cancer by discovering and targeting genetic and molecular abnormalities.

IV. B. Unexpected Opportunities or Crisis

Access to the Governor’s Texas Enterprise Fund and the proposal for a molecular imaging building, planned jointly by UTMDACC, UTHSC-H and GE Medical Systems, is an example of an unexpected opportunity. This project ($80 million research program and facility) will be an outstanding example of private-public partnership and become the anchor of the UT Research Park. The presence of GE Medical Systems will bring jobs to Houston. Attracting pharmaceutical and biotech companies, as well as medical instrument and equipment companies, to the UT Research Park will be a major initiative during the next five years.

The war on terrorism has had a negative impact on the ability of international patients to come to UTMDACC. Patients from outside the U.S. now comprise only 3 percent of all patients and like all self-pay patients they contribute importantly to institutional margins. Efforts with Sister Institutions and the establishment of information offices in other countries are two strategies to address our desire to return international patients to about 4 percent of total patient volume, which is still below the pre-9/11 level. A shift in marketing to Mexico and South America is also underway. Marketing is also planned in the U.S. outside of Texas to help bring more self-pay and managed care patients to UTMDACC.

V. System and State Priorities

Collaborations with UT System institutions, working with government, increasing external research funding, and enhancing academic and clinical excellence are discussed throughout Sections II-IV.

VI. Compact Development Process

The Compact has been developed in tandem with a review and revision of UTMDACC’s Strategic Vision and Goals. Beginning in December 2002, a series of meetings were held with clinical and research faculty leaders, the chair of the Faculty Senate, and senior management. These sessions addressed the future direction of research, the clinical enterprise, infrastructure, and other initiatives. In the fall of 2003, concurrent with the beginning of the Compact process, the recommendations from all these meetings were distilled and various drafts of the initiatives were reviewed by the senior leadership, the Research Council (clinical division heads and basic science chairs), the External Advisory Board (distinguished scientists from peer institutions), and the President’s Advisory Board (clinical division heads, vice presidents, Faculty Senate chair, two clinical department chairs). The Executive Committee of the Faculty Senate (ECFS) reviewed the entire draft submitted to UT System, and the President met with the ECFS to discuss the Compact and the Strategic Goals. We made modifications after each of these discussions, and the priorities contained in the current version of the Compact and Strategic Goals are the result. All of the initiatives contained in the Strategic Vision and Goals are also in the Compact.

Other institutional groups reviewing the Strategic Vision and Goals include the Diversity Council and the members of the Leadership Forum (approximately 150 faculty and administrative staff).

VII. System Contributions

- Resource support (Health Affairs; Governmental Relations; Federal Relations)
- Development of collaborations (Health Affairs)
## VIII. Appendices

### A. Budget Summary

The University of Texas M. D. Anderson Cancer Center
Operating Budget
Fiscal Year Ending August 31, 2005

<table>
<thead>
<tr>
<th>FY 2004 Adjusted Budget</th>
<th>FY 2005 Operating Budget</th>
<th>Budget Increases (Decreases) From 2004 to 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Amount</strong></td>
<td><strong>Percent</strong></td>
</tr>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>$ 267,000</td>
<td>464,176</td>
</tr>
<tr>
<td>Federal Sponsored Programs</td>
<td>135,494,512</td>
<td>162,161,916</td>
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<tr>
<td>State Sponsored Programs</td>
<td>555,496</td>
<td>292,374</td>
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<tr>
<td>Local and Private Sponsored Programs</td>
<td>36,928,676</td>
<td>46,937,470</td>
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<tr>
<td>Net Sales and Services of Educational Activities</td>
<td>11,803,237</td>
<td>5,760,669</td>
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<tr>
<td>Net Sales and Services of Hospital and Clinics</td>
<td>1,088,823,441</td>
<td>1,251,096,392</td>
</tr>
<tr>
<td>Net Professional Fees</td>
<td>205,306,145</td>
<td>237,188,914</td>
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<tr>
<td>Net Auxiliary Enterprises</td>
<td>23,911,115</td>
<td>25,699,183</td>
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<tr>
<td>Other Operating Revenues</td>
<td>20,561,791</td>
<td>22,755,208</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>1,523,651,413</td>
<td>1,752,356,302</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>198,196,155</td>
<td>231,120,977</td>
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<tr>
<td>Academic Support</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Research</td>
<td>249,059,823</td>
<td>245,353,559</td>
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<tr>
<td>Public Service</td>
<td>1,323,261</td>
<td>4,497,317</td>
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<tr>
<td>Hospitals and Clinics</td>
<td>889,659,155</td>
<td>1,036,234,935</td>
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<tr>
<td>Institutional Support</td>
<td>103,422,950</td>
<td>117,963,480</td>
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<td>Student Services</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Operations and Maintenance of Plant</td>
<td>281,818,360</td>
<td>266,166,430</td>
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<tr>
<td>Scholarships and Fellowships</td>
<td>11,431</td>
<td>-</td>
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<tr>
<td>Auxiliary Enterprises</td>
<td>18,213,060</td>
<td>18,114,268</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1,741,692,764</td>
<td>1,919,462,397</td>
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<tr>
<td><strong>Operating Surplus/Deficit</strong></td>
<td>(218,041,351)</td>
<td>(167,106,095)</td>
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<tr>
<td><strong>Nonoperating Revenues (Expenses):</strong></td>
<td></td>
<td></td>
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<tr>
<td>State Appropriations &amp; HEAF</td>
<td>148,762,704</td>
<td>148,087,074</td>
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<tr>
<td>Gifts in Support of Operations</td>
<td>44,474,778</td>
<td>37,143,555</td>
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<tr>
<td>Net Investment Income</td>
<td>23,167,048</td>
<td>23,828,579</td>
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<tr>
<td>Other Non-Operating Revenue</td>
<td>11,920,032</td>
<td>-</td>
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<tr>
<td>Other Non-Operating (Expenses)</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Net Non-Operating Revenue/(Expenses)</strong></td>
<td>228,324,562</td>
<td>209,059,208</td>
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<tr>
<td><strong>Transfers and Other:</strong></td>
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<td></td>
</tr>
<tr>
<td>AUF Transfers Received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AUF Transfers (Made)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers From (To) Unexpended Plant</td>
<td>(18,000,000)</td>
<td>(18,000,000)</td>
</tr>
<tr>
<td>Transfers for Debt Service</td>
<td>(39,202,627)</td>
<td>(68,083,420)</td>
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<tr>
<td>Other Additions and Transfers</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other Deductions and Transfers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Transfers and Other</strong></td>
<td>(57,202,627)</td>
<td>(86,083,420)</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit):</strong></td>
<td>$ (46,919,416)</td>
<td>(44,130,307)</td>
</tr>
</tbody>
</table>

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

#### UT M. D. Anderson Cancer Center

<table>
<thead>
<tr>
<th></th>
<th>fall 2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate headcount</td>
<td>40</td>
<td>48</td>
<td>59</td>
<td>75</td>
<td>70</td>
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</table>

<table>
<thead>
<tr>
<th>academic year</th>
<th>99-00</th>
<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health sciences certificates</td>
<td>0</td>
<td>26</td>
<td>34</td>
<td>32</td>
<td>45</td>
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<tr>
<td>Health sciences baccalaureate degrees</td>
<td>0</td>
<td>13</td>
<td>10</td>
<td>20</td>
<td>30</td>
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</table>

<table>
<thead>
<tr>
<th>academic year</th>
<th>02-03</th>
<th>03-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accredited GME resident programs</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td># of residents in accredited programs</td>
<td>100</td>
<td>103</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fiscal year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal research expenditures</td>
<td>$81,871,561</td>
<td>$91,543,036</td>
<td>$117,633,074</td>
<td>$122,868,912</td>
<td>$150,528,694</td>
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</table>

<table>
<thead>
<tr>
<th>fall</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>All instructional staff</td>
<td>911</td>
<td>1,017</td>
<td>1,071</td>
<td>1,133</td>
<td>1,190</td>
</tr>
<tr>
<td>Classified employees</td>
<td>8,722</td>
<td>9,452</td>
<td>10,066</td>
<td>10,918</td>
<td>11,775</td>
</tr>
<tr>
<td>Administrative/professional employees</td>
<td>869</td>
<td>886</td>
<td>927</td>
<td>929</td>
<td>947</td>
</tr>
<tr>
<td>Student employees</td>
<td>219</td>
<td>249</td>
<td>277</td>
<td>312</td>
<td>349</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fiscal year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital admissions</td>
<td>16,499</td>
<td>17,497</td>
<td>18,604</td>
<td>18,781</td>
<td>19,430</td>
</tr>
<tr>
<td>Hospital days</td>
<td>126,803</td>
<td>131,788</td>
<td>137,204</td>
<td>137,207</td>
<td>146,673</td>
</tr>
<tr>
<td>Clinic visits</td>
<td>409,443</td>
<td>448,690</td>
<td>469,068</td>
<td>471,728</td>
<td>537,822</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fiscal year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Un-sponsored charity care</td>
<td>$19,717,163</td>
<td>$25,524,441</td>
<td>$30,773,351</td>
<td>$35,310,300</td>
<td>$43,427,477</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>as of</th>
<th>8/31/99</th>
<th></th>
<th></th>
<th></th>
<th>8/31/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment total value</td>
<td>$256,739,000</td>
<td></td>
<td></td>
<td></td>
<td>$357,890,000</td>
</tr>
</tbody>
</table>
C. Institution-Specific Information

