
LEADING IN A COMPLEX WORLD

CHANCELLOR WILLIAM H. MCRAVEN'S

VISION

— AND —

QUANTUM LEAPS

FOR THE UNIVERSITY OF TEXAS SYSTEM

PRESENTED TO THE BOARD OF REGENTS, NOVEMBER 2015

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Office of the

BOARD OF REGENTS

During my time as a UT System Regent, and most recently as chairman of the board, I have witnessed many great moments in the history of our individual institutions and significant, game-changing events for our system as a whole. No single event has left me more optimistic about the future of The University of Texas System than Chancellor William H. McRaven's presentation on November 5, 2015, of his bold vision and high-impact strategic plan for the University of Texas System.

Chancellor McRaven's plan honors the great work of his predecessors—with continued attention to the goals of Francisco Cigarroa's nationally-acclaimed *Framework for Advancing Excellence*—but at the same time is entirely fresh and innovative. What makes Chancellor McRaven's vision unique is that it is rooted in the lessons he learned during his 37-year military career—lessons that are entirely transferable to the world of higher education and health care.

This vision is built on the concept of collaboration and building networks of expertise. It is a blueprint for a new way of doing things, an approach that reaches across the state, across the nation, to bring together the sharpest minds and greatest resources to solve the world's most complex challenges, to accelerate discoveries and to make Texas the epicenter of innovation.

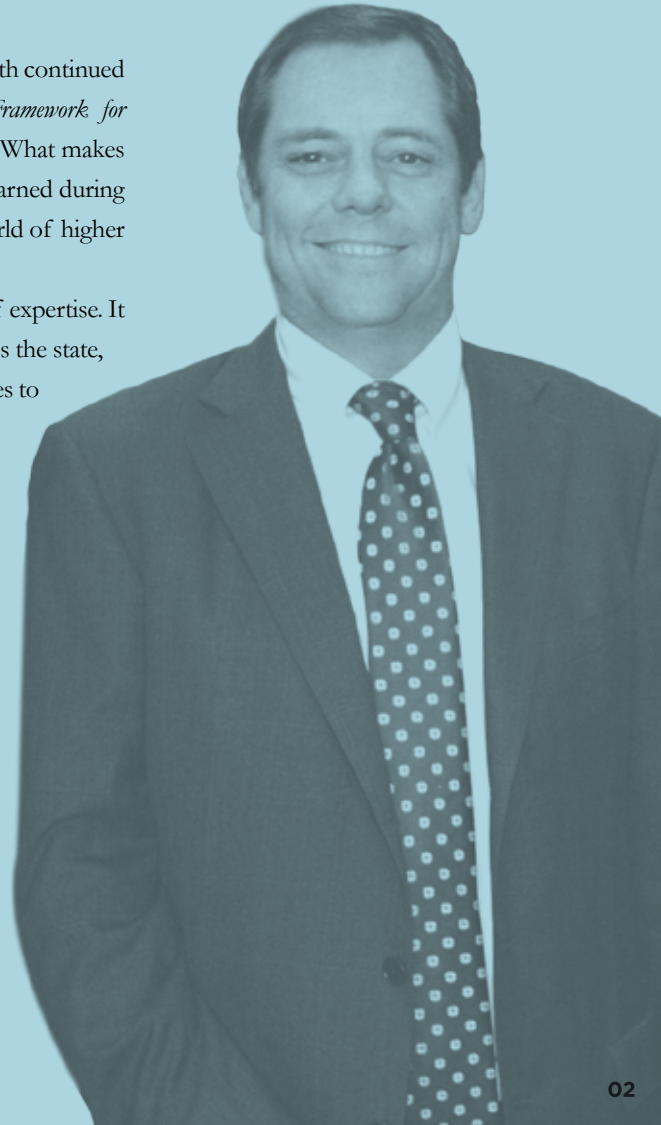
With our 14 wonderful institutions, stretching from one end of Texas to the other, the UT System is already shaping the future of our state, but we have set our sights even higher. I believe this strategic plan establishes a solid foundation for our ongoing efforts to enhance UT's legacy and record of leadership, excellence and service not just in Texas, but around the world.

Thank you for taking the time to read this presentation and for your support of the UT System.



Paul L. Foster

The University of Texas System Board of Regents Chairman



Office of the

CHANCELLOR

When I accepted the job as Chancellor of The University of Texas System, I have to admit, I didn't know exactly what to expect. I'd spent nearly four decades in what some might consider the most thrilling job imaginable and I was fairly certain that heading a university system did not entail jumping out of airplanes or pursuing pirates on the open seas. But a career in the Navy, and particularly my time leading U.S. Special Operations Command, prepared me for more than chasing bad guys. It taught me how to lead huge, complex organizations in an environment where the stakes could not be higher. How to be nimble and adapt in an ever-changing environment. How to inspire and empower your workforce and how to build a team of teams positioned for success.

This first year as chancellor has been challenging and exhilarating. From day one, I received a crash course in Texas-style lawmaking courtesy of 84th Session of the Texas Legislature. I also logged thousands of travel miles visiting our 14 institutions, and while the pace was unrelenting, my interactions with our faculty, researchers, administrators, staff and especially our students were not only educational—they were downright inspiring!

As 2015 progressed, I set aside time to study the strategic plans of the brilliant chancellors who came before me—from Mickey LeMaistre to Francisco Cigarroa—and their roadmaps helped guide me as I began to formulate my own vision for where I would like to lead the UT System in the years to come. On November 5, I delivered the presentation you are holding in your hands to the UT System Board of Regents. One thing I hope you notice is that though my strategic vision incorporates much of what I learned during my career, it is not about me. Nor, at the end of the day, is it completely about the UT System. It's about all of Texas, and what we can do together—as the largest institution in the state—to make Texas the strongest, smartest, healthiest state it can be, with the brightest possible future.

With our unmatched capabilities, the UT System is uniquely positioned to tackle the big challenges facing our state and nation and, in so doing, impact not just Texas, but the entire world. And that's exactly what we intend to do.

Thank you for reading.



William H. McRaven

The University of Texas System Chancellor



— *Leading in a Complex World* —

INTRODUCTION

In 2014, the Board of Regents of The University of Texas System took a gamble and selected me to lead the UT System beginning in January 2015, even though I had no experience in higher education, research or clinical care. I think they hired me because for the previous 37 years I had been leading men and women under some of the most challenging conditions in the world. And, for most of the past 14 years, I have run large and exceptionally complex organizations fighting against a very determined global threat.

What those experiences taught me will, I believe, be of great benefit to the UT System.

First, I learned that today's environment is changing at an incredibly rapid pace. Unlike any time in our history, the rate of change is no longer linear. It is exponential. The enemy I faced in Iraq, Afghanistan, Africa, Asia and across the world adapted quickly to our methods of warfare. Using technology, social media and global transportation, they presented tactical and operational problems that today's special operations forces had never seen before.

Consequently, my organizations had to adapt to a rapidly changing threat. We had to build a flat chain of command that empowered the leaders below us. We had to reduce our own bureaucracy so we could make timely decisions. We had to constantly communicate so everyone understood the commander's intent and the strategic direction in which we were heading. We had to collaborate in ways that had never been done in the history of special operations warfare.

As my old boss General Stanley McChrystal has written, we had to build a "Team of Teams" so all of our organizations could derive strength from each other and could work together to be successful. We had to break away from the hierarchical structure—the command structure—that had defined the American military for hundreds of years.

This concept of a Team of Teams—a formal and informal network of subject matter experts bound together by a common mission, using technology to partner in ways that seemed inconceivable just years before, brought together through operational incentives, bottom-up desire and top-down support to solve the most complex problems facing our nation—was probably the single most valuable organizational change in the history of the modern military.

We used our size, our talent and our operational diversity to achieve an unparalleled level of collaboration. The SEALs were working with the Army Special Forces. The Special Forces were working with the conventional infantry. The infantry was working with the Naval aviators. The pilots and crews were working with the logisticians. We were all working with the intelligence and law enforcement communities and the locals on the ground. And every day we would talk. We would look at a problem, and we were finding solutions at a speed unheard of in the past.

