The University of Texas System
Board of Regents' Meeting

Planning Retreat
January 12, 2006
Agenda and Contents

Agenda Item 1 Contents

Planning Notes

I. Introduction

The Task Force charge (Supplemental Materials, p. 35) is to:

- Think boldly; not to assume everything will remain the same.
- Produce a concise, timely, and meaningful written statement of the Board's strategic direction over the next 5 to 10 years, including specific benchmarks.
- Align this new strategic statement with projected academic, health care, research, and capital needs and investments and, also, with the state's Closing the Gaps goals and any other comprehensive plan for higher education.
- Address planning assumptions (external and internal trends), key themes and priorities, goals, alignment with investments (budgeting, capital planning), and benchmarks to measure progress.
- Build on the ideas discussed at the Academic and Health Affairs Board retreats last fall on ideas and issues raised by UT System institutions in the Compacts or other institutional planning documents, and by the System Administration.
- Consult with broader groups of people including all Regents, Presidents, members of the Faculty Advisory Council, Student Advisory Council, Employee Advisory Council, Council of Academic Institutions, Council of Health Institutions, representatives of the Chancellor's Council, higher education policy leaders and staff in Texas and Washington.
- Consult with outside experts to gain perspective on the UT System's opportunities, challenges, and position in the national higher education environment.

Purpose of retreat:

- Consider the most critical trends, issues, and cross-cutting themes that will influence the UT System's progress over the next ten years. (see pp. 6-12)
- Identify critical areas where we can and must focus, get aligned, and improve. (see pp. 13-32)
- Articulate the key, highest priority directions, goals, and priorities for the UT System
- Create a plan that is ours: an agreed-upon conceptual framework, and a dynamic document, that are aligned with our cycles of planning – compacts, institutional strategic planning, System and Board initiatives
- Explain how this road map will guide our work in the coming year and influence activities and decision making at Board, System, and institution levels

Planning steps (See Planning Schedule, Supplemental Materials, p. 37):

1. The issues – where are we now? (environmental scans; critical issues interviews)
2. Goals and priorities – how far do we need to go? What are the critical big themes and directions for the UT System to pursue? (discussion and planning framework: what are System goals?)

3. Strategy and roles – how do we get there? What are the roles for the Board, System administration, institution presidents? (discussion now, and following the retreat)
4. Metrics – how do we know when we get there? (Compacts, accountability, other Board, System, institution reports)

Planning framework (Supplemental Materials, p. 39):

- This document illustrates the relationship among planning at the Board, System, and institution levels.
- As the planning process moves forward, this framework will be filled in and updated to show more clearly and specifically how planning among UT System institutions will advance and be aligned with the overall System plan.

The UT System Mission Statement (Supplemental Materials, p. 45):

- This document is provided as an illustration of the point from which we begin. It does not serve as a strategic vision or plan.
- The purpose of the retreat is not to revise the mission statement although that may be one outcome of the planning process.

II. Critical Trends

- Background readings are provided in the briefing book to summarize global, national, and state trends and scientific, economic, education, and demographic indicators.
- Retreat participants are encouraged to peruse these materials, considering the question: "Among these trends, which will have the most significant influence our vision for the UT System in 2015?
- These trends can be examined from a variety of internal, external, and sector-specific perspectives.
- Highlights of these trends appears on the following pages (pp. 6-12); the readings and references include more complete summaries

A. Global trends

- **UT System overview of trends**: illustrates global trends that will have an impact on Texas higher education and economics (Supplemental Materials, pp. 47-52).
- **"It's a Flat World, After All," Tom Friedman**: the profound technology and economic changes that are fueling global competition for intellectual talent Supplemental Materials, pp. 53-62).
- ***Good to Great in the Social Sectors*, Jim Collins**: describes results of research on leadership, achievement of and measurements of excellence and success in the social sectors, that differ from the business model success described in Collins earlier work on *Good to Great* and *Built to Last* Supplemental Materials, pp. 63-83).

B. State trends

- **State economic indicators**: illustrates the gap between Texas and other states, in areas where the UT System can add value (Supplemental Materials, pp. 85-86).
- **"Texas Demographics and Their Effects Upon Public and Higher Education: 2005 Report**:" projections are for Texas to lose ground in educational level, education of workforce, average income (Supplemental Materials, pp. 87-144).
- **"Closing the Gaps: Taking the Next Steps," Raymund Paredes** (Supplemental Materials, pp. 145-154).
- **Fall 2005 Revised Closing the Gaps Statewide Goals** (Supplemental Materials, pp. 155-156).