- For the third time in four years, UTMDACC is ranked the nation’s top cancer hospital in *U.S. News and World Report’s* “America’s Best Hospitals Survey.”
  - In addition to the number one ranking in cancer, several UTMDACC specialties were ranked among the nation’s best, including gynecology (4), ENT (10), and urology (13).
  - UTMDACC has ranked as the number one or two hospital in cancer since the magazine began its annual survey 14 years ago.
- UTMDACC ranked number six in the nation by *The Scientist’s* “Best Places for Postdocs” 2004 survey. This is based on information from 91 institutions in the U.S. and Canada.
- The JCAHO survey resulted in Accreditation without Type I Recommendation – the highest possible rating. UTMDACC received a 98 out of possible 100 in the final report and ranked 1 in 40 or 44 categories rated by the surveyors.
- UTMDACC is a World Health Organization Collaborating Center in Supportive Care. This Center helps to develop research and professional education programs in supportive care for countries in all stages of development, particularly in Latin America and Asia.
- UTMDACC received international recognition with the Magnet Nursing Services Recognition. Fewer than 45 hospitals in the world have received this highest honor in health care for nursing.
- UTMDACC ranks first in both the number of grants (208) and total dollars awarded ($98.4 million) by the National Cancer Institute.
- UTMDACC holds nine NCI Specialized Programs of Research Excellence (SPORE) grants in lung, bladder, prostate, ovarian, head and neck, pancreatic and endometrial cancers, melanoma and leukemia. This is more than any other cancer center and totals more than $88 million in grant funding.
- UTMDACC was awarded First Place in the Better Business Bureau award for Quality in Healthcare.
- UTMDACC was one of the first three health-care institutions in the U.S. to be awarded ISO 14001 (International Organization for Standardization) certification, an international distinction that recognizes environmental management.
- UTMDACC’s TV production department won the Silver Telly award, the highest level of recognition for non-network programming. The award was for the program *Children’s Art Project: Making Life Better for children with Cancer*. They won the second highest award, the bronze, for *M. D. Anderson Cancer Center: 60 Years of Making Cancer History*. 
I. Introduction - Institution Mission and Goals

The University of Texas Health Center at Tyler (UTHCT) occupies a unique place in the medical history of East Texas. Originally established as the East Texas Tuberculosis Sanitarium in 1947, UTHCT was renamed the East Texas Chest Hospital in 1971. In 1977, UTHCT joined The University of Texas System and has been a teaching hospital within the UT System since that date. UTHCT is the only UT health institution that is located in a poor, rural segment of Texas, which presents unique challenges and opportunities. UTHCT is focused on initiatives dealing with infectious diseases and biohazard research, aging issues and chronic care of the elderly, and children with childhood lung diseases and cystic fibrosis.

Mission Statement
To serve East Texas and beyond through excellent patient care and community health, comprehensive education, and innovative research.

Excellent Patient Care and Community Health: UTHCT consists of an acute care hospital, 18 hospital-based outpatient clinics, an emergency care center and all medical services for each provided under one roof. As a safety net hospital, UTHCT sees almost 140,000 outpatient visits and almost 4,000 inpatient admissions each year. In addition, there are 10 off-site clinics in which UTHCT physicians provide primary healthcare, cardiology care, and pulmonary care. Through the Texas Department of Health, UTHCT is now responsible for coordinating statewide in-patient management of tuberculosis and offers special expertise in the management of atypical mycobacterial lung diseases.

Comprehensive Education: UTHCT has developed residency programs in Family Medicine and Occupational Medicine. In collaboration with other higher education institutions, UTHCT offers three joint Masters degree programs. Also, UTHCT has formal collaborative agreements with area nursing schools and other higher education institutions for nursing student, allied health students, and medical students to complete their respective clinical rotations and healthcare training. These collaborations allow UTHCT faculty to serve in adjunct faculty roles.

Innovative Research: UTHCT has a growing biomedical research program whose researchers have won national acclaim for their various research endeavors. UTHCT is known for its reputation in the investigation of pulmonary and infectious lung diseases. UTHCT research programs include basic translational and clinical research programs that are funded by extramural sponsor from biotechnology and pharmaceutical firms and from the National Institutes of Health.

Vision
We will be a great institution, unified in common purpose, to benefit human health and to improve the quality of life.

Values
Excellence: I will work every day to improve UTHCT and the job that I do.

Servant Leadership: I will put the needs of our patients and my co-workers first.

Diversity: I will respect and appreciate diversity in ideas, peoples, and cultures.

Accountability: I will use the resources of UTHCT wisely.

II. Major Ongoing Priorities and Initiatives

A. Short-term Goals

1. Become a more academic institution through the expansion of educational programs and research
Objective
To establish the UT Health Center at Tyler as the regional academic health center for health/medical education and technology.

Strategies
To meet that objective, UTHCT has undertaken the following initiatives:
   a. Develop and sustain a strong relationship with UT Tyler to optimize the return on the state’s investments in education, research, and service at both institutions - UTHCT is collaborating with UT Tyler to form a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT and UTT the major teaching entity in health sciences and biotechnology in East Texas. Other collaborations with UTT include joint recruiting of faculty to support education and research activities at both institutions.
   b. Develop and enhance a portfolio of advanced medical training programs - UTHCT is developing strategies to attract quality Family Practice and Occupational/Environmental Medicine residents to meet current match levels and to ensure stability of current external residency sites. Medical students, nursing students, and allied healthcare students from other institutions of higher education currently participate in existing training rotations offered at UTHCT. UTHCT is developing strategies to increase the participation levels of those students. It is also collaborating with the Lake Country Area Health Education Center in East Texas (AHEC) to increase high school student interest in healthcare professions.
   c. Develop and enhance the graduate/allied health programs - UTHCT is evaluating its affiliation with Stephen F. Austin University and Texas A&M University in reference to the joint master’s degrees in which UTHCT participates. UTHCT is developing efforts to provide support for and generate interest in health careers in East Texas. It is also working to increase the number of residents and other healthcare students who rotate through the training programs currently being offered at UTHCT. UTHCT provides faculty development programs for all qualified staff interested in teaching in health professional programs.
   d. Develop a comprehensive health education program for UTHCT faculty and staff and for external partners - UTHCT uses the Northeast Texas Consortium (NETnet) to enhance UTHCT education strategies and to explore other business partners for the purpose of expanding community health and telemedicine. Through NETnet, UTHCT offers medical, nursing, and other healthcare-related training to hospitals and institutions of higher education in this region, and UTHCT hopes to expand that training. UTHCT seeks to become a preferred training site for nursing and allied health professionals.
   e. Develop a strategy to become a degree-granting institution - UTHCT is requesting approval from the UT System, the 79th State Legislature, and the Higher Education Coordinating Board to issue degree-granting authority to UTHCT. Limited degree-granting authority for UTHCT will enhance and increase the educational opportunities for students in East Texas and UTHCT’s credibility as an academic institution.

Resources
   a. Increase state funding for educational programs.
   b. Increase philanthropic support.
   c. Expand indirect research revenues.
   d. Increased profitability of UTHCT hospital operations and faculty practice plan.

Progress Measures
   a. Secure a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT and UT Tyler the major teaching entity in health sciences and biotechnology in East Texas.
   b. Legislative approval for degree-granting authority for UTHCT.
   c. Identify specific sites on UTHCT campus to conduct educational activities.
   d. Identify funding sources and establish budgets for educational programs at UTHCT.
e. Increase number of trainees who obtain educational training through UTHCT programs by 25 percent.

f. Expand the Northeast Texas Network Consortium (NETNet) activities and services.

g. Participate in the UT Telecampus with UTHCT educational programs.

UPDATE:
- The 79th Texas Legislature approved UTHCT’s degree-granting initiative, and the Governor signed this bill on June 1, 2005.
- UTHCT plans to submit its planning authority request to the Texas Higher Education Coordinating Board at or before its October 2005 Quarterly Board Meeting. UTHCT has begun researching the Southern Association of Colleges and Schools (SACS) accreditation requirements.
- Once UTHCT obtains approval from the Coordinating Board and achieves accreditation, then UTHCT will transition its current collaborative degrees with Stephen F. Austin University and UT Tyler into joint degrees, so that UTHCT’s name will also appear on the students’ diplomas.
- UTHCT continues its strong relationship with UT Tyler to optimize the return on the state’s investments in education, research, and service at both institutions.
- UTHCT attracted its complement of 2005 Family Medicine residents (total 7).
- For the Occupational Medicine residency program, UTHCT filled the remaining available slot as of July 1, 2005. That slot was filled on December 15, 2004, by a candidate who is completing a residency in Family Practice at the PG-2 level. Since most Preventive Medicine Residency Programs do not offer a PG-1 year for medical school graduates, admissions generally take place at the PG-2 or PG-3 levels.

Obstacles:
- Winning support of the UT System Board of Regents for educational program expansion.
- Convincing legislature of need for this necessary academic program in East Texas.
- Obtaining adequate collaborative support from other UT institutions.
- Lack of student housing.
- Finding funds to support educational expansion.
- Adequate classroom, lab, and educational facilities.

2. Improve quality and customer service satisfaction

Objectives
UTHCT recognizes the importance of quality and customer service satisfaction in order to retain its current patient base and to attract new patients. UTHCT has implemented satisfaction programs directly related to quality and customer service. Each program has outlined objectives, strategies to implement, and required resources.

Strategies
Quality Satisfaction
- Create a more patient-safe environment and limit costs attributable to medical errors.
- Improve cardiovascular surgery outcomes: To improve these outcomes, UTHCT has partnered with a new cardiothoracic surgical provider group that uses standardized evidence-based order sets. A more multi-disciplinary approach to managing the patient care process and clinical pathways will be implemented.
- Improve care provided to congestive heart failure and pneumonia patients: To improve care provided to these patients, UTHCT has expanded the use of evidence-based order sets and has improved patient education and the discharge planning process.
- Optimize management of ICU patients care.
- Support the development of evidence-based case protocols.
**Customer Service Satisfaction**

a. Improve patient satisfaction with inpatient care: During 2004, UTHCT expanded its efforts toward improving customer service by establishing the position of Customer Service Manager and by creating a committee structure accountable to the President to plan and monitor customer service activities. The inpatient meal program has been totally overhauled to address patient needs. All inpatient departments have adopted specific customer service goals that are relevant to their department (e.g., labs=turnaround time).

b. Improve patient satisfaction with outpatient care.

c. Improve patient satisfaction with the Emergency Care Center.

d. Improve employee satisfaction and perception.

e. Improve satisfaction with service and support departments.