We often looked at our networks as a reflection of Metcalfe's Law. Developed by Robert Metcalfe, the law demonstrates how the addition of one single node in a telecommunication network increases the power of that network, not by a factor of one, but each node increases the effect exponentially. While the law was designed for telecommunications, we found that it applied equally well to human networks, as long as the additional person relayed as much information as they received. In other words, you had to contribute your ideas—not just listen.

Interestingly enough, I assumed Robert Metcalfe was a historical figure who had likely passed away a hundred years ago—only to find out that Bob Metcalfe is alive and well and working at UT Austin.

But, in addition to using our size, our talent and our diversity to collaborate on difficult issues, we also learned that you had to prioritize your objectives so you didn't waste effort on inconsequential goals. We had to apply our resources to those priorities and we had to cut away where we were not effective. We had to constantly innovate to get ahead of the problem. And we had to be sure we never lost sight of our mission and our objectives.

With all this in mind, we spent 2015 setting the conditions for our future success.

- We established direct lines of reporting from the presidents to the chancellor so that executive decisions and problems could move rapidly from the campus to the chancellor—thereby flattening the organization.
- We established a Deputy Chancellor position to act as the Chief Operating Officer. His role is to facilitate the daily actions necessary to run the System effectively.
- We now have structured weekly video conferences between the presidents and my staff as well as numerous other expanded means of collaborating.
- We are conducting an extensive review of the UT System policies and the Regents’ Rules in order to reduce the bureaucracy that stands in the way of agile decision-making.
- For the past six months we have been engaged with the campuses in one of the most significant organizational reviews in the history of the System. Our goal is to ensure that the core competencies of System Administration are properly supporting the campuses we serve.
- We have completed an extensive review of our System compliance structure to ensure we can properly execute our oversight responsibilities.
- As we prepare to open two new medical schools, we have recognized the changing dynamics between health care and academia and, consequently, we are building internal management bridges to ensure easy transitions.

“In order to continue to advance this System and its magnificent academic and health institutions, we must take some bold steps forward while never losing sight of the great work that went before us.”

– William H. McRaven,
UT System Chancellor

- We have developed a Central Bank concept to leverage our size in the financial market to get the best and most stable rates for capital investment.
- And we are changing the way we do construction management to apply more private sector practices to ensure we get the best rate and the best quality in the best time.

But in order to continue to advance this System and its magnificent academic and health institutions, we must take some bold steps forward while never losing sight of the great work that went before us.

Finally, based on what we learned from the strategic assessment and what we know from my predecessors’ efforts, I will outline some bold initiatives—some “Quantum Leaps” in our ability to provide the citizens of Texas the very best in higher education, research and health care. “Quantum Leaps” that will make us the envy of every system in the nation.

———— *UT System's* ————

MISSION STATEMENT

The mission of The University of Texas System is to improve the human condition in Texas, our nation and our world.

The System will use its size, diversity, and quality to advance education, push the bounds of discovery, enhance population health, build stronger communities, and shape public policy for the common good. Producing high quality human capital with a sense of service and the ability to lead, we will pursue solutions to the problems of our state, our nation and our world.

We are a state university system with global impact.

This Mission Statement reflects what I believe is critical for any state institution of higher learning. It clearly recognizes that our responsibility goes well beyond just higher education, research and health care.

We have an obligation to improve all aspects of the lives of our citizens—not just their knowledge base and their health needs, but the impact they have on their families, their communities and our nation.

We have an obligation to search and find answers to every question that confronts and confounds our society.

We have an obligation first and foremost to the State of Texas—but in meeting that obligation, we will affect the people of the world. That is what great university systems do.

— UT System's —

OPERATING CONCEPT

The Operating Concept is the overarching framework in which the System will conduct its work. You will notice a common theme running through these pages, and that is our need to be collaborative—to have a mutually supporting system where each institution helps reinforce the quality of the other institutions.

At System Administration in Austin, my staff and I will provide the strategic direction, oversight and certain core functions necessary to assist each individual institution. But equally important is that we will give the individual institutions the maximum latitude to accomplish their missions. In this regard, I view myself as a servant leader, helping the institutions achieve their goals.

We will ensure that our academic and health care enterprises are world leaders in higher education, research and health care.

We will accomplish this task by establishing a mutually supporting system in climate, culture, and practice, where the strengths of one institution help reinforce the quality and competitiveness of the other members.

The System Administration will assist me in providing the strategic direction and policy oversight for our member institutions while ensuring that each institution has the maximum latitude to accomplish its academic, research and health care goals.

System Administration will add value by focusing on the core competencies of finance, development, marketing, construction, state and national level coordination, policy advice and security to help ease the burden on the individual institutions.

Collectively, we will orchestrate systemwide progress to identify the critical components that encumber student success, high quality research, meaningful discovery, and excellence in patient care. We will then aggressively undertake steps to eliminate these barriers.

To facilitate system collaboration and coordination we will build staffing mechanisms to include rigorous internal communications, dedicated coordination meetings, and robust leadership exchanges.

Additionally, we will work to identify and implement gamechanging ideas that will propel the University of Texas System into the national and international discussion on all facets of education, research, health care and leadership. These ideas will be prioritized, funded and then brought to fruition through a deliberate and aggressive process of engagement.

“We will always strive to ensure
we are world leaders in our
three main areas of focus—
education, research and
health care.”

—WILLIAM H. MCRAVEN—

Chancellor, The University of Texas System

— UT System's —

AGILE DECISION PROCESS

The specific process that we will use to accomplish many of the tasks laid out in the Operating Concept may not be as sexy as grand and glorious ideas, but it is essential to achieving our goals.

One of the first things you learn in the military is how to develop and implement a plan. Every mission requires a detailed plan so you can ensure you have the right resources. So that you understand the barriers to success. So that you can measure your progress and so you can communicate with others on the team to ensure everyone is moving in the same direction.

So, how does it work? Let's say there is a major initiative that is identified by the academic campuses, or the health institutions, or by the Regents, or the System. We will quickly establish an integrated planning team made up of people from System as well as the campus and we will develop a preliminary action plan related to the issue.

That plan will be briefed to a steering committee, made up of the deputy chancellor, the executive vice chancellors, provosts and other campus representatives as needed for their review and recommendations.

From there, the idea gets turned into a well-defined plan of action with milestones from our strategic and operations team.

After that, it comes to the Chancellor's Roundtable, made up of the institution presidents and me. We decide yes or no. If the idea gets the green light but needs resources, we then go to the Regents with a request.

If the Regents provide the resources, I then direct the responsible institution or party to execute the plan.

Now while this is going on, we have a very robust and disciplined rhythm of communications going on at all times. I have an alternating video teleconference with the presidents every week—academic presidents one week, health institution presidents the next.

Twice a month we have Task Tracker meetings, to make sure all the projects we're working on are progressing.

I've also beefed up my communications with the Regents in a variety of ways. And finally, all of this, of course, takes place in the context of the legislative cycle.

At the end of the day, we have a disciplined, collaborative process that yields clear priorities, resource and budget alignment, metrics that make sure things stay on track, and a leadership team that is held accountable for execution.

And, very importantly, we have a Chief Operating Officer, in David Daniel, who is going to be running this process day in and day out.

I am confident that, just as it did during my time in the military, this process is going to help us tackle the complex challenges that will confront us now and in the future.



— UT System's —

STRATEGIC ASSESSMENT

I knew coming into the job of chancellor that the first thing I needed was a firm grasp of what the current and future challenges are. Consequently, I commissioned an internal Strategic Assessment, so my vision and plans would be informed by an understanding of the terrain—both as it exists today and as we think it will exist five, 10, 20 years from now.

At the same time, I knew that before we looked ahead, we had to look back. As Chancellor of the UT System, I am standing on the shoulders of the great visionaries who came before me. Chancellors LeMaistre, Walker, Mark, Cunningham, Burck, Yudof, Shine and Cigarroa all left their marks. And they all left their own strategic plans. It would have been foolish of me not to take advantage of their wisdom and expertise. So as we launch ourselves into the future, we do so with gratitude and humility, informed and inspired by the great thinkers and doers who came before us.