C. Higher education trends

- **Survey of higher education, *The Economist***: states that U.S. higher education remains the best in the world, but documents efforts of competitors in Europe and Asia, who are catching up (Supplemental Materials, pp. 157-172).
- **"Ferment and Change: Higher Education** in 2015," Daniel Yankelovich: highlights critical trends that will affect higher education including life cycles and aging; population; science and technology

vulnerability; understanding of cultures and languages; and commitment to social mobility (Supplemental Materials, pp. 173-182).

- **"Academic Medical Centers and Medical Research," Jordan J. Cohen**: suggests new directions for focus of and organization of medical research (Supplemental Materials, pp. 183-188).
- **"Fostering Innovation and Discovery in Biomedical Research**," **Thomas R. Cech**: suggests new orientation to interdisciplinary research (Supplemental Materials, pp. 189-192).

Critical Global Trends

- Population growth: aging baby boomers; increasing youth
- Increasing diversity
- Changing life cycle: multiple careers, longer life expectancy, active seniors
- Increasing health care needs
- Integrated global economy and need to understand other cultures
- Spread of technology
- Competition in science, technology, business
- Role of education in social and economic mobility

Losing Ground in Science and Technology

***The World is Flat*, Tom Friedman**

America is losing ground in science and technology, the result of 10 forces:

1. 11/9/1989 -- fall of Berlin Wall;
2. 8/9/1995 – day Netscape went public (compounded with laying of fiber-optic cable across the oceans) and benefited countries that could not invest in it);
3. Y2K and development of "Workflow" software and middle ware that connects computers worldwide;
4. outsourcing;
5. offshoring;
6. open-sourcing;
7. insourcing;
8. supply-chaining;
9. "Informing" – a new form of collaboration, like Google, Yahoo, and other search engines;
10. wireless access and voice over Internet protocol so you can do voice, data, etc. anywhere from any device.

... America is not really ready for this.

Critical State Trends and Issues
State Science, Innovation, and Economic Development Indicators

- The Washington Advisory Group suggested the UT System consider its positioning on a number of science, engineering, and innovation indicators that they track to analyze the competitiveness of states and institutions.
- These comparisons illustrate the gaps between Texas's and California's performance.
- These gaps point to the opportunity the UT System has to offer a solution for Texas, to improve the scientific and technology workforce, business development, and the economy of the state.

TX Rank	CA Rank	
		Milken Institute, *State Technology and Science Index - March 2004*. This index is intended to identify the states that are more likely to bolster their economy through technology and science investments and business developments. It considers many factors separately, including technology concentration, science and technology workforce, human capital investment, risk capital and infrastructure, R&D inputs, and more, compiled into an overall index rating.
23	1	Overall Milken index rating. Texas has lost ground in this index; it was ranked 14 in 2002. Massachusetts ranked number in both years. California was ranked 3 in 2002, and 2 in 2004. Other states whose rankings increased from 2002 to 2004: Minnesota (up from 10 to 8); Rhode Island (up from 21 to 11), and New Mexico (from 20 to 14).
		Technology Administration, Office of Technology Policy, *State Science and Technology Indicators, Fourth Edition.* This study uses 38 metrics to describe the science and technology infrastructure of individual states.
27	7	Industry-performed R&D per $1,000 of GSP [Gross State Product]
32	23	University-performed R&D per $1,000 of GSP
10	2	Amount of Venture Capital Funds Invested per $1,000 of GSP
24	7	Average Annual Number of SBIR Awards per 10,000 Businesses
34	22	Number of Business Incubators per 10,000 Business Establishments
38	3	Net Formations of High-technology Establishments per 10,000 Businesses
17	2	Average Annual Number of U.S. Patents Issued per 10,000 Businesses
16	1	Number of Technology Fast 500 Companies per 10,000 Businesses
14	8	Computer Specialists Employed per 10,000 Civilian Workers
25	16	Life and Physical Scientists Employed per 10,000 Civilian Workers
10	8	Engineers Employed per 10,000 Civilian Workers
22	6	Persons with a Recent Ph.D. in Science or Engineering per 10,000 Civilian Workers
20	6	Percent of Employment in High-technology NAICS Codes
27	14	Science and Engineering Graduate Students as a Percent of the 18-24 Population