**Resources**

a. Additional quality staff to monitor quality measures and outcomes (2.5 FTEs).

b. Nursing and ancillary staff training to improve skill and competency.

c. Physician leadership time to develop revised care models and to reorganize faculty responsibilities.

d. Staff time to develop and implement corrective action plans.

e. New hospital information system.

f. System funds to improve patient safety.

**Progress Measures**

a. Documentation of monitoring of event report rates – rate of actual versus close call events.

b. Implement JCAHO certification and clinical outcome measures appropriate to specific diseases.

c. Reduced lengths of stay using Medical Information Data System (MIDS) comparative database, Texas Health Care Information Council (THCIC) data, and public sources.

d. Improved performance on JCAHO core measures.

e. Improved Press-Ganey Patient Satisfaction Scores on Inpatient, Outpatient, and ER Surveys.

f. Initiate Press-Ganey Employee Perception Survey to be conducted annually.

**UPDATE:**

**Quality Satisfaction**

a. Create a more patient-safe environment and limit costs attributable to medical errors.

1. Interventions.
   a. Increase the number of Root Cause Analyses conducted.
   b. Engage staff in conducting RCAs.

<table>
<thead>
<tr>
<th>RCAs Conducted</th>
<th>No.</th>
<th>No. led by staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>FY 2004</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>FY 2005 YTD</td>
<td>7</td>
<td>3</td>
</tr>
</tbody>
</table>

2. Educate staff on patient safety tools and techniques.

<table>
<thead>
<tr>
<th>Educational Program</th>
<th>Date</th>
<th>Intended audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Root Cause Analysis</td>
<td>September 17, 2004</td>
<td>Managers and front line supervisors</td>
</tr>
<tr>
<td>Rapid Performance Improvement and RCA techniques</td>
<td>December 17, 2004 March 7, 2005 March 14, 2005</td>
<td>Directors, manager and front line supervisors</td>
</tr>
</tbody>
</table>
3. Raise patient safety awareness among staff and patients.
   a. Used a multidisciplinary group of UTHCT frontline employees to produce a patient safety brochure to be reviewed by the nurse with the patient.
   b. Promoted a contest for best close call reports to increase reporting of close calls sponsored by the Join Hands for Patient Safety group.

b. Improve cardiovascular surgery outcomes.

<table>
<thead>
<tr>
<th>ALOS by:</th>
<th>Prior CV Surgery MDs</th>
<th>Current CV Surgery MDs</th>
</tr>
</thead>
<tbody>
<tr>
<td>106, 107</td>
<td>14.5</td>
<td>13.3</td>
</tr>
<tr>
<td>109</td>
<td>11.5</td>
<td>7.4</td>
</tr>
<tr>
<td>106, 107, 109</td>
<td>13.1</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Median LOS by:

<table>
<thead>
<tr>
<th>DRG</th>
<th>Prior CV Surgery MDs</th>
<th>Current CV Surgery MDs</th>
</tr>
</thead>
<tbody>
<tr>
<td>106, 107</td>
<td>13.3</td>
<td>11.0</td>
</tr>
<tr>
<td>109</td>
<td>11.0</td>
<td>5.0</td>
</tr>
<tr>
<td>106, 107, 109</td>
<td>11.8</td>
<td>9.0</td>
</tr>
</tbody>
</table>

c. Improve care provided to congestive heart failure and pneumonia patients.

1. Expand use of evidence based order sets.

<table>
<thead>
<tr>
<th>Diagnosis</th>
<th>2002</th>
<th>2003</th>
<th>Qtr 1 2004</th>
<th>Qtr 2 2004</th>
<th>Qtr 3 2004</th>
<th>Qtr 4 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>58.9</td>
<td>67.7</td>
<td>41.8</td>
<td>69.8</td>
<td>67.1</td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td>40.8</td>
<td>56.3</td>
<td>35.5</td>
<td>55.0</td>
<td>76.5</td>
<td>72.7</td>
</tr>
</tbody>
</table>

2. Improve patient education and discharge planning process.

Nursing formed a multi-disciplinary group to evaluate these processes. UTHCT implemented the new discharge form and patient education sheets for these diagnoses on March 15, 2005.

d. Optimize management of ICU patient care.

<table>
<thead>
<tr>
<th>No.</th>
<th>Intervention.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Hired a nurse educator specific to the ICU to improve nurse competency.</td>
</tr>
<tr>
<td>2.</td>
<td>Established ICU consultation criteria.</td>
</tr>
<tr>
<td>3.</td>
<td>Formulated a ventilator weaning protocol.</td>
</tr>
<tr>
<td>4.</td>
<td>Instituted revised admission/discharge criteria to ensure appropriate admissions to and discharges from ICU.</td>
</tr>
<tr>
<td>5.</td>
<td>Project underway to standardize glucose control through order sets and protocols.</td>
</tr>
<tr>
<td>6.</td>
<td>Standardized ICU admission orders and initial ventilator set up.</td>
</tr>
<tr>
<td>7.</td>
<td>Implemented age-specific supply carts and Braslow crash carts to improve care for pediatric admissions.</td>
</tr>
</tbody>
</table>
e. Support the development of evidence based care protocols

<table>
<thead>
<tr>
<th>No.</th>
<th>Interventions Conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Educate Medical Staff Leadership on JCAHO disease certification programs, JCAHO, CMS and another public reporting.</td>
</tr>
<tr>
<td>2.</td>
<td>Obtain agreement from Medical Staff Leadership to embrace evidence based practice.</td>
</tr>
<tr>
<td>3.</td>
<td>Implement participation in American Heart Association Get with the Guidelines projects.</td>
</tr>
<tr>
<td>4.</td>
<td>Medical Executive Committee approved use of order sets for certain diagnoses as standard of care. Deviations are reported to the peer review committees.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No.</th>
<th>Order Set/Protocols Developed FY 2005 YTD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Glycemic control.</td>
</tr>
<tr>
<td>2.</td>
<td>Ventilator weaning.</td>
</tr>
<tr>
<td>3.</td>
<td>AMI post-admission orders.</td>
</tr>
<tr>
<td>4.</td>
<td>CHF post-admission orders.</td>
</tr>
<tr>
<td>5.</td>
<td>Pneumonia post-admission orders.</td>
</tr>
<tr>
<td>6.</td>
<td>Peg Tube Placement.</td>
</tr>
<tr>
<td>7.</td>
<td>Smoking Cessation.</td>
</tr>
</tbody>
</table>

**UPDATE:**

*Customer Satisfaction*

- Improve Customer Satisfaction:

<table>
<thead>
<tr>
<th></th>
<th>Current Raw Score</th>
<th>Year One</th>
<th>Year Two</th>
<th>Year Three</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Satisfaction (Aggregate)</td>
<td>90.2</td>
<td>90.7</td>
<td>91.2</td>
<td>91.7</td>
</tr>
<tr>
<td>Employee Satisfaction (Mean)</td>
<td>59.21</td>
<td>59.71</td>
<td>60.21</td>
<td>60.71</td>
</tr>
</tbody>
</table>

**Obstacles**

- Resistance to change.
- Competing priorities.
- Lack of standardized processes of care.

3. **Implement UTHCT Center for Healthy Aging Programs**

**Objectives**

Based on the changing demographics of the East Texas market and the ever-increasing needs of the aging population, the UTHCT Center for Healthy Aging will fill a void in East Texas for care of the elderly. No established, coordinated program exists in this area that has the vision and capability to focus on the various aspects of aging. The Center will take a comprehensive, multi-disciplinary, coordinated, and personalized approach to a myriad of services for seniors.

**Strategies**

To meet these objectives, UTHCT will develop:

- Professional educational programs – including pursuing a Geriatric Fellowship Program; developing formal certification programs for professionals involved in the care of the elderly; and collaborating with other institutions to develop educational programs for healthcare professionals.
b. **Research programs** – including faculty recruitment; staff support; demographic support; and collaborative efforts in other disciplines, e.g., nursing, psychology, sociology, economics, political science, etc., with UT Tyler and other educational institutions.

c. **Clinical care services** – including coordinating appointments and multidisciplinary healthcare services at UTHCT; integrating case management services into the Aging Center; establishing an inpatient unit specifically designed as a comprehensive medical/surgical unit for the elderly; and utilizing a “care coordination” concept. Also, UTHCT and UTMB are discussing the possibility of implementing a telemedicine approach for senior patients in East Texas.

d. **Public health and outreach** – including developing geriatric-specific outreach activities, senior conferences and senior health fairs; formalizing clinical rotations to nursing homes; and house calls.

e. **Public policy and advocacy** – including using outcomes research data to drive decision-making and providing information to the public on the critical health issues in geriatrics.

**Resources**

a. UTHCT proposes that the $2.5 million Medical Liability Excess Reserves be applied to support the development of the UTHCT Center for Healthy Aging and the implementation of the Center’s programs.

b. $500,000 in philanthropic support.

c. Research grant funding.

d. UTHCT Special Item funding request to UT System for the 79th State Legislature to help fund the programs of the UTHCT Center on Healthy Aging.

**Progress Measures**

a. Development of a Geriatric Fellowship Program.

b. Development of certification programs for healthcare professionals involved in the care of the elderly.

c. Collaborations with UT Tyler, including joint recruitment and seed grants.

d. Implementation of clinical care programs, including inpatient unit for the elderly, care coordination, and telemedicine.

e. Increased research funding for geriatric-related projects.

**UPDATE:**

- UTHCT named Dr. Kent Davis as the Medical Director of the UTHCT Center for Healthy Aging.