We set out to understand our role as a public university system, our environment, and the impact of the environment on our role. Under the leadership of Tony Cucolo, a retired two star general in the Army and our new Associate Vice Chancellor for Leadership and Veterans Affairs, we pulled together a Strategic Assessment Team, which gathered and analyzed volumes and volumes of data. Tony and his team interviewed experts at the Texas Higher Education Coordinating Board, Texas Education Agency and other relevant agencies. They also spoke with every president and provost across the UT System.

The work done by the Strategic Assessment Team—combined, again, with the wisdom and insights we carry forward from previous chancellors—has given us a deep understanding of our environment. Bearing in mind the wisdom of Casey Stengel, who said “never make predictions, especially about the future,” the trends we have identified have sharpened our focus on where we think we ought to be concentrating our efforts and resources for maximum impact.

So, what is the environment telling us? The number one thing it's telling us is that the world isn't just changing fast; the rate of change is accelerating rapidly. Economic interdependence, globalization, urbanization, economic disparity—trends that have been with us for decades are now picking up speed.

The point is not that we should chase or even try to get out in front of all trends. To the extent we can see around the next corner, that will certainly help. But the bigger point is, given the accelerating rate of change we're seeing, we need to build an organization—a System—that is nimble and agile, that can move and change as fast as the world around us.

And we need to do this in a way that honors and is true to the core principles and common threads laid out by all the chancellors who came before me.

But the bigger point is, given the accelerating rate of change we're seeing, we need to build an organization—a System—that is nimble and agile, that can move and change as fast as the world around us.

Let's take a look at what we learned about how our state is doing. Our fastest-growing group is going to be our seniors, who we think will more than double by 2035. Obviously, having twice as many folks who are over 65 will drive massive change in the health care arena.

The number of Texans between 25 and 44 years old is going to be growing fast as well. This group is going to be under pressure, not just to get a degree, but also to stay nimble, in body and mind, if they want to keep up with the ever-changing demands of the marketplace.

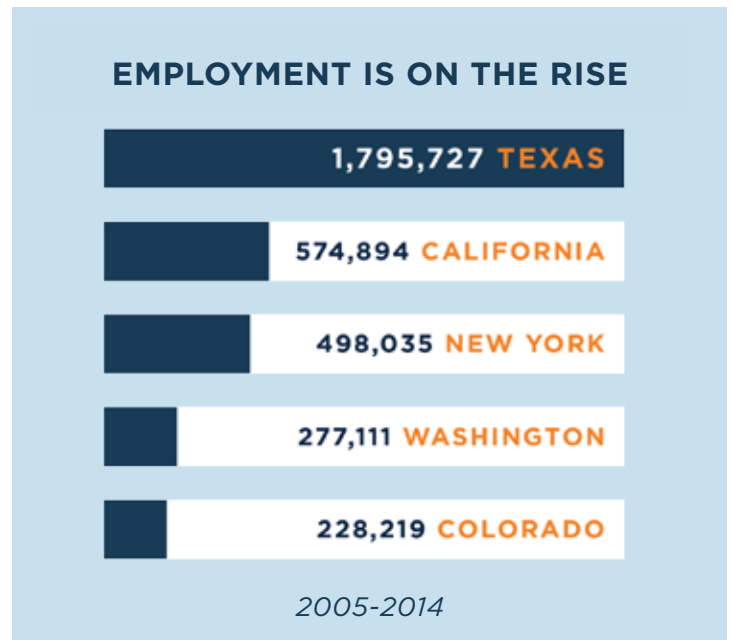
What about our younger population? While the rate of growth is not quite as high, it's interesting and important to note that unlike other large states, our 15 to 19 year old population is growing. Which means the demand, and the need, for higher education is only going to go up.

As you probably know, Texas is already a minority-majority state. And in 20 years, non-Anglos will represent more than 70 percent of our fellow Texans.

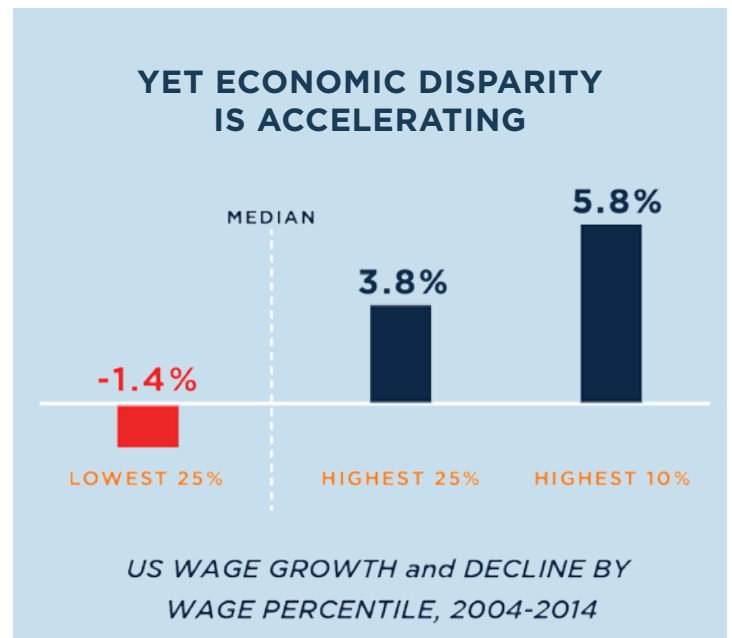
Turning to the economy, it's no secret that over the last decade, the Texas economy has been the envy of the nation. Our job growth over the past nine years has dwarfed our nearest rivals. And even with recent struggles in the oil patch, the employment picture remains good, owing to the diversity of our state's economy. Unlike 20 years ago, no one sector can sink us today.

Contributing to the economic health of the state is the steady stream of degreed men and women we send out into the workforce. Higher education is not only a boon to the macro-economy; it is the absolute key to economic mobility. That's true in Texas and throughout the nation. The difference in expected lifetime earnings between someone with a bachelor's degree or higher and someone with just a high school diploma, is profound. The stakes could not be higher.

Economic disparity is nothing new, but like so many of today's trends, it is accelerating. And it seems reasonable to expect that, absent any change, the gap between those with and without degrees is only going to get wider.



High school-only graduates are twice as likely to be unemployed. The Texas Workforce Commission tells us the strongest job growth is at higher education levels. And in fact, more and more entry-level jobs actually require a master's degree.



So the glass-half-empty view is: we've got a whole lot of Texans who, if they don't get a degree, are going to remain stuck in the lower rungs of the socioeconomic ladder. But I prefer to focus on the opportunity in front of us. The UT System, more than any other institution, has the capability, over the next decade, to make a profound difference, to change the economic trajectory of millions of our fellow Texans, and for the state as a whole. But we have a lot of work to do first.

Let's shift gears and look at what the Strategic Assessment told us about the health of our state. Suffice it to say, we've got big challenges—and again—big opportunities.

42ND
OUT OF 50 STATES
PHYSICIAN PER
CAPITA RATE

Six of the seven leading causes of death in Texas are chronic, largely preventable, diseases. That's a fancy way of saying we have a lot of Texans who could be living a lot longer dying on our watch.

Part of the problem is we are an enormous state with not nearly enough doctors. The doctors we produce tend to stay in Texas, and yet, we are near the bottom of the nation when it comes to physicians per capita. That doesn't bode well for the health of our growing population.

As concerning as the per-capita numbers are, they actually understate the problem many parts of our state are facing. The physicians of Texas are predominantly concentrated around large metropolitan areas—so much so that today, 57 percent of our physicians practice in just five of our 254 counties. I find these next couple of data points to be stunning: 115 Texas counties have five or fewer practicing physicians, and some counties have no OB/GYNs at all. I should note that it's not just doctors. Texas is also in serious need of dentists, nurses, pharmacists and physical therapists.