TX Rank	CA Rank	
		Progressive Policy Institute, *The 2002 State New Economy Index*. This index was created in 1999 to measure the degree to which state economies were structured and operated according to the tenets of the New Economy. In 2002, the index was updated and now looks at 21 economic indicators to measure differences and assess states' progress as they adapt to the new economic order. The indicators focus on knowledge jobs, globalization, economic dynamism, and the digital economy, innovation capacity, and economic development strategies.
14	3	Overall score
12	9	Information Technology Jobs as a share of total jobs
12	5	Managerial, Professional, and Technical employees as a share of total workforce
43	28	Workforce Education (educational attainment of workforce, measured by degrees held)
5	3	Gazelle Jobs (companies with annual sales revenue that grew 20% or more for 4 years)
7	8	Job Churning (number of new start-ups and business failures as a share of all establishments)
16	3	Initial Public Offerings (IPOs) (value and number of IPOs as a share of GSP)
17	4	High-Tech Jobs (electronics, manufacturing, information technology, biomedical as share of total employment)
30	10	Scientists and Engineers (as percentage of workforce)
15	5	Patents (issued to companies or individuals per 1,000 workers)
21	8	Industry Investment in R&D (as percentage of GSP)
14	2	Venture Capital (as percentage of GSP)
		National Science Foundation, *Research and Development Expenditures*
3	1	Academic Federal-funded R&D Expenditures FY 2003
3	1	Total Academic-Performed R&D Expenditures FY 2003
4	1	Total U.S. R&D Expenditures 2002
6	1	Total Industry-Performed R&D Expenditures FY 2001

- THECB Commission Paredes has noted that California generates $2.95 billion in federal research expenditures, compared with $1.22 billion in Texas.

Critical State Trends and Issues

State Demographic, Educational, and Workforce Trends

- State demographic, educational, and workforce trends are fairly well known and understood, but provide a critical context for the UT System's consideration of future opportunities and challenges.

- A big and fast-growing state: 2nd largest, after California; 2nd 2000 to 2004 in numbers of people; 4th fastest growing state, in terms of percent of population change 2000 to 2004, and proportion of growth has increased (was eighth for 1990 to 2000).
- Regional growth clusters: population change 2000 to 2004 was greatest in regions around the Metroplex, Houston, Austin, and South Texas.
- State will have a Hispanic majority by 2040: 60 percent of population growth is attributable to Hispanic residents 1990 – 2000.
- Population is getting younger: median age in 2000 was 32.3; compared with 35.3 nationally.
- Median Anglo household income in 1999 was $47,162; $29,873 for Hispanics.
- Population is getting poorer: average household income will decline from $54,441 in 2000 to $47,883 (2000 $s).

Critical State Trends and Issues

State educational trends– the pipeline

Of 100 Texas ninth graders:

- 62 graduate from high school on time (among 14 lowest in the country).
- 32 directly enter college (lowest in country, together with 4 other states).
- 19 persist to the sophomore year (third lowest country).
- 11 graduate within 150% time (approximately, 6 years) (among 4 lowest states).
- 24% of the population with a bachelor's degree or higher (among the 19 lowest states).
- Although the Hispanic population is growing faster than other groups, Hispanic enrollments are falling short. In fall 2005, enrollments (310,574) were 30,000 lower than the statewide goal, which would double the total number of Hispanic college students by 2015. An annual increase of 24,000 would be needed to reach the statewide goal.

- Population of Texas is becoming less educated, and minority groups will be less educated than whites:
- Ranked 45 by percent of high school graduates, 2000.
- Ranked 27 by percent of college graduates in 2000.
- In 2000, 30% of Anglos had a degree; 48.8% will in 2040.
- In 2000, 8.9% of Hispanics had a degree; in 2040, 18.0% will.

- Workforce is becoming less educated: by 2040, 12.9% of labor force is project to have a bachelor's degree, a decline from 18.2% in 2000.
- 4.4% of the workforce will have a graduate/professional degree in 2040, down from 5.3 in 2000.