- UTHCT has initiated the UTHCT Center for Healthy Aging. Components of the Center for Healthy Aging are:
  - The Senior Assessment Clinic opened in 2004 as a one-stop shop for assessing seniors’ healthcare needs. Its goal is to improve the health status of the frail elderly and to prolong their independence. A team of healthcare professionals evaluates each patient and develops a treatment plan. The team includes a physician and a nurse practitioner who specialize in gerontology, as well as pharmacists, physical and occupational therapists, and dietitians.
  - A monthly support group for caregivers was developed in 2004. One Tuesday each month, individuals who care for family members or loved ones at home meet at the Health Center to share their concerns and learn about community resources.
  - Several UTHCT scientists are examining how factors such as oxidants and the environment affect the aging of human cells. In October 2004, seed grants totaling $38,500 were awarded to four UTHCT researchers to fund research into the causes and treatment of diseases that affect the aging process. Over $11,000 of this funding came from the Wolf Foundation.
  - On October 1, 2004, UTHCT and the Tyler Area Senior Citizens Association (TASCA) formed a partnership to expand the UTHCT Center for Healthy Aging to the Ornelas Activity Center, a 23,000 square-foot facility located on 22.5 acres of land. TASCA is a nonprofit organization formed in 1991 to meet the social and educational needs of the growing
population of senior citizens in the Tyler area and surrounding communities. It currently has about 1,200 members and provides services such as health screenings, a monthly dance, exercise classes, computer support groups, a computer lab, volunteer opportunities, and a library.

- The Red and Kim Little Healthy Aging Outreach Endowment is a program started by a $100,000 donation from Mr. and Mrs. Little, and it has two elements: The first is an annual program for seniors given by a nationally known speaker, and the second focuses on public health education. The first program of this Little Endowment for the senior community at the TASCA Center was held on March 31, 2005.
- Development of the Acute Care for the Elderly (ACE) unit commenced on June 27, 2005. This is a dedicated in-patient unit for the frail elderly patient.
- Future Plans: The Geriatric Fellowship Program. When established, this program will offer physicians advanced training leading to a geriatric certification for qualified physicians. Two hundred thousand dollars has been donated to this effort.

**UPDATE:**
**UTHCT’s Aging Initiative “STAR”**
**Research:**
1. Initiated a grant application for a “feeder table” concept in nursing homes.
2. UTHCT plans to finalize a collaboration with UT Tyler to provide neuropsychological support to the Center for Healthy Aging, while pursuing research projects with UTT.

**Clinical:**
1. Case Management has been added to the Center for Healthy Aging. In addition, an LMSW for counseling is being sought, as well as a grant for a Care Coordination program (caring for local seniors when the family lives out of town).
2. A social worker and PharmD now consult in the aging clinic.
3. The Senior Assessment Clinic will expand its geriatric-trained staff.
4. Two mid-level practitioners interested in geriatric research working on their nursing doctorates have been hired to begin in the summer of 2005. Also, they will likely be involved in the Nursing Home and House Calls programs after their arrival.

**Public Health, Education, and Outreach:**
1. Nursing Home Administrator group meetings supported by the Center for Healthy Aging are being planned to educate on topics important in long-term care.
2. A caregiver support group including care for the caregivers has been started to allow respite for the involved caregivers.
3. Education to AARP, Area Agency on Aging, and local support groups, as well as to local physicians in local communities, on topics such as care giving, elder driving, etc.
4. UTHCT was involved in the public education about the flu vaccine shortage.
5. Education to local nursing home caregivers and family groups on assorted topics.
6. “Steps to Healthy Aging” exercise and diet program for adults have been planned at TASCA and other sites.
7. Plans are being developed for Physician Relations to educate area providers on UTHCT’s aging program, on senior care topics, etc.

**Obstacles**
- Recruitment of key personnel to drive the program.
- Maintaining adequate long-term funding for the Center for Healthy Aging programs.
4. **Achieve sustained financial viability**

**Objectives**
Throughout 2001-2002, UTHCT was in serious financial difficulty. For example, cash on hand at UTHCT as of October 31, 2002, was less than 29 days. Clearly, both short-term and long-term strategies were required to address this financial crisis. During FY03, UTHCT designed and implemented several measures to improve UTHCT’s efficiency and cost-savings that will directly impact UTHCT’s overall financial performance. As of December 31, 2003, the cash on hand was 66.6 days. As UTHCT has not achieved sustained financial viability, much remains to be done.

**Strategies**
Actions being taken to help facilitate reaching that goal are as follows:

a. Develop short-term strategies to maximize profitability and improve fund balances.
   1. Continue to improve monthly financial reporting.
   2. Continue to improve budget process.
   3. Continue to assess opportunities for further improvements to build cash reserves.
   4. Develop plan to enhance productivity management, supply chain, revenue cycle, and accountability.
   5. Optimize revenue sources.
   6. Review E&G and MSRDP funds for opportunities to control operating expenses.

b. Develop long-term financial plan that addresses operating and capital needs.
   1. Build cash reserves to 75 days.
   2. Identify key capital needs throughout facility.
   3. Identify specific programmatic investment requirements and require an upfront return-on-investment analysis for these investments.

c. In addition, UTHCT is implementing a new comprehensive information system that will provide stability, improve effectiveness, and result in cost-savings that will positively impact UTHCT’s financial situation. It will result in five-year net benefits in the following areas:
   1. Reduction of denials – $1,575,000.
   2. Reduction of Medicare necessity write-offs – $600,000.
   3. Identify patients up front that require payment upfront – $2,180,000.

**Resources**

a. New decision support/executive information system – approximately $250,000.

b. Budgeting software to improve budgeting process – approximately $200,000.

c. New software program to support financial reporting – approximately $250,000.

d. Improving net collections to build cash reserves – approximately $250,000.

**Progress Measures**
This will be an ongoing process. Significant financial challenges are anticipated through the end of 2004. UTHCT expects to address each challenge to keep UTHCT on target to have 75 days cash on hand by August 31, 2006.

**UPDATE:**
- The implementation of new financial and clinical information systems to support the clinical operations was accomplished in March 2004. Improvements have been realized on the return on investment (ROI) with improved net collection rates. UTHCT is ready to begin Phase II of Meditech, which includes Electronic Ambulatory Records, nurse documentation, and operating room systems. Updates have been made to PeopleSoft in finance and purchasing. It is scheduled to go online August 31, 2005, so that the new budgeting system may be implemented for the FY07 budget cycle.
- One of UTHCT’s major competitors has opened a new hospital within UTHCT’s primary market area. UTHCT plans to respond to this competitive threat through a variety of measures.
During the Winter 2005, it was determined that UTHCT must reduce its operating costs to match the current volume of patients. UTHCT created an Institutional Budget Committee (IBC) to ensure that UTHCT would achieve its financial targets by August 31, 2005. Cost reductions of approximately $5 million and additional gross revenue with price increases have been implemented. The cost-saving measures have resulted in reductions in force. Therefore, an internal Rapid Response Team (RRT) was established to assist UTHCT through this restructuring process. The RRT advised the President and senior leadership on the potential consequences of any actions that are recommended based on objective data. They worked to ensure effective communication throughout the institution during this time, as well as offered compassion, sensitivity, and support for those adversely affected. UTHCT has achieved 90 percent of the targeted $5 million in cost reductions. Senior leadership is continuing to evaluate programs to identify other reorganizations/changes that may be necessary. But at this time, no further reductions in force are anticipated.

Sites for new clinics are being identified. The financial viability of each is being evaluated, and then plans to operationalize them will be developed and implemented (see Section II.A.5 below for more details). A market analysis is being developed for possible new clinics that will be completed in approximately eight weeks. A search is currently being conducted for physicians to staff the new clinics, and construction has begun on the permanent building for the University Health Clinic at Tyler on the UT Tyler campus. The completion date is targeted for March 6, 2006.

The operations of the MSRDP and E&G for future cost-savings and consolidations are being evaluated. Senior leadership has conducted further studies in areas in which the UTHCT hospital has been underpaying the MSRDP. Changes have been made to reflect the correct allocations of cost between the hospital and the practice plan. This has resulted in a positive bottom line for the practice plan as of May 2005. It is anticipated that this will continue.

The options of partnering with one or both of the hospital facilities in Tyler for the expansions of residency programs are being explored and evaluated. Nothing concrete to report on this item at this time.

Senior Management is evaluating new opportunities that will bring increased hospital and clinic utilization to the UTHCT campus. These possible opportunities include correctional managed care, hospice, psychiatric services, veteran services, and expansion of medical staff.

**Obstacles**

a. Ensuring UTHCT receives adequate budget support from the state legislature.
b. Obtaining funding for inpatient TB care.
c. Dealing with the highly competitive healthcare environment in the Tyler metropolitan area.

**The following initiative is new to the UTHCT Compact but no less critical or important.**

5. **Increase UTHCT patient base**

**Objective**

With the increasing pressures of healthcare competition in the East Texas region that comprises the UTHCT service area, UTHCT realizes the significant importance of maintaining its current patients as well as developing new patients.

**Strategies**

UTHCT understands the importance of building new clinics and will undertake necessary needs assessments to identify what specialties are needed and in what specific areas. Also, to retain the current patient load and to increase the referrals of current and new patients to UTHCT, various key steps have been undertaken:

- Patient satisfaction is very important. The training of all employees has begun on how to improve individual and overall patient satisfaction.
‘Same Day Appointments’ have been implemented in several UTHCT clinics.
UTHCT is exploring the expansion of certain practice hours to include Saturday hours.
UTHCT phone system has been improved.
First Annual “UTHCT Healthy Families Day” held at UTHCT on April 9, 2005. Among the attractions were: free health screenings; various health seminars (some were age-specific); educational materials for parents/families, with UTHCT staff available for questions; free hotdogs/water/snacks; entertainment by several local groups; face painting; and train rides, jump rooms, and wheelchair races for small children.
UTHCT employees are encouraged to be ambassadors for UTHCT.
UTHCT management is working on ways to improve employee satisfaction since this has a direct impact on patient satisfaction.
UTHCT leadership has reached out to certain independent non-affiliated practitioners in UTHCT’s service area to meet their needs as well as to increase referrals to UTHCT.

Resources
a. Current referring physicians.
b. Community physicians in UTHCT service area - need to continue to educate and develop loyal referral base.
c. Current patients.
d. Family Medicine physicians in East Texas trained by UTHCT.
e. UTHCT employees.

Progress Measures
a. Identification of new patients.