47TH
OUT OF 50 STATES
PRIMARY CARE
PHYSICIANS

Our large and growing Hispanic population is woefully underrepresented in the medical profession in Texas. Again, seeing the glass half full, I know the opportunity to address this discrepancy is part of why we are all so excited about the new medical school opening next year at UT Rio Grande Valley. This is just one of many examples of the chancellors before me—in this case, Francisco Cigarroa—understanding where Texas was headed and putting resources and effort where they could make the biggest difference.

So, a quick summary of what the environment is telling us: Texas is growing fast. The economy is, especially relative to other states, in good shape. But the rising tide is not lifting all boats. The gap between those at the top and those at the bottom continues to widen. And of course, where somebody falls on that spectrum is strongly correlated to their level of education.

At the same time, it's fair to say that our economic health is outpacing our physical health.

We have too many people dying of diseases that could have been prevented. And that's a problem that's going to be hard to solve until we get a lot more medical professionals, and more, in particular, in the remote parts of our state where they are desperately needed.

<p>✓ POPULATION GROWTH</p> <ul style="list-style-type: none"> ● RAPID GROWTH ● URBAN FOCUS ● TRENDING DIVERSITY 	<p>✓ ECONOMIC GROWTH</p> <ul style="list-style-type: none"> ● HIGH GROWTH ● DIVERSE JOB BASE
<p>✗ ECONOMIC DISPARITY</p> <ul style="list-style-type: none"> ● RISING WAGE INEQUALITY ● EARNINGS DIRECTLY RELATED TO EDUCATION LEVEL 	<p>✗ HEALTH OUTCOMES</p> <ul style="list-style-type: none"> ● RISING RATES OF CHRONIC DISEASE ● ACCESS IMPACTED BY SHORTAGE AND DISTRIBUTION OF PROFESSIONALS

FRAMEWORK FOR ADVANCING EXCELLENCE

Before I lay out the elements and initiatives that are new, I want to make an important point.

We already have the great Framework for Advancing Excellence authored by my friend and predecessor, Francisco Cigarroa.



This Framework has nine points of emphasis, and I want everyone to understand that the fact that we are rolling out new initiatives does not mean we are taking our eyes off the ball when it comes to any of these points. Just the opposite, in fact. My intent is to use the Operating Concept and our disciplined staffing process to enable us to accelerate progress in these areas. Let me just mention some of these programs that I know are important to all Texans.

Undergraduate Student Access and Success: It is no secret that we have an urgent need to improve our graduation rates across the board.

The reasons our rates are low are well understood, so I have told the presidents that the time to explain the problem has passed. It is now time to fix the problem. They are accountable to me and I am accountable to the Board of Regents. So you can expect to see increased urgency and increased activity on this front.

Research: Research is and will remain an absolutely fundamental part of who we are at the UT System. We currently rank second nationally among university systems in federal research spending and third in industry-sponsored research spending. Our offices of technology

**All of the elements of the
Framework are still important.
So don't think for a second we're
going to forget about any of them.**

commercialization, on average, file a new patent every two days and launch a new company every nine days. All across Texas, our researchers are contributing to discoveries that are going to enable us to live longer, healthier and more productive lives than ever before.

And that's to be celebrated. But, you can never rest on your laurels. Research funding is always at a premium and we must continue to demonstrate that within the UT System we have the finest researchers in the world and both state and federal dollars will be well invested in UT.

Expanding Education and Health Opportunities in South Texas:

I already mentioned UTRGV, and while I've said it before, I think it bears repeating here that the launch of a new university with a medical school on the southern tip of the United States was the single biggest thing that attracted me to the UT System. I've been down to the Valley more than any other region, and every time I leave, I can't wait to return. Even more

so, I can't wait to see the transformative effect we are going to have on one of my favorite places in the world. So you can rest assured, there will be no loss of focus there.

My point is, all of the elements of the Framework are still important. So don't think for a second we're going to forget about any of them.

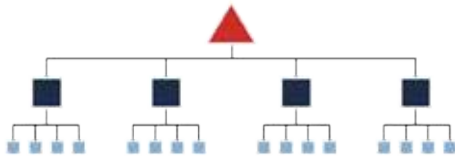
And of course, all around the UT System, great things are happening. From public health to the performing arts, psychology to cybersecurity, literature to law. Whether we're fighting cancer or unlocking the mysteries of the universe—we lead the state and the world in so many areas of research, education and health care. But any organization that fails to adapt to the changing environment will not serve its citizens well.

We must adapt.

— UT System's — TEAM OF TEAMS

Here again, my experience in the military may have some value for today's higher education and health care institutions. In the days of the cold war, the military used a very hierarchical structure. It was a rigid command relationship. The orders came from the top down and people did as they were told.

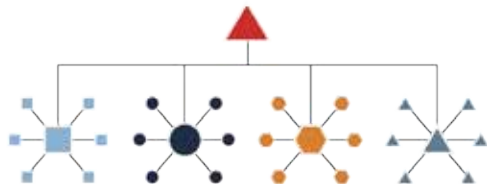
COMMAND



If the UT System were to lead in that fashion, little would get done in today's environment because command from the top doesn't engender creativity, boldness or teamwork.

After the fall of the Soviet Union, the military began to understand the value of building tactical and operational teams that were more agile and maneuverable across a dynamic battlefield.

COMMAND OF TEAMS

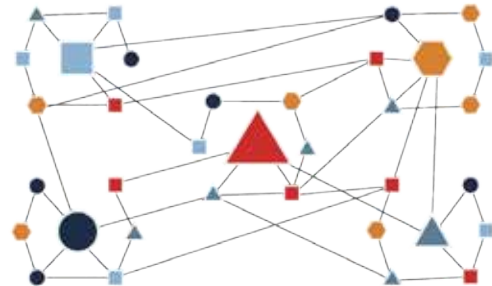


Unfortunately, thousands of years of military tradition made it hard to let go of command from on high. This command of teams structure was better but still limited collaboration, creativity and agility in the organization.

The terrible tragedy of 9/11 and the ensuing conflict against an unconventional enemy showed us that we needed to adapt again. On the battlefields of Iraq and Afghanistan, we needed to rely on the intellect, creativity and boldness of every soldier in our service. The threat was dispersed, complex, local, regional and global. To be effective, we had to force relentless engagement, communication and collaboration. There was no opting in or out, you were either a zealot or a martyr.

We had to force collaboration until it became muscle memory. It didn't happen organically. But eventually, people got it. They bought in and as a result we became more nimble, more agile. We had to build a Team of Teams that would tap into all the expertise we had across the special operations community, the conventional force, our civilian agencies and our allies.

TEAM OF TEAMS



Through this extensive network we found answers to problems more rapidly, we developed solutions more quickly and we found that everyone in the enterprise could add value.

This is the structure we need to bring to the UT System. And, this is how we will approach some of the tough problems that confront Texas today. This is how we will make Quantum Leaps in higher education, research and health care.



The University of Texas System's

QUANTUM LEAPS

THE TEXAS PROSPECT INITIATIVE

Change the relationship between higher education and pre-K through 12 education

One area where we need a quantum leap is in the Texas educational pipeline. Because today, far too few of our state's young people are able to make the leap to higher education. If we start with 100 eighth graders, only 68 will receive a high school diploma. Of those 68, only 50 will enroll in college. And of those, only 20 will graduate.

Nearly half of Hispanic fourth graders in Texas are reading at below basic levels, compared to 19 percent of Anglo fourth graders. This is not a reflection on the intellect of any ethnicity, but it is a reflection on the social conditions under which many of them have to learn.

This is particularly troubling because statistics show that if you are not reading up to level by fourth grade, you're going to be playing catch up the rest of your academic career, which in many cases, won't be very long.

The question is, what are we going to do about it?