Higher Education Trends

- **Growth and diversity**. Nationally, but not in Texas, 2009 is likely to be last year (of a 20-year cycle) in which the number of new high school graduates increases. Dips will not occur evenly across ethnic and racial groups, as they have in the past, because of the large projected increase in members of minority groups, particularly Latinos.
- **Feminization**. Female students outnumber males at every level in higher education, and the gap is continuing.
- **Funding**. All states face potential deficits by 2013, and will have difficulty funding services. Funding for higher education will not increase as much as for other state needs.
- **Research**. New cross-disciplinary fields require collaboration, leadership, and structures to manage increasing complexity.
- **Technology and modalities of teaching**. In 2004, 1 million U. S. students took on-line courses. Enrollments in for profit and virtual institutions are exploding. Flexible course schedules and modes of instruction, new ways of organizing curricula, and easing transfer among institutions are emerging.
- **Value-added**. Defining the role, return on investment, productivity, and value-added of public university systems.
- **Globalization**. Brings opportunity for partnerships but also increased competition.
- **Educated workforce declining**. If the current trend in education gaps continue, the proportion of the workforce with less than high school diploma will increase, and the proportion with a higher level of education will decline.

III. UT System Critical Issues, Goals, and Directions

A. Critical Issues Interviews

- Purpose. The charge to the UT System Board of Regents Planning Task Force emphasized broad consultation to ensure that it identifies and focuses on the most critical issues facing the UT System and institutions over the coming decade.

- Scope. The task force commissioned personal interviews with: all members of the UT System Board of Regents, each UT System institution president, UT System Administration officials, selected members of the Chancellor's Council Executive Committee, higher education policy staff in Texas and in Washington, DC, and leaders in Texas health and media organizations. In addition, members of the UT System Student, Faculty, and Employee Advisory Councils (SAC, FAC, EAC) were briefed, and each received a personal written request for a response. These interviews and council surveys were conducted in August – December 2005. The summary attached here includes responses collected through November 30, 2005. (Additional interviews with media and health sector leaders continue in December/January.)

- Interview Methodology. Telephone or in-person interviews were scheduled with each individual participating. SAC, FAC, and EAC members received an email query. In advance, each group received a customized variant the following question to consider:

  As you look ahead five to ten years, what do you consider to be the top two to three key issues or priorities that your institution will face? More broadly, what are the top issues that the UT System as a whole will encounter?

- Different views. There are a number of ways that the responses can be viewed and analyzed. We choose to illustrate several key points:
  - Respondents were generally considered about a number of issues – there were rarely "single-issue" responses.
  - However, the pattern of emphasis on issues varied by group. These variations are displayed in the tables and graphs, below.
  - In several areas, there are significant discrepancies in emphasis by group. We note these on p. 44-45.

- Views by group. Standing out, among the variations in areas of emphasis by group, are:

Group	Issues mentioned most often
Board of Regents	Mission clarity/differentiation; targeted areas of excellence, funding; structure and governance of higher education in Texas; Board level accountability and benchmarks
Academic Presidents	Growth; resources facilities expansion, state support, strengthening research productivity; System distinctiveness; System messages
Health Presidents	Health institution quality; un- and underinsured patients and reimbursements; collaborations, System messages
UT System Administration	Allocation of resources; structure of funding; role and organization of Board; federal policy and funding issues; access/quality.
Faculty Advisory Council	Growth; diversity; faculty recruitment
Employee Advisory Council	Staff training, recruiting, retention; compensation; benefits
Student Advisory Council	Institution issues (diversity, collaborations, research); cost/affordability
Chancellor's Council	Quality; state support; System messages
Texas Policy Leaders	Cost/affordability; structure and governance of higher education in Texas; K-16 alignment
National Associations	Cost/affordability; federal policy and funding issues; accountability and evaluation
National policy staff and Congressional leaders	Cost/affordability; accountability and evaluation

Some Noteworthy Discrepancies
Academic presidents and the Faculty Advisory Council emphasized resource issues more strongly than other groups.
System administration officials emphasized institution issues less strongly than other groups.
Except for health presidents and System officials, other groups did not emphasize health institution issues.
The Board of Regents, the Student Advisory Council, Texas and Washington-based policy leaders emphasized student issues more strongly than did other groups.
The Employee Advisory Council emphasized operational issues, particularly related to compensation and training, more than other groups.
The Chancellor's Council emphasized communication and System messages, and state issues, more strongly than did other groups.
System administrative officials emphasized governance and leadership and federal issues more than other groups did.
The Board of Regents and national policy staff emphasized accountability and evaluation more than others did.