UPDATE:
• Patient Satisfaction – A campaign was specifically developed to address improving patient satisfaction in the outpatient clinics. All employees who are assigned to outpatient care are required to receive this extensive training. The initial feedback from the patients has been very positive.
• “Same Day” appointments – To date, UTHCT has been able to document 12 percent of new patient appointments as a direct result of this change.
• Expansion of clinic hours - Initial focus of the extended clinic hours were in the evening hours and in the primary care clinics. To date, primary healthcare, internal medicine, GI, and the Center for Healthy Aging have extended their hours on Thursdays to 7 p.m. Pediatrics has expanded hours on Tuesday, Wednesday, and Thursday (8:30-6:30).
• Employee satisfaction – UTHCT now conducts an annual measurement of employee satisfaction. From January 2004 to January 2005, there was a statistically significant improvement in employee satisfaction.
• Recruitment of new physicians has resulted in the new Chair of Medicine, the new Chair of Surgery, and a new head of Women’s Health.
• UTHCT is exploring clinical collaborations with other medical centers in the East Texas area.

Obstacles
• The increasing competition from other healthcare entities and hospital systems, especially in the counties north of I-20.
• Depth and breadth of UTHCT professional staff referral base.
• Overcoming the following stigmas: 1) “Texas Chest” Hospital; 2) “TB Sanitarium”; and 3) “Public or State Hospital.”
B. Long-term Goals

1. **Formation of a strategic educational alliance between UTHCT and UT Tyler resulting in joint graduate and undergraduate schools in health and biological sciences that will become the major teaching entities in health sciences and biotechnology in East Texas**

**Objectives:**
Discussions between UT Health Center and UT Tyler were held throughout 2003 on building further collaborations between the two institutions. Presidents Calhoun and Mabry and key executive personnel from each institution met in early February 2004 and agreed to make UTHCT and UT Tyler the major teaching entities in health sciences and biotechnology for East Texas and outlined strategies to make that priority a reality.

Although the names of each entity described below have not yet been finalized, UTHCT and UTT have agreed to work towards developing the following:
- Joint School of Graduate Studies in Biological, Biomedical, and Allied Health that will offer advanced degrees in these areas.
- Joint School of Health Sciences focusing on rapid development of educational programs in allied health fields and nursing.

**Strategies**
The above objectives will require:
- Joint faculty and financial support from both institutions for each school. Joint faculty appointments already have been implemented in certain areas, and others will be considered as the need arises.
- Approval of UTHCT and UT Tyler TRB requests for teaching facilities.
- Approval of the state legislature and Texas Higher Education Coordinating Board for UTHCT to have degree-granting authority.
- Contributions by UT System in terms of financial, organizational, and academic expertise.

UTHCT and UT Tyler will:
- Establish a planning committee comprised of key representatives from each institution to develop structure, governance, participation, etc., for the schools.
- Develop support for the above entities among faculty and the community.
- Continue joint faculty appointments.
- Continue joint faculty recruitment, as necessary, to support collaborative educational and research initiatives related to aging and other issues.
- Provide seed research grants.

UTHCT’s degree-granting authority will strengthen UTHCT’s graduate degree work with other institutions of higher education, support its current medical education programs, result in a sufficiently trained workforce to treat certain diseases, and will support the research endeavors at UTHCT. The following actions will be taken in the next several months:
- Continue discussions with UT System and UT M. D. Anderson to learn from their expertise and experiences.
- Work with the Higher Education Coordinating Board in pursuit of degree-granting authority.
- Initiate contact with local elected state representatives and senators to develop a bill for the approval of the 79th Legislature for degree-granting authority for UTHCT.

**Resources**
- Increasing clinical revenue at UTHCT Health Science Center.
- Tuition revenue.
- State funds allocated to support education.
d. Indirect research revenues.
e. Philanthropic funding.

Progress Measures
UTHCT is exploring a partnership with UT Tyler in the development of a Joint School of Graduate Studies in Biological, Biomedical, and Allied Health that will offer advanced degrees in these areas and a Joint School of Health Sciences focusing on rapid development of educational programs in health fields. The entities named above should be viewed as working titles as they not have yet been finalized.

Once UTHCT receives its degree-granting authority from the state legislature and the Texas Higher Education Coordinating Board, it will enhance collaboration with other institutions - such as UT Tyler - and issue degrees jointly.

UPDATE:
• The development of the Joint Institute between UTHCT and UTT is currently on hold pending resolution of certain management and funding questions.
• As mentioned above, the 79th Texas Legislature approved UTHCT’s degree-granting initiative, and the Governor signed this bill on June 1, 2005. UTHCT plans to submit its request for planning authority to the Texas Higher Education Coordinating Board at or before its October 2005 Quarterly Board Meeting. In addition, UTHCT is researching the accreditation requirements of the Southern Association of Colleges and Schools (SACS).

Obstacles
a. Identify adequate resources between UTHCT and UT Tyler as both are relatively new to the UT System and in need of considerable infrastructure support.
b. Win the support of each institution’s respective faculty of these collaborative initiatives.

2. Build prestigious research program

Objectives
UTHCT allowed its research expenses to diminish over several years. Steps were taken in FY03, and will continue through FY04-FY06, to expand the research program at UTHCT. Those activities are designed to significantly increase the extramural funding, as well as promote initiatives to improve state and local funding, for UTHCT.

Strategies
Among the initiatives to expand the research program at UTHCT are the following:

a. Enhance collaborative activity among investigators. This strategy will provide a foundation for the acquisition of collaborative research projects such as NIH Program Project Grants. These grants afford more financial resources to conduct research projects and provide extramural funding that may be used to leverage institutional funds to facilitate the development of core research facilities.
b. Increase mission-defined research. Mission-defined research will be increased by thematic recruitment in the areas of infectious disease or lung injury and repair, areas in which UTHCT has a foothold with NIH-funded faculty. UTHCT investigators have also focused on cardiovascular diseases. Increased funding could also result from fostering new scientific interactions between labs, which UTHCT has not effectively done in the past but plans to pursue to increase extramural funding.

Some of the incentive to develop collaborative research programs is financial. The research incentive plan is predicated on the acquisition of extramural funding and is robust (i.e., up to a 25 percent increment over the salary base is now allowed under the existing research incentive
plan for research faculty). Some of the incentive relates to job security and satisfaction, career advancement (including promotion), and expansion of the investigator’s scientific program.

c. Identify new research opportunities that complement current strengths. This strategy will promote the discovery of new avenues by which the strengths of the existing research programs can be deployed effectively and will promote the acquisition of extramural funding.

d. Increase clinical faculty involvement in research activities. Greater participation of clinical faculty in research will require recruitment of appropriately trained faculty. Extramural funding opportunities and logistic support for interested faculty are now being provided through Pre-awards and the Clinical Research Office. Expanded interactions between basic and clinical faculty are now being encouraged by senior administration. A new compensation plan requires research activities or substitution of increased activities in clinical, service, or educational areas for clinicians who do not engage research activities. Financial incentives for clinical faculty are being developed.

e. Refine, develop, and enhance research infrastructure. The growth of the research program will support the following: 1) the growth of scientific discovery; 2) the acquisition of new intellectual property; 3) the introduction of new jobs to the Tyler community; and 4) increased research expenditures. New core facilities and core support functions will now need to be introduced into the UTHCT research support paradigm to effectively promote rapid entry of the individual investigators into collaborative projects and to support the acquisition of new extramural funding.

f. Initiate research in healthy aging and other initiatives by deployment of intramural seed grants. These seed grants will be used to allow UTHCT faculty to initiate new competitive research projects that may ultimately be used to compete for new extramurally supported grant funding.

g. Develop new research programs with academic and biotechnology partners. Partnerships will be sought to strengthen the competitiveness of current research programs and will promote the maintenance and growth of UTHCT research projects and their competitiveness in terms of extramural funding. These new partnerships are timely, as the durability of extramurally funded research programs relies heavily upon the ability to rapidly deploy new technologies and expertise in order to maintain a competitive advantage.

In addition, the principal extramural research initiatives include the following:

a. Texas Lung Injury Institute – This new research program is focused on research programs that relate to its central theme of lung injury and its repair. The projects involve collaborations with investigators from Duke, University of Pennsylvania, University of California at San Francisco, and industry. Lung injuries addressed by this work encompass diseases occurring at all ages, including lung scarring that occurs in geriatric populations.

b. Expansion of the Center for Pulmonary and Infectious Disease Control (CPIDC) – CPIDC addresses four critical needs:
   1. To focus on serious infectious diseases, particularly those of a chronic nature, that currently threaten the United States.
   2. To identify, measure, and interpret the complex time-related concentration, activity, and, flux of metabolites in infectious organisms and tissue cells.
   3. To advance the understanding of the genetic and molecular basis of how infectious agents, including tuberculosis and select agents, are transmitted and cause disease.
   4. To use better understanding of how infectious agents cause disease to accelerate the introduction of new therapeutics for serious infectious diseases into clinical practice. Therapy for many of these diseases is now unsatisfactory.

UTHCT is already affiliated with the Regional Center for Excellence for Biodefense and Emerging Infectious Diseases Research (RCE) that The University of Texas Medical Branch at Galveston (UTMB) was awarded and provides clinical support and hospital facilities that would be used in the event of a bioterror attack. The Institute therefore complements and builds upon the existing federally funded clinical and basic research programs to which UTHCT is now committed.
c. Development of a Minority Health Disparities program – UTHCT collaborated with and was awarded a grant with Texas College to study minority health disparities. This NIH-sponsored project is the first of its kind in East Texas and is designed to promote clinical research to identify new opportunities to improve healthcare for diabetic minority patients and others in rural Texas. UTHCT will continue to develop and expand this initiative.

Resources
a. Federal earmarks, with assistance from the UT Office of Federal Relations.
b. Philanthropic funds.
c. State research funds.
d. Indirect research revenue.
e. Clinical revenue. The new UTHCT clinical compensation plan (“Towards an Academic Faculty”) is designed to promote research and other academic efforts on the part of clinical faculty and might thereby promote acquisition of new extramurally funded research by current clinical faculty members. Indirect revenue derived from such efforts will, in part, support the expansion of research programs at UTHCT. In addition, the plan rewards clinical productivity and should expand MSRDP seed support of research programs at UTHCT. This support will be used to initiate new programs that will be competitive for extramural funding.