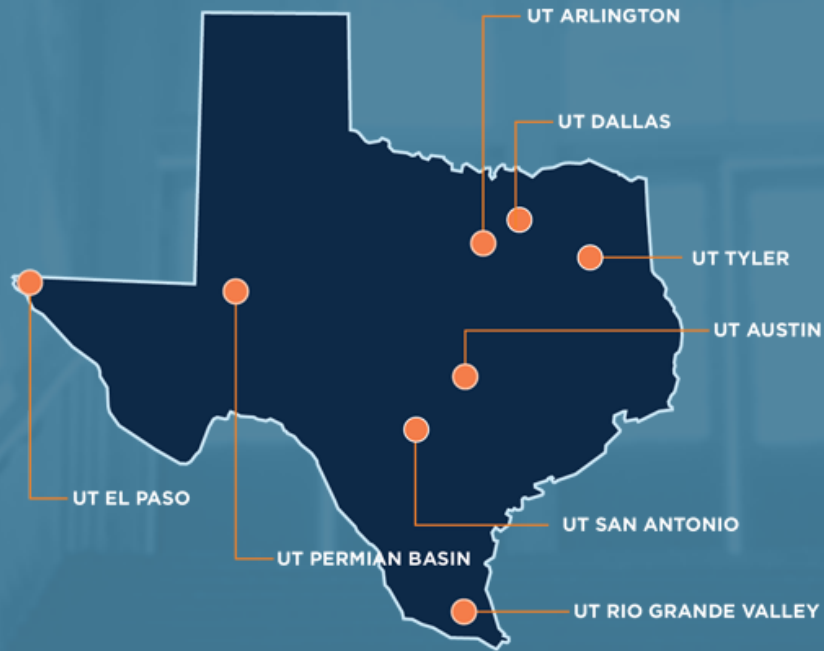
We believe every child entering pre-kindergarten has the prospect for greatness and is a potential-filled prospect for the needs of our future workforce. So, working with our campus leadership, civic leaders, the legislature, community colleges, the school districts and other primary and secondary education constituents, the UT System will use its size and its regional access to actively engage with leaders in pre-K through 12 in ways never before envisioned in higher education.

We must remove the perception that exists in some corners of this state that those of us in public education are in different camps, that pre-K through 12, community college, and four-year college and university professionals are somehow separate. We must be teammates in the overall effort, support each other's programs and partner for specific initiatives.

Our Texas Prospect Initiative will begin with four areas of focus:

- We will work aggressively to ensure our college preparatory programs—dual credit, early college high schools, math and science academies—meet the standards necessary to ensure their students can be successful in their pursuit of higher education.
- We will develop a program to focus on dramatically improving elementary level literacy through a UT Literacy Institute—a reading version of the highly successful UTeach program—and offer this program first to large, urban independent school districts.
- We will work diligently to ensure the high school counselors in Texas have the resources they need to provide advice and direction to each potential college student.
- And finally, knowing that the quality of education in Texas is only as good as the quality of its teachers, we will put a spotlight on our schools of education to ensure we are graduating the best teachers in the nation—creative, critical thinkers who are masters of content and armed with skills relevant to the needs of today's classrooms.

Texas educates 10 percent of this country's schoolchildren. Our future rests with pre-K through 12 education. We must and we will establish a much closer relationship with our fellow professionals and do our part to strengthen the culture of education across Texas.



UT System Academic Institutions



Communicate & Collaborate Best Practices



Enable & Support Texas Independent School Districts



THE AMERICAN LEADERSHIP PROGRAM

Preparing the future leaders of Texas, the nation and the world

I believe that a critical part of any person's education is teaching them to be a leader. Remember, we're not just educating kids; we're preparing the future leaders of Texas.

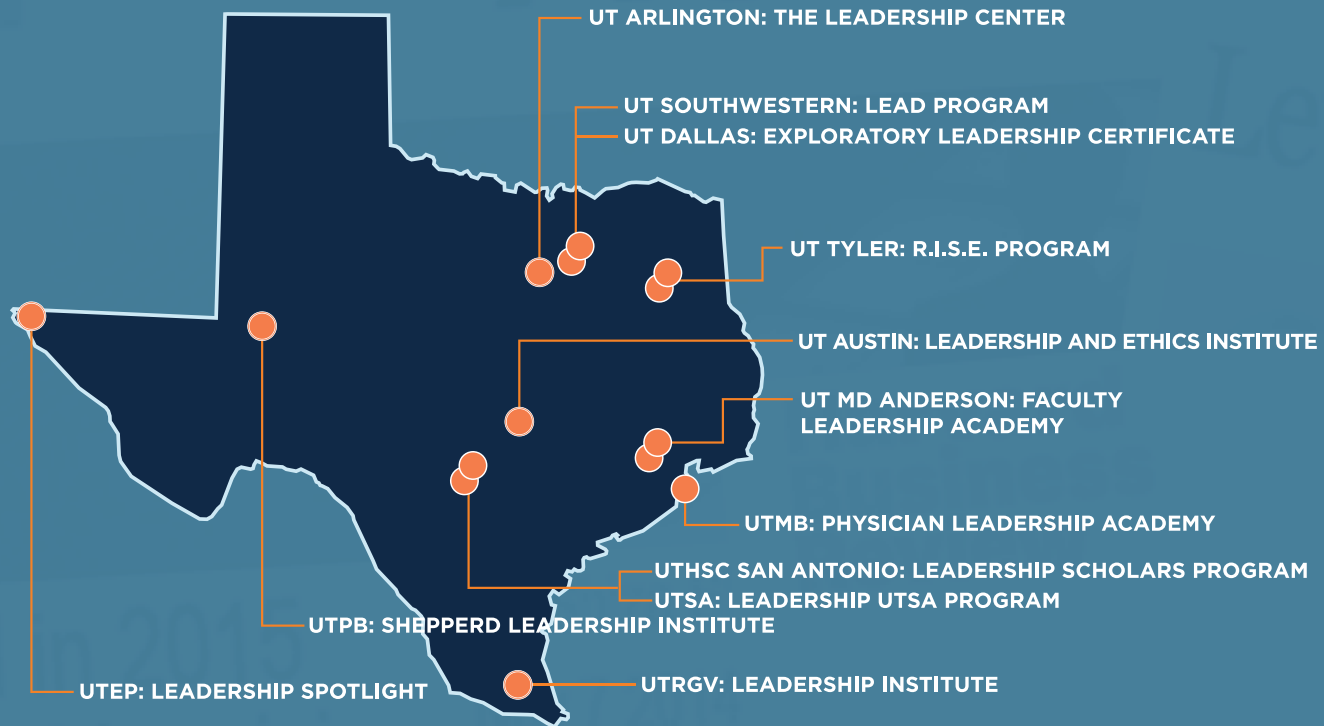
We must build men and women of character and uncompromising integrity, because they are going to lead the schools, towns, cities, businesses, churches, civic groups and for that matter, families of this great state.

A wise man said a leader's job isn't to create followers; it's to create more leaders. That's what we intend to do.

We already have a number of marvelous efforts to train our students in leadership. But these only impact a small percentage of the total 217,000 students that we educate every year. We must reach everyone. Every single student who comes through our institutions must leave with an understanding of the basics of leadership. They must read about and discuss the great leaders in industry, public service, academia, civil rights and the military. They must understand how to plan, how to build teams, how to communicate, and above all they must understand the necessity of ethical behavior.

Therefore, over the next several years, we will begin to implement a one-hour upper and lower division course that will be required by all students attending a UT institution. We will leverage the large veteran population, business and civic leaders and a host of others across our system to teach the men and women of our state. But we will not stop there. Our senior administrators across the System and across the state and the nation need leadership education as well. In the future, we will look to build a brick and mortar leadership institute that can provide executive level leadership training to all those who desire to improve the skills necessary to run today's complex organizations.

We will be known nationwide for developing great leaders.



Examples of Existing Leadership Programs



Connect Internally



Connect Externally

—  **QUANTUM LEAP** —

WIN THE TALENT WAR

Attract and retain the world's finest faculty

Our leadership in any area depends on one precious resource: talent. Here I must give credit to the Regents, who have shown a willingness to invest in bringing world class scholars, teachers and researchers to the UT System. They made the investment because they understood something Larry Faulkner, President Emeritus of UT Austin, said awhile back. He said, “Outstanding faculty come to places that have outstanding students and outstanding students come to places that have outstanding faculty.”

The wisdom of investing in world-class talent is more than apparent. The \$100 million investment in the Science and Technology Acquisition and Retention (STARs) program has yielded a phenomenal return—more than \$650 million to date. But the reality is, we operate in an environment every bit as competitive as the private sector, and we can't afford to be complacent. So our intent is to take our current momentum and double down on it.

We are going to make an unparalleled investment in pursuit of the next generation of outstanding faculty. Not just those faculty who have established reputations in the National Academies, but those who have the greatest potential for stardom, for excellence in their field—both rising faculty and post-doctoral candidates. With the approval of the Regents, we will increase the STARs investment and we will recommend a rising stars program that looks to hire clusters of great faculty, as well as an incentive program to retain our best post-doctoral candidates.

There is a war for talent, and we intend to win it.



Dr. David Nygren
UT Arlington

Dr. Bob Metcalfe
UT Austin

Dr. Denise Park
UT Dallas

Dr. Ravi Sandhu
UT San Antonio

Dr. Thomas Davis
UT El Paso

Dr. Rena Bizios
UT San Antonio

Dr. James P. Allison
UT MD Anderson

Dr. Bruce Beutler
UT Southwestern

Outstanding faculty come to places that have outstanding students and outstanding students come to places that have outstanding faculty.

LARRY R. FAULKNER

President Emeritus, The University of Texas at Austin



ENHANCING FAIRNESS & OPPORTUNITY

Establishing a climate, culture and practice that reflect our population and values

Fairness and diversity go hand in hand with attracting the best and the brightest to UT System institutions. Unfortunately, it is very clear that we are not doing the job we ought to be doing in driving equal opportunity and fairness in our hiring and promotion processes. This is particularly disappointing because education is all about opportunity.

Making sure our faculty and staff reflect the changing look of Texas is not just about fairness. It's also about effectiveness. We need faculty, administrators and campus leaders who understand the people they're serving, who come from the same kinds of places.

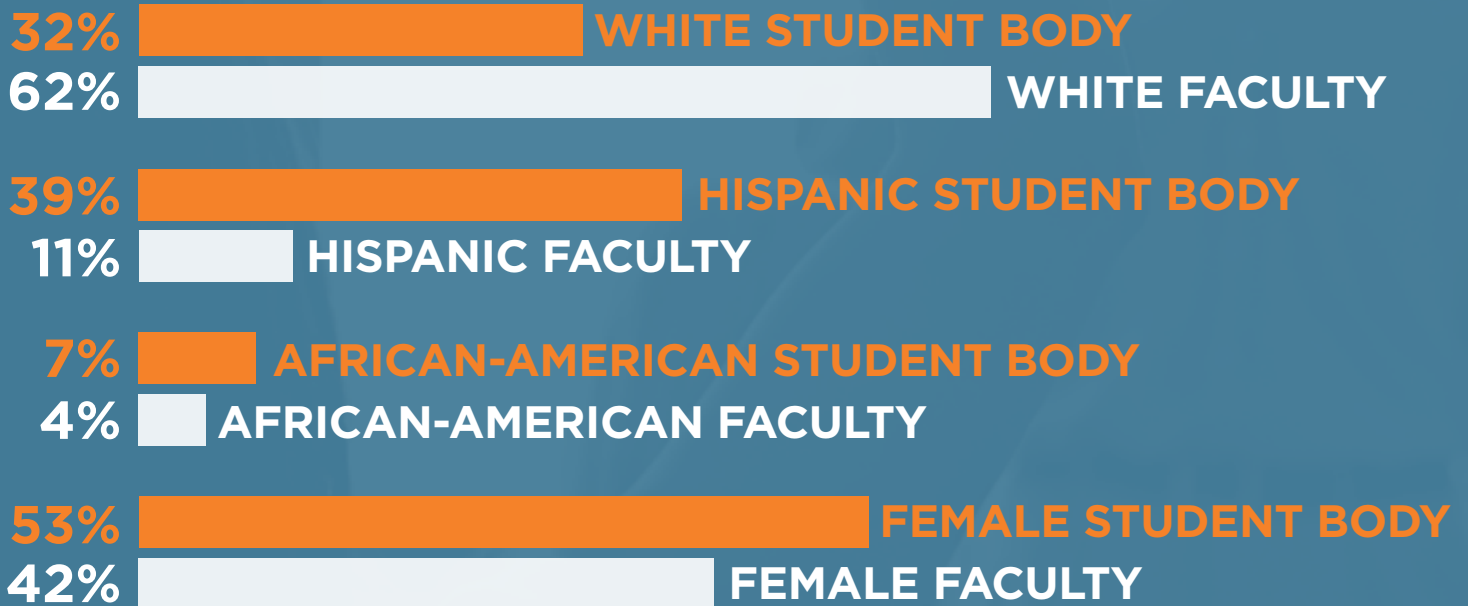
So we are going to implement a "Rooney Rule" similar to what exists in the National Football League for hiring head coaches, except ours will be for higher education and health care. This so-called, "Rooney Rule" will ensure that qualified women and minorities have an opportunity to be considered for every senior level position from dean and above.

We will write it into UT policy that no senior position can be filled without allowing a qualified woman or minority candidate to be interviewed all the way to the last round of the process. While this will not guarantee women or minority hires—nor should it if a candidate is not qualified—it will put more women and minorities in a position for the selection committee to recognize the great talents that may have previously gone unnoticed.

Additionally, to ensure fairness in faculty compensation, each institution will submit a plan to me that will close the gender gap in five years. I should note that this is an area where we've already made some good progress. Our gender pay gap is significantly smaller than the national average, but it ought to be zero. And I'm confident that it will be soon.

This is an opportunity to not only do the right thing, but to show the world that Texas is prepared to lead on every issue that matters.

UT SYSTEM DIVERSITY





THE UT HEALTH CARE ENTERPRISE

Creating a network that leverages our size and expertise to improve the health of Texas

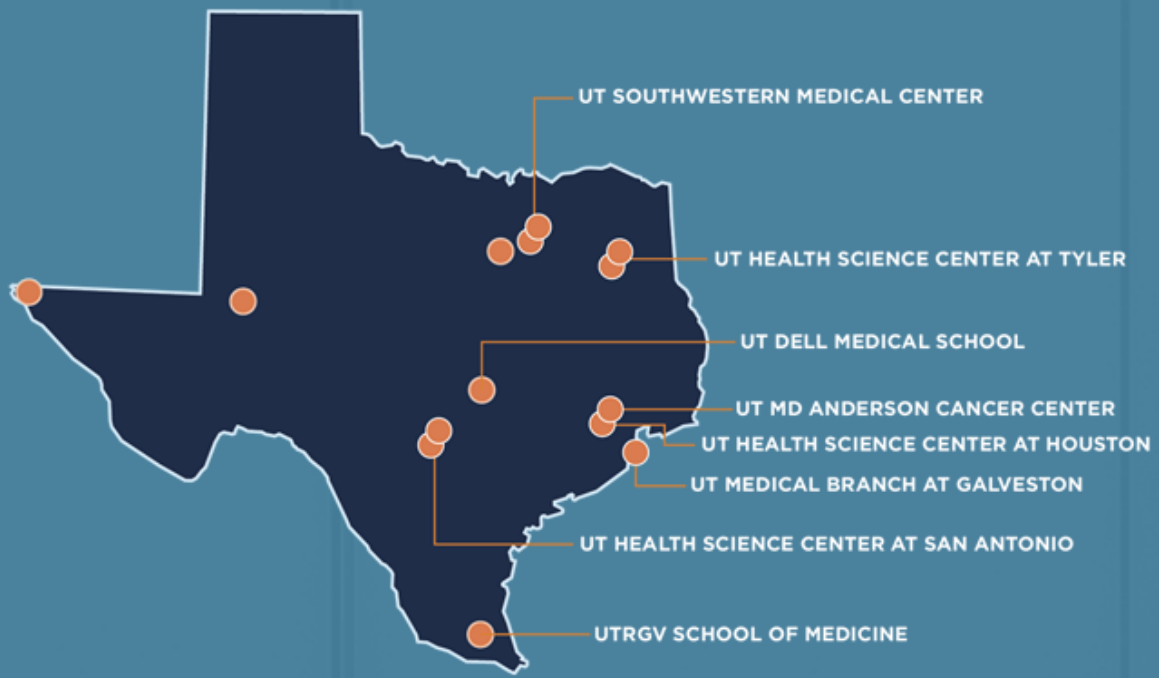
We can't lead unless we are at our best, and any fair assessment of the health of our state can only conclude that we are not as healthy as we ought to be. Compared to other states, Texas ranks very poorly in some very important health categories. We're in the bottom 20 in, among other things, diabetes, obesity and pre-term births. We're in the bottom 10 in youth obesity and adult inactivity.