Progress Measures
Expand UTHCT research program to $5 million in extramural grant monies by August 31, 2006. The progress measures are addressed according to each of the specific strategies articulated above:

UPDATE:
a. Enhance collaborative interaction between investigators: The first NIH Program Project at UTHCT was obtained and is scheduled to be initiated in July 2005. Dr. Steven Idell is the PPG Program Director. The PPG involves several UTHCT investigators, clinical faculty, and support personnel whose salaries were previously paid in full by state funds. These salaries are now supported through the PPG. Plans for additional collaborative research efforts are now being made. Scientific focus groups in lung injury and infectious disease have been initiated to promote scientific interactions designed to lead to initiation of new collaborative programs that will lead to additional extramurally-supported, peer-reviewed research funding.

b. Increase mission-defined research: The PPG is in the field of lung injury, and several other related federal grants in the area of tissue inflammation and repair were funded in 2004. All federal awards are projected to increase to $9.7 million by August 31, 2005, representing a 49 percent increase over FY04. The number of federal awards increased from 30 to 35 during this time. New grants in the field of inflammation and innate immunity complement the new PPG in the theme of lung injury and repair. In the field of infectious disease (another area of strength of UTHCT research), three new NIH grants were recently acquired to consolidate the mycobacterial lung disease research program conducted through CPIDC. The funding of these investigators sets the stage for collaborative research programs in this area, which are being encouraged at the administrative and investigator levels.

c. Identify new research opportunities that complement existing strengths: Development of new academic and biotechnology partnerships to promote growth of extramurally-funded, peer-reviewed research programs. Plans for new PPG opportunities in lung injury and mycobacterial disease are being made now, and focus groups (including UTHCT faculty) have been convened in both these areas. Two new NIH grants with the University of Colorado, National Jewish Medical and Research Center, and Duke University were recently obtained in lung injury and repair. Another NIH-funded grant in the field of lung injury has recently been funded in collaboration with the University of California at San Francisco. These partnerships, which involve some of the strongest pulmonary disease programs in the U.S., strengthen the UTHCT effort in lung injury and expand the scope of this program. In the field of infectious disease, collaborations between the CPIDC faculty and basic research faculty are being made with LSU,
New Orleans. The University of North Texas (UNT) is providing biostatistics support for a new PPG that is being planned in lung injury. The effort will involve collaboration between UTHCT and other UT System institutions to accomplish successful patient recruitment. Investigators at UNT have now been included to support biostatistics in the NIH EXPORT project, thereby strengthening that project and enhancing the capacity of UTHCT faculty partners to transition that grant into the next phase of NIH funding. Plans for development of research programs that involve faculty from UTT and UTHCT have been developed and will hopefully be implemented in the coming year. Several investigators at UTHCT have initiated partnerships with biotechnology firms, including pharmacy partners such as NovoNordisk and Chiron. Partnerships with smaller biotechnology firms have been developed and are now operational. One such partnership (Attenuon, San Diego) enhanced the competitiveness of the recently acquired NIH PPG in the field of lung injury. That partnership is being consolidated to promote translational research at UTHCT and the development of new therapeutics for protection against lung injury and scarring. These initiatives are scientifically sound and facilitate rapid transition of bench research developed at UTHCT to clinical trials and new peer-reviewed, extramurally-funded research projects.

d. Increase clinical faculty involvement in research activities: Clinical faculty are involved as paid co-investigators in the newly-funded PPG in lung injury and repair. Plans for a new NIH initiative, either a PPG or SCCOR grant, are being made to translate interventions developed at UTHCT into clinical trials. Industry-sponsored research initiatives in pulmonary disease, internal medicine, lung cancer, heart disease, and pulmonary vascular disease are being sought. Several members of the clinical faculty have now joined the minority health disparities research effort, including the recently funded NIH EXPORT grant in this area.

e. Refine, develop, and enhance research infrastructure: A new research wing was completed this past year, and the grand opening occurred April 6, 2005. This wing will provide roughly 30,000 square feet of lab space and 17 new labs that will enhance recruitment efforts. Capital expenditures are being made to support four new investigators who were hired during this past fiscal year, including new equipment to enhance the emerging immunology program that will complement the infectious lung disease focus at UTHCT. Along these lines, research expenditures are projected to continue to increase by the end of FY05 and to reach $11.7 million, an increase from $10.2 million the prior year.

f. Initiate research in healthy aging and other initiatives by deployment of intramural seed grants: The first intramural grants in these areas were awarded last fall (FY05). The investigators who received these grants were informed that continuation for the projects with acquisition of further NIH support was desired and anticipated.

**Obstacles**

a. Increasing competition for recruitment of quality researchers.
b. Lack of association with a graduate school of biomedical science or of public health.
c. Limited institutional resources to support research initiatives. The availability of these resources in part depends on a robust clinical practice. Challenges to the growth of the practice are addressed in previous sections of this document.
d. Decreasing NIH pay-lines. While a problem for all research programs, this is a particular problem for the growth of UTHCT research as UTHCT investigators rely mainly on NIH funding to support their work. UTHCT has the highest ratio of research faculty who serve as Principal Investigators on NIH projects (almost 75%). Maintenance of these programs is threatened by the decline of NIH pay-lines. Most UTHCT investigators are relatively junior in their careers, and their scientific capability and competitiveness are still evolving. They are the most vulnerable to the extreme downward shifts in the pay-lines (about 30% to 16% currently), as have occurred at NIH.
3. **Develop comprehensive clinical care for veterans in East Texas**

**Objectives**
Tyler and its surrounding communities are fast growing retirement areas and have been hailed as one of the best retirement areas in the country. Many of these retirees are veterans. These veterans currently have access for their primary care needs in Tyler, Texas. However, for any necessary specialty care, laboratory services, pharmacy needs, diagnostic testing, etc., veterans must travel to Dallas or Shreveport. These distances often present barriers to veterans in their need to obtain required healthcare.

UTHCT proposes to offer the full spectrum of healthcare for these East Texas veterans:
- Outpatient (primary and specialty care) – regain contract from VA.
- Inpatient – obtain contract from VA.
- Nursing home – obtain funding.

UT Health Center at Tyler has a history of taking care of veterans. UTHCT is located on the grounds where Camp Fannin was located. Camp Fannin was an infantry Replacement Training Center during World War II. By the end of World War II, more than 250,000 young men had trained at Camp Fannin. In addition, the Camp Fannin Station Hospital, a 1,074-bed facility, cared for thousands of sick, wounded, and injured GI’s from 1943-46. This hospital was turned over to the state of Texas and eventually became UTHCT.

**Strategies**
UTHCT previously held a primary care services contract with the Veterans Administration (VA) that ended in 2002 over reimbursement issues. A comprehensive clinical care program for veterans would allow UTHCT to offer primary care, specialty care, lab, pharmacy, diagnostic testing, and inpatient care services to veterans in East Texas. These services are at a location that is closer to home for these veterans, many of whom reside in rural areas.

UTHCT is willing to cooperate with the VA to develop a reimbursement package for primary and specialty care that would result in an overall cost reduction to the VA for healthcare services for East Texas veterans. In addition, in 2002, the state of Texas designated Smith County and the UT Health Center at Tyler as a site for a VA nursing home, but funding has not yet been allocated. When that occurs, this nursing home will be another component in the spectrum of care for veterans in East Texas.

**Resources**
UTHCT plans to incorporate the veteran primary care and specialty care services into its existing clinic operations. UTHCT would be reimbursed for clinical care services under the contractual terms with the VA.

UTHCT has requested the assistance of the UT System Office of Federal Relations (OFR) to help UTHCT develop this proposal to the VA. When appropriate, UTHCT will need the assistance of the OFR to facilitate the contacts and follow-up with key policy-makers to ensure the success of this proposal.

UTHCT may also need the assistance of the UT System to work with the Texas Veterans Land Board regarding funding for the VA nursing home. The VA nursing home would be located on UTHCT property, but no state funding is necessary for staffing or managing the operations.

**Progress Measures**
- UTHCT establishes a comprehensive clinical care program to attract East Texas veterans to UTHCT.
- Texas Veterans Land Board funds the VA nursing home on UTHCT campus.
UPDATE:

- The Texas Veterans Land Board Commissioner visited UTHCT in early February 2005 and indicated that the Land Board planned to build nursing homes in northeast Texas and in Houston when federal funding became available. The commissioner also stated that when the Veterans Land Board requested federal funding in FY06, UTHCT would not have to re-submit its proposal. UTHCT will work with the regional stakeholders, county judges, and elected officials to ensure that UTHCT is the site selected by the Land Board for the East Texas location.

- Also, UTHCT plans to submit an application to the Veterans Administration when the primary care contract for East Texas is re-bid in 2006.

Obstacles

a. Convincing the VA to allow UTHCT to provide clinical services to veterans in this region.

b. Obtaining final approval from the Texas Veterans Land Board of the Texas Land Commission for the construction of the veteran’s nursing home on the UTHCT campus.

4. **Build/expand infrastructure to support education, research, and patient care and beautification of campus**

Objectives

The UTHCT campus features several construction projects totaling $20 million that are underway and will revitalize UTHCT’s Emergency Care Center, expand its research enterprise, and provide a more appealing and efficient patient care environment. In order for UTHCT to become a degree-granting institution, UTHCT must have classroom and conference room space. UTHCT currently has graduate degree program partnerships with Stephen F. Austin University and Texas A&M University (and in the near future with UT Tyler) that require educational and conference room space. Throughout the year, UTHCT offers a myriad of professional development programs, CME and CNE classes, and Grand Rounds. Adequate seating is often limited given UTHCT’s current auditorium and conference rooms, so additional conference room space is needed. UTHCT does not currently have the requisite classroom space required to support the growing educational endeavors at UTHCT.