However, we have unquestionably some of the finest health care institutions in the nation—and in the world—and I am convinced that there is nothing we can't conquer if we put the collective power of our institutions to work.

Consequently, we are going to develop a collaborative Health Care Enterprise that will leverage our size and expertise and connect our regional capabilities to ensure we provide Texas, the nation and the world with the finest health care possible.

In practical terms, this means collaboration among our health institutions along all lines of major health care functions, such as shared clinical information, shared service lines, clinical trials and telehealth.

We will incentivize and, where necessary, drive partnering so that we take full advantage of the phenomenal talent and expertise that exists around the enterprise, so that every doctor, every patient, every caregiver, knows that the quality care they give and the quality of care they receive is equal, regardless of their status or location.



UT System Health Institutions & Medical Schools



Connect Internally



Connect Externally

LEADING THE BRAIN HEALTH REVOLUTION

Scaling our strengths to aggressively address a growing health problem

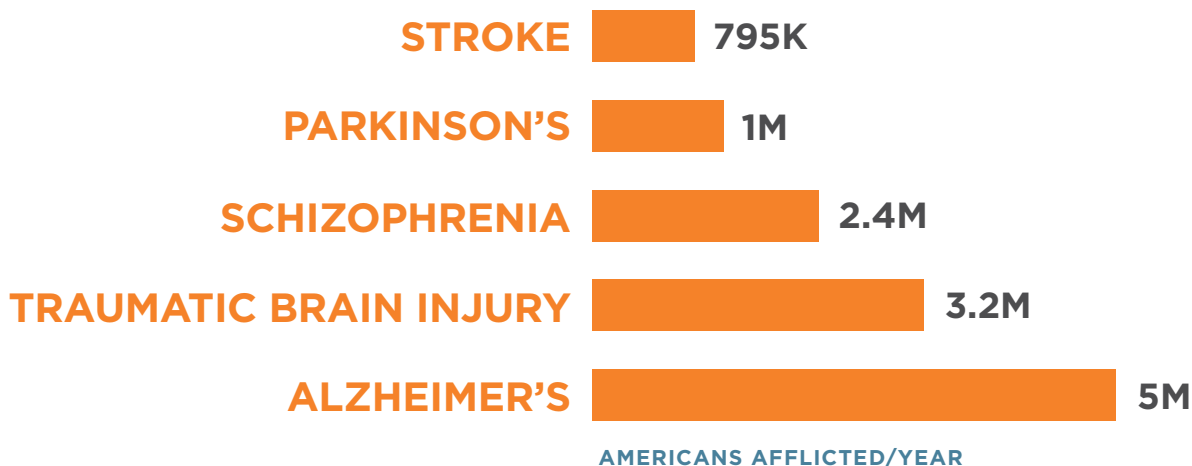
Let me turn to another area where we intend to scale to our strengths, build a team of teams and attack a problem that affects millions of people in Texas and around the world.

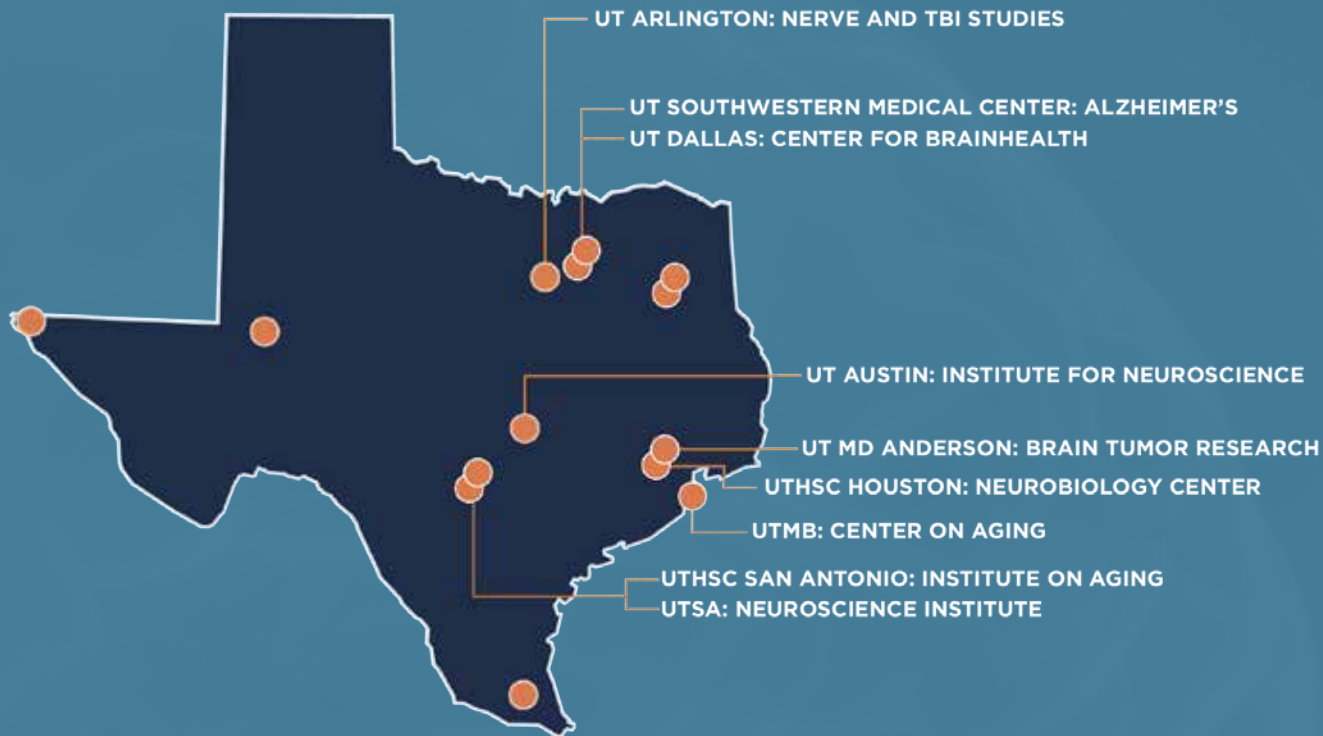
Neurological illnesses and mental disorders inflict a lot of human suffering every year. And it's getting worse. Certainly here in Texas, with our senior population being the fastest growing age group, the urgency to address Alzheimer's is clear.

The good news is that there is magnificent work going on in the neurosciences and we are already a big part of it. We have many excellent programs spread across our institutions focused in some form or fashion on brain health. So we are going to launch an effort akin to the Manhattan Project to understand, prevent, treat and cure the diseases of the brain.

The Manhattan Project, as you probably know, was the mother of all collaborative research projects, which resulted in hastening the end of World War II. The comparison to what we want to achieve in brain health may seem hyperbolic, but it is apt, because the Manhattan Project tapped the greatest scientific minds working at geographically dispersed sites and doing their own unique work, but all contributing and collaborating in pursuit of a common goal. That's precisely the approach we're going to take.

We will make an unprecedented investment in leveraging and connecting all the cutting-edge science ongoing at UT institutions. Once again, we will drive collaboration, incentivize partnerships and demand scientific and clinical cooperation. Where possible, we will expand our efforts in brain health so that more talent can be applied against this growing demand. There is a revolution in Brain Health under way and UT is going to lead it.