Strategies (updated target dates or accomplished dates are highlighted below)

a. UTHCT submitted a request to the UT System for assistance in obtaining a Tuition Revenue Bond (TRB) for an Education and Conference Center in the amount of $35 million **(revised: $32.4 million, as $2 million was donated for this project)**. Projected uses of this facility include a medical library of sufficient size to support the expanding portfolio of educational activities; conference rooms to support these programs; an auditorium large enough to accommodate existing and projected near-term demand; classrooms; offices; and related support areas. Also, TRB funds will be used in renovation of existing facilities as space becomes available when functions and staff are relocated to the Academic Center.

b. An $11 million construction project on UTHCT’s Biomedical Research Wing began in December 2003 and is scheduled for completion in early 2005 **(grand opening, April 6, 2005)**.

c. UTHCT campus features several major and minor construction projects designed to spruce up its “curb appeal” for patients, visitors, and employees. These funded projects and their completion dates include:
   1. Improvements to the Ambulatory Care Center parking lot **(April 2005)**.
   2. Renovations to the Center for Biomedical Research **(will not be done)**.
   3. Remodeling of the old laundry building into the Public Health Laboratory of East Texas (PHLET) **(grand opening, June 9, 2004)**.
   4. Beautification of the UTHCT campus **(multiple completion dates; lobby and cafeteria restrooms to be done in 2005)**.
   5. Renovations to the Emergency Care Center **(August 2005)**.
   6. Resurfacing of campus parking lots and streets **(in progress)**.
7. Finishing the fourth floor of the Ambulatory Care Center (June 2005).

Resources
a. UTHCT submitted to the UT System a request for a Tuition Revenue Bond Project in the amount of $35 million to be considered by the 79th State Legislature (revised: $32.4 million requested, as $2 million was donated for this project).
b. Included in that request is a request for at least $1,250,025 for renovation costs.

Progress Measures
a. Approval by the state legislature of the Education and Conference Center at UTHCT.
b. During FY05-FY06, $1 million investment by UTHCT on campus beautification measures.

UPDATE:
- UTHCT submitted a TRB application to the Texas Higher Education Coordinating Board in 2004 for an Academic Center; THECB rendered an “Excellent Evaluation” for this Academic Center.
- In March 2005, the Texas House of Representatives favorably considered this TRB, pending appropriations by the legislature. The Texas Senate rolled each institution’s TRB requests into one TRB bill, pending final approval and if funding is available. It is unclear whether the 79th State Legislature will approve and fund this TRB or any TRB requests. The 79th Texas Legislature did not pass any TRBs during its regular session. Hopefully, the school finance issues will be resolved during the first special session this summer. UTHCT is continuing to pursue a TRB for an Academic Center in the amount of $32.4 million.
- The Biomedical Research Center exterior has been repainted, and the landscaping was upgraded in March 2005.
- Several major infrastructure projects have been completed, including the replacements of the campus water mains, the replacements of air handling units, upgrades to interior lighting for energy efficiency, and the replacements of shower valve assembly in patient rooms.
- Under-utilized space in the hospital has been renovated, and the new CF Center had its grand opening on March 10, 2005.
- The morgue has been renovated.

Obstacles
a. Highly competitive community for philanthropic funds.
b. Lack of alumni to support initiatives at UTHCT.
c. Inadequate investment in UTHCT in previous years.
d. Inability to obtain adequate PUF funding for UTHCT.
e. History of UTHCT not using debt instruments to build campus.

III. Future Initiatives of High Strategic Importance

1. Formation of a strategic educational alliance between UT Health Center at Tyler and UT Tyler to make UTHCT/UTT the major teaching entities in health sciences and biotechnology in East Texas, which will require UTHCT obtaining degree-granting authority.

This initiative has been discussed previously in another section of this Compact in which objectives, strategies, resources, and progress measures are outlined (see Section II.B.1). Because of the long-range aspect in achieving this goal and the importance it represents to the goals of both UTHCT and UT Tyler and to UT System goals, it is also listed as Future Initiatives of High Strategic Importance.

UTHCT and UT Tyler have agreed to work towards the development of Joint Schools of Health Sciences and of Graduate Studies in Biological, Biomedical, and Allied Health. This endeavor will
consist of joint faculty, chairs, and collaborative research (May 1, 2005 - on hold, pending resolution of certain management and funding questions).

Degree-granting authority will strengthen UTHCT’s graduate degree work with other institutions of higher education. These degrees will support UTHCT’s medical education programs. UTHCT would be able to train graduate students in biotechnology/biomedical areas that will result in a sufficiently trained workforce to treat certain diseases and support commercial biotechnology efforts. They will help support the growing research endeavors at UTHCT and UT Tyler. Moreover, these educational programs are desperately needed in East Texas. East Texas students would be able to obtain health-related baccalaureate degrees. Also, the programs will attract trainees on a national basis.

Collaborations with UT Tyler will meet the 78th State Legislature’s direction that the UT System encourage more collaboration among institutions of higher education. These collaborations will also increase research opportunities for both UTHCT and UT Tyler. They will facilitate the efforts of each institution to make tangible progress towards achieving academic and healthcare excellence.

**UPDATE:** See Section II.A.1.

2. **Expand UTHCT’s externally funded research to $30 million program within the next 10 years**

Investments that support the growth of the faculty, their capital equipment needs, and infrastructural support will need to be implemented in order to facilitate the development of an internationally recognized research program primarily supported by extramural funding of $30 million at UTHCT within the next 10 years. UTHCT posits that the growth of an academically acclaimed research enterprise can be achieved at UTHCT and that thematic growth - building upon its existing programmatic, intellectual, and material assets - will attain the desired financial parameters within a decade.

**Objectives**
UTHCT plans to promote the growth and academic stature of research programs at UTHCT that broadly engage the themes of infectious diseases, lung injury and repair, cardiovascular diseases, and clinical research in the disciplines of aging and health disparities (particularly in rural East Texas). There are internationally recognized investigators and their teams in place at UTHCT that are the foundation upon which further growth is predicated.

**Strategies**
UTHCT plans to incorporate practical, independent, but complementary elements that additively contribute to the growth of the research program at UTHCT:

- **a. Growth of the faculty -** Basic and clinical members will need to be recruited to attain critical mass to achieve the financial research program target, as described and justified below.
- **b. Acquisition of requisite capital assets -** The new investigators will require investments in capital assets to support their work, including laboratory equipment as described below.
- **c. Acquisition of a graduate degree-granting program in the Biomedical Sciences -** The basic investigative teams require adequate staffing, primarily with post-doctoral fellows and graduate students, to accomplish the work proposed in the grants. It is therefore critical that a graduate program in the Biomedical Sciences offering Ph.D. degrees be established at UTHCT over the next five years. The requested resources described below are therefore justified by logistic necessity, by critical need to support the work product of the research program, and by the requirement to provide intellectual vitality to the enterprise.
- **d. Infrastructure development -** Research facilities, including basic laboratories, vivarium facilities, specialized laboratories with BSL-3 capacity, and a Clinical Research Center, will need to be built to house the new investigators.
**Required Resources**

UTHCT recognizes that revenue derived from current extramural funding needs to be leveraged to foster the growth of the research program at UTHCT. Therefore, indirect revenue from existing grants will be committed to that growth. Additional faculty will need to be recruited in key areas including genomics and proteomics to achieve the desired growth of the research program within 10 years. A critical mass of new faculty members will need to be achieved and quartered in new laboratories. Given a robust target of $30 million of annual extramural grant funding in 2014 – a nearly 12-fold increment over current funding levels - and factoring in new collaborative efforts, the basic faculty extramurally-funded investigators will need to quadruple from current levels (from 16 to 64). Additional clinical faculty with extramurally-funded research will need to be recruited to leadership and staff positions. Over the next decade, 36 such clinical faculty will need to be recruited with academic interests in any of the key disciplines: infectious disease, lung injury and repair, or clinical investigation. These investigators will require at least a quadrupling of our existing and new laboratory space, currently about 130,000 sq. ft. Building costs will therefore approximate $44 million dollars. Capital equipment costs, including lab start up packages for new faculty, are estimated conservatively at $12 million. Support of beginning investigators (30) will conservatively cost $3 million, assuming commitments averaging $100,000/year for three years. Vivarium and specialty building projects, such as BSL-3 facilities, to support the growth of the research program are estimated to cost another $15 million over the next decade. Commensurate salary and fringe benefits, assuming a 40 percent coverage through extramural support and a mean salary of $120,000 x fringe of 25% = $150,000 and 84 new basic or clinical faculty, will account for a $7.5 million increment in salary support for the investigators during this time, prorated on an annual basis. The creation of a fully-equipped Clinical Research Center supported by NIH funding will require and initial investment of $2 million. The Clinical Research Center will be needed as the clinical core of investigators expands to support in- and out-patient clinical research activities in the fields of lung injury, pulmonary medicine, and infectious lung diseases.

The Graduate Ph.D. Program in the Biomedical Sciences in the aggregate will require an investment of up to $10 million over the next decade, considering support functions, staff, and collaborations with UTT that will require financial resources.

**Progress measures**

These parameters are the same applied to the assessment of the productivity of all UT components. They include assessment of total extramural grant support including direct and indirect revenue and research expenditures, endowments and their expenditures, numbers of grants obtained by funding source, awards of larger grants including Program Project Grants (PPGs) and Special Clinical Center for Research (SCCOR) grants, honors and awards given to the faculty, manuscripts published and citation scores of the journals in which they appear, regional and national rankings in terms of funding of the aggregate research effort and prorated by faculty member, percentage of faculty funded by extramural grants and research expenditures as a whole and considering operational costs born by the institution.

**UPDATE:**

As mentioned earlier, Dr. Steven Idell received an NIH Program Project Grant for $7.8 million. Dr. Idell is Program Director and a Project Leader for this PPG. Two other UTHCT investigators, Drs. Sreerama Shetty and Vijay Rao, will also direct projects affiliated with this NIH PPG. The PPG will conduct studies to determine how regulation of the fibrinolytic system affects acute lung injury and its repair. The PPG involves a partnership with investigators at UTHCT, the University of Pennsylvania, and a Biotech firm in San Diego (Attenuon, LLC).