Examples of UT System Programs & Initiatives focusing on Neuroscience



Connect Internally



Connect Externally

—————  **QUANTUM LEAP** —————

THE UT NETWORK FOR NATIONAL SECURITY

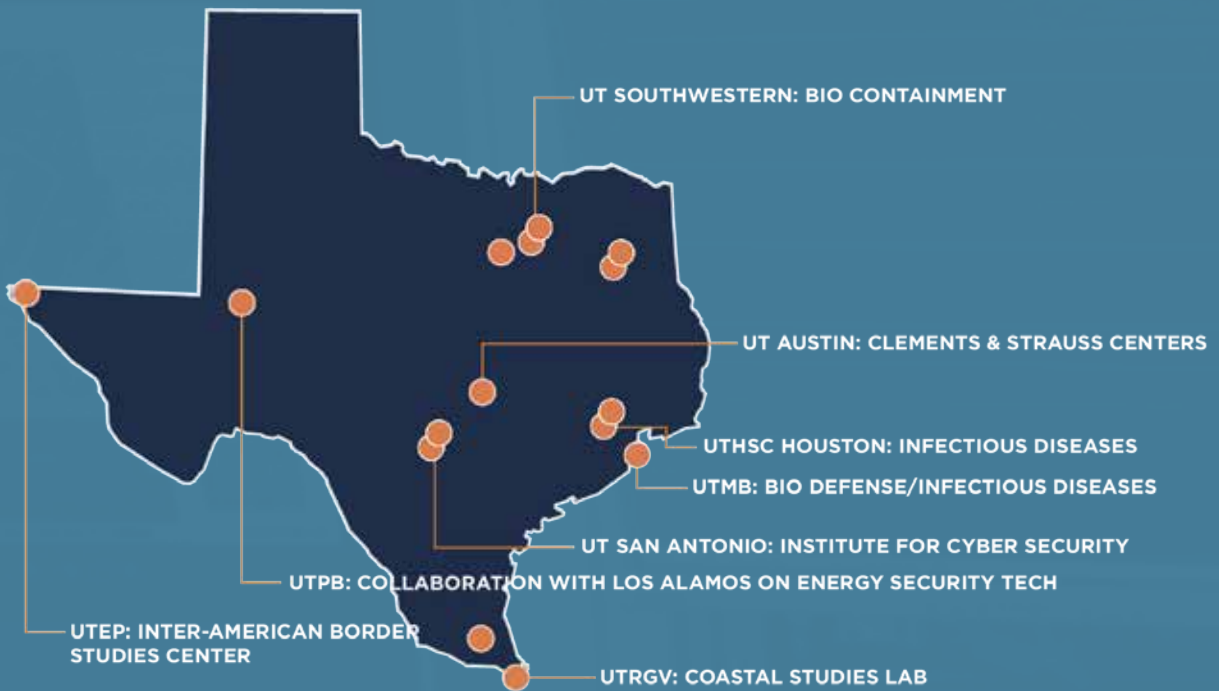
Leveraging academic expertise to address the threats facing our world

At my Navy retirement ceremony, I said I thought we were in perilous times, that in my 37 years of military service I'd never seen the world in such chaos. I believe that even more strongly today. What's more, the national security threats confronting us today are so varied, so complex and so serious, they are screaming for the brightest available minds to convene and collaborate in search of solutions.

I believe that we at the UT System are uniquely positioned to establish ourselves as national leaders in this space, because scattered among our institutions, we already have great minds thinking and working on our national security problems. In fact, we have more than 40 centers, institutes and labs focusing on issues related to our national security.

We have a unique opportunity to take the great work being done all around our system and leverage it into something of international value. So our intent is to establish the UT Network for National Security, a system-wide alliance that will address the most vexing problems and raise them to national prominence. This alliance will convene world forums and write, discuss, debate and present solutions. It will be a network with much stronger ties to leaders and organizations in Washington D.C. and across the international community than currently exist.

We should be leading the commentary in the national and international media and in the think tanks and policy institutes that deliberate on tough issues. I want world leaders everywhere to ask: **What does Texas think?**



A few of the more than 40 UT System security-related programs



Connect Internally



Connect Externally

UT SYSTEM EXPANSION IN HOUSTON

With the aforementioned Quantum Leaps, we will play to our strengths in size, talent and diversity. We will build the “Team of Teams” necessary to tackle the most difficult problems confronting us. We will aggressively address the pipeline for student success. We will give every student the skills necessary to lead in this complex world. We will fight hard for the finest talent in the academy. We will drive toward faculty diversity and ensure gender equity. We will incentivize institutional collaboration throughout our health care enterprise to provide the best quality care for our citizens. We will lead a revolution in brain health. And we will be known worldwide for our views on issues that affect the security of our nation.

But there is one more “Quantum Leap” that we must take to elevate our status to the world’s finest university system. From our Strategic Assessment, we know that the educational demands of Texans will continue to grow. Additionally, what I have learned over the past 37 years in the military is that in order to make a system, an organization, as strong as possible, you must tap into all the resources available to you.

Recognizing these two basic points, it seems obvious that the UT System must broaden its access to more of Texas’ brightest students and at the same time take advantage of the incredible talent and expertise that exists in the states most populous and most international city and the fourth largest city in the nation.

Consequently, we will expand the UT footprint into the city of Houston. This will not be a University of Texas at Houston. Rather, it will be an “intellectual hub” for UT, an opportunity for all our campuses to take advantage of the Houston professionals in the fields of medicine, energy, engineering, business, aerospace, health care and the arts.

This effort will be decades in the making but will help drive our System to the very top tier in the nation, while at the same time allowing us

to build partnerships with industry and the other great academic institutions in the area to strengthen the quality of education, research and the economic vitality of all of Texas. We are completing the acquisition of more than 300 acres of real estate off Buffalo Point, just 3.5 miles from the Texas Medical Center. This will be a game changer, in a very positive way, for Houston, for the UT System, and for the state of Texas. We have an opportunity to create something new and exciting to help make Texas even more competitive on the world stage.

Imagine the research dollars flowing to Texas, and particularly to Houston. Imagine the impact on generations and generations of Texans who will have greater access to a world-class education. I am convening a task force of civic leaders, legislators, academic and health presidents, faculty, students, regents and other constituents to begin planning for the development of this property.

More than 100 years ago, people like Brackenridge, Littlefield, Pease and the Smith family had an idea, a vision of the future. Seventy years ago, men like Monroe D. Anderson and more presently the visionaries at Texas Instruments all believed that their contributions would become something worthwhile. Not even in their wildest dreams could they have imagined what we have today.

But they were bold. They were risk takers. They knew that if they invested in land and had a dream that somehow, through the hard work, dedication and commitment of those in Texas, their dreams would become reality. Today, this Board of Regents, this University System will dream big and we will act with unparalleled boldness.

No one knows exactly what the future will hold, but we are betting on the men and women of Texas to shape their future in ways never before seen in higher education, research and health care. And betting on the people of Texas is always a good idea.



— *Chancellor's* —

CONCLUSION & ETHOS

In closing, every organization can only reach its full potential if it has a strong ethos, a culture of quality and dedication. These words represent the values to which we aspire as a System and our commitment to this great state.

To live up to these ideals, we must communicate. We must collaborate. We must build a Team of Teams whose focus is on the people of Texas and, by extension, the world.

If we can do those things, we will not only adapt to the changing world, we will lead the change.

We build and sustain Texas' finest institutions of higher education and health care.

Our priority is to the students and the patients in our care.

We are unyielding in our drive to advance student success, innovation and the well-being of the citizens of Texas.

We communicate in all directions and with the utmost transparency, so that the members of the System and those outside the organization see and understand all that we are doing.

We build trust through our actions—personal and professional; our credibility is our greatest asset.

Our actions are moral, legal and ethical and we hold ourselves accountable when we fail to achieve this standard.

We will be known as the most innovative, responsive and dedicated public university system in the nation.



THE UNIVERSITY *of* TEXAS SYSTEM
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

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