In order to assess the progress UTHCT has made in its research program, a brief history of awards received by UTHCT (as of March 29, 2005) is listed below:
• The funding sources for the UTHCT awards are as follows: 82% Federal; 7% Industry; 5% Foundations; 3% State; and 1% Local Government.
• Total awards to UTHCT increased from $7.0 million in 2002 to a projected $11.4 million in 2005. The awards are projected to increase 27 percent over FY04.
• Federal awards have increased from $3.9 million in 2002 to $9.7 million projected for 2005.
• Total research expenditures grew from $8.9 million in 2002 to a projected amount of $11.7 million in 2005.
• Total number of projects in the research program – 70 new awards, a 54 percent increase over FY03.
• Projected federal awards total $9.7 million in FY05 – an increase of 87 percent over FY03.

3. **Develop four major centers for excellence**

UTHCT is not, nor will ever be, a large enough institution to excel in all educational, research, and clinical areas. Therefore, UTHCT plans to focus its attention in four distinct areas and to develop Centers of Excellence in those areas over the next ten years. UTHCT already has many programs and initiatives in place or planned to support these four areas:

a. Geriatrics – The Center will focus on the Healthcare challenges of individuals living in rural and small communities, particularly in East Texas.

b. Lung Diseases Research – The Center will focus on lung injury and repair, as well as the development of new clinical modalities for the treatment of lung disease.

c. Infectious Diseases and Center for Pulmonary Infectious Disease Control (CPIDC) – The Center will continue to expand its research efforts in infectious diseases such as TB, atypical mycobacterial disease, chronic infections, and new and emerging diseases.

d. Rural Health Disparities – The Center will focus on the challenges facing special populations in rural areas, particularly poor areas such as northeast Texas.

**Objectives**

As each of these Centers for Excellence is developed, the goals for each are as follows:

a. Become a major research and teaching entity at UTHCT specifically related to these four areas.

b. Develop a substantial budget and generate revenue attributable to these centers.

c. Achieve a statewide reputation and respect so that UTHCT becomes an institution that others pursue for education, research, and patient care.

**Strategies**

The following strategies have been initially identified to make these four Centers for Excellence a reality within ten years:

a. Develop business plans for each area and implement the action plans outlined in each plan.

b. Raise the necessary funds and develop revenue-generating strategies so that the UTHCT mission for education, research, and patient care is met.

c. Seek and obtain UT System support.

d. Seek and obtain state and federal legislative support.

e. Redirect clinical revenue and indirect research revenue.

**Resources**

a. Local revenues.

b. Indirect revenue funds.

c. Philanthropic funds.

d. State funds.

e. Tuition revenue.

f. Federal earmarks.
Progress Measures
Over the next ten years, UTHCT expects each of the four Centers for Excellence outlined in this section to be generating a minimum of $4 million a year in externally-funded projects.

IV. Other Critical Issues Related to Institutional Priorities

A. Impact of Initiatives - summary of the impact this initiative may have on the following areas and initial ideas for addressing them - if not already discussed in sections II-III above:

a. Enrollment management: The UTHCT initiatives outlined above will provide more opportunities for East Texans to pursue education in healthcare in their own community.

b. Diversity: These initiatives will allow rural populations, particularly rural minority populations, to benefit from UT program to the same extent as those offered in urban areas.

c. Community and institutional relations: The initiatives will improve the UT image in East Texas.

d. Finances and Facilities: As stated in the initiatives above, they will improve educational opportunities for residents in East Texas and stimulate the East Texas economy.

UPDATE: As one of its priorities, UTHCT has plans in place to expand its outpatient clinics and increase the outpatient referrals. Hopefully, this will result in UTHCT being able to open four to five new outpatient clinic locations in the next few years. The recruitment of 17 new faculty is in progress, as well as the development of a comprehensive business plan to increase the growth at UTHCT.

e. Other infrastructure issues: UTHCT believes that additional infrastructure is essential to the development of these initiatives.

B. Unexpected opportunities or crises - None identified.

V. System and State Priorities

A. Increasing student access and success and collaboration among UT System institutions, particularly academic-health institution collaborations.

The development of an academic program at UTHCT, especially in collaboration with UT Tyler, will aid in the UT System efforts to Closing the Gaps that exist in Texas, particularly for rural populations in East Texas.

B. Increasing external research funding

The development of a graduate studies program in East Texas is absolutely critical to UTHCT and UT Tyler in obtaining greater research funding.

VI. Compact Development Process

UPDATE:
The UTHCT Strategic Plan FY04-FY07 is still the framework under which this revised Compact was developed. It was shared with the following entities in order to elicit comments and suggestions in order to have input from various facets of UTHCT:

- Council on Corporate Culture - Comprised of 13 members from all components of UTHCT, the Council's purpose is to improve the working environment and the culture for all employees of UTHCT. It also provides a venue for employees who have suggestions for the various policies of UTHCT, as well as for those who have grievances.
• Institutional Education Council - This Council includes individuals at UTHCT, as well as external individuals and educators not employed by UTHCT. Its purpose is to support the development and oversight of UTHCT’s degree offerings, the attainment of accreditation from SACS and other bodies indicated by programs, and the educational components of research initiatives.
• Research Faculty Assembly and Clinical Faculty Assembly - These assemblies are comprised of UTHCT faculty who are involved in the research and clinical enterprises of UTHCT.
• Administrative Council is UTHCT’s executive leadership team.
• Various individual administrators and faculty have contributed to the FY06-07 updates to the Compact.

VII. System Contributions

- Support for improving patient volume and financial performance (Health Affairs).
- Collaborations support with other institutions (Health Affairs; Academic Affairs).
- Legislative budget support (Health Affairs, Governmental Relations).
- Fundraising (External Relations).
- Support for additional education and research facilities (Government Relations; Office of Facilities Planning).
- Support for growth in UTHCT endowments (External Relations).
- Term tenure for UTHCT faculty (Health Affairs; Academic Affairs).
- Support for UTHCT campus infrastructure (Health Affairs; Office of Facilities Planning).
### VII. Appendices

#### A. Budget Summary

The University of Texas Health Center at Tyler  
Operating Budget  
Fiscal Year Ending August 31, 2005

<table>
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<th>FY 2004 Adjusted Budget</th>
<th>FY 2005 Operating Budget</th>
<th>Budget Increases (Decreases) From 2004 to 2005</th>
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<tr>
<td>Operations and Maintenance of Plant</td>
<td>10,358,357</td>
<td>7,894,755</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>769,977</td>
<td>852,071</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>128,277,566</td>
<td>120,821,277</td>
</tr>
<tr>
<td><strong>Operating Surplus/Deficit</strong></td>
<td>(40,002,143)</td>
<td>(37,294,221)</td>
</tr>
<tr>
<td><strong>Nonoperating Revenues (Expenses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations &amp; HEAF</td>
<td>37,475,619</td>
<td>35,891,251</td>
</tr>
<tr>
<td>Gifts in Support of Operations</td>
<td>683,694</td>
<td>469,490</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>2,574,779</td>
<td>2,553,404</td>
</tr>
<tr>
<td>Other Non-Operating Revenue</td>
<td>1,079,396</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Other Non-Operating (Expenses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Non-Operating Revenue/(Expenses)</strong></td>
<td>41,813,488</td>
<td>39,914,145</td>
</tr>
<tr>
<td><strong>Transfers and Other:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUF Transfers Received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AUF Transfers (Made)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers From (To) Unexpended Plant</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers for Debt Service</td>
<td>(1,031,075)</td>
<td>(1,745,578)</td>
</tr>
<tr>
<td>Other Additions and Transfers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Deductions and Transfers</td>
<td>(219,255)</td>
<td>219,255</td>
</tr>
<tr>
<td><strong>Total Transfers and Other</strong></td>
<td>1,250,330</td>
<td>(1,745,578)</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 561,015</td>
<td>874,346</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 130,888,911</td>
<td>123,441,201</td>
</tr>
<tr>
<td><strong>Total Expenses and Debt Service Transfers</strong></td>
<td>(129,308,641)</td>
<td>(122,566,855)</td>
</tr>
<tr>
<td><strong>Surplus (Deficit)</strong></td>
<td>$ 780,270</td>
<td>874,346</td>
</tr>
</tbody>
</table>

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

#### UT Health Center - Tyler

<table>
<thead>
<tr>
<th>academic year</th>
<th>02-03</th>
<th>03-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accredited GME resident programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residents in GME accredited programs</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fiscal year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal research expenditures</td>
<td>$2,807,980</td>
<td>$3,063,099</td>
<td>$2,783,554</td>
<td>$3,493,251</td>
<td>$4,659,021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fall</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>All instructional staff</td>
<td>102</td>
<td>112</td>
<td>119</td>
<td>110</td>
<td>107</td>
</tr>
<tr>
<td>Classified employees</td>
<td>1,082</td>
<td>1,061</td>
<td>1,036</td>
<td>1,048</td>
<td>1,067</td>
</tr>
<tr>
<td>Administrative/professional employees</td>
<td>75</td>
<td>97</td>
<td>81</td>
<td>94</td>
<td>93</td>
</tr>
<tr>
<td>Student employees</td>
<td>11</td>
<td>14</td>
<td>13</td>
<td>11</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fiscal year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital admissions</td>
<td>3,504</td>
<td>3,714</td>
<td>3,554</td>
<td>3,805</td>
<td>3,765</td>
</tr>
<tr>
<td>Hospital days</td>
<td>28,163</td>
<td>29,802</td>
<td>29,451</td>
<td>29,021</td>
<td>26,942</td>
</tr>
<tr>
<td>Clinic visits</td>
<td>126,585</td>
<td>132,772</td>
<td>135,978</td>
<td>140,473</td>
<td>119,515</td>
</tr>
<tr>
<td>Un-sponsored charity care (charges)</td>
<td>$2,619,752</td>
<td>$3,261,170</td>
<td>$4,992,457</td>
<td>$5,405,720</td>
<td>$6,814,083</td>
</tr>
</tbody>
</table>

| as of | 8/31/99 | | | | 8/31/04 |
|-------|---------| | | | |
| Endowment total value | $16,473,000 | | | | $31,729,000 |