UT System Critical Issues: Summary Patterns

Response Overview

UT System Critical Issues Interviews Response Overview		
	# items	% all items
Resources/Financial Planning	97	21.7%
Institution Issues	89	19.9%
Students	65	14.5%
Operations	48	10.7%
Health Issues	36	8.1%
State Issues	34	7.6%
Communication	21	4.7%
Governance and Leadership	18	4.0%
System	15	3.4%
Accountability and Evaluation	13	2.9%
Federal Issues	11	2.5%
Total coded items	*447*	
Total respondents	*89*	

Responses by Group

Highlights indicate areas of emphasis with greatest differences among groups

Number of Respondents	(10)	(9)	(6)	(7)	(14)	(8)	(18)	(4)	(5)	(5)	(3)
	Board of Regents	Academic Presidents	Health Presidents	System Admin	Chanc. Council	Faculty Adv Council	Employee Adv Council	Student Adv Council	Texas Policy Leaders	D.C. Policy Leaders	Higher Ed Assoc.
Resources / Financial Plng	17.2%	**43.5%**	22.2%	23.7%	24.5%	38.1%	7.5%	22.2%	**11.4%**	**9.4%**	12.5%
Institution Issues	26.6%	18.8%	22.2%	**2.6%**	**30.6%**	23.8%	15.1%	33.3%	17.1%	15.6%	18.8%
Students	14.1%	7.2%	**4.4%**	10.5%	6.1%	9.5%	7.5%	33.3%	25.7%	**46.9%**	28.1%
Operations	7.8%	5.8%	2.2%	0.0%	2.0%	9.5%	50.9%	11.1%	11.4%	3.1%	6.3%
Health Issues	**3.1%**	0.0%	**37.8%**	18.4%	8.2%	9.5%	5.7%	0.0%	2.9%	0.0%	0.0%
State Issues	9.4%	8.7%	**0.0%**	2.6%	**12.2%**	4.8%	1.9%	0.0%	20.0%	12.5%	6.3%
Communication	7.8%	5.8%	6.7%	2.6%	12.2%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%
Governance and Leadership	7.8%	**2.9%**	**2.2%**	**18.4%**	0.0%	4.8%	1.9%	0.0%	2.9%	0.0%	0.0%
System	0.0%	5.8%	2.2%	7.9%	4.1%	0.0%	5.7%	0.0%	5.7%	0.0%	0.0%
Accountability and Evaluation	6.3%	1.4%	**0.0%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	2.9%	**12.5%**	**9.4%**
Federal Issues	**0.0%**	**0.0%**	**0.0%**	**13.2%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.8%
Total Responses	64	69	45	38	49	21	53	9	35	32	32

- External advisors. In addition, the task force consulted with several experts in higher education, research, health research and education. Their observations were combined with the critical issues interview results to produce 13 critical issue areas. Separately, they provide a valuable window on the perception of the System from the outside looking in.

How We Are Viewed Externally

- Huge potential economic impact on state, especially in science and engineering workforce
- Huge potential to engage and add value for Hispanic students, contribute to education, health care, business, and civic leadership pipeline
- Potential to leverage resources across institutions, particularly academic and health research linkages
- System, with large size and proportional reach – a leader inside the state, expected to take the lead in new and sometimes risky initiatives
- Viewed as having more potential to exert leadership nationally and globally
- Large endowment provides flexibility
- System is continually trying to improve; very unusual in higher education
- Mission differentiation is not clear among institutions, and mission focus is unclear at many institutions
- Challenged to identify, recruit, and retain faculty and administrative leadership
- Diffusion of resources through lack of strategic statewide planning and effects of political decision making

Critical Issues and Themes

1. Funding and resources
2. Educational pipeline, diversity, alignment, student success
3. Strategic planning and governance
4. Mission focus and selective excellence
5. Value-added, efficiency, use of technology
6. Economic and science/engineering impact of System
7. Health issues
8. System messages
9. Globalization and competition for talent
10. Collaborations and partnerships
11. Interdisciplinary programs and research
12. Leadership development
13. Measurement systems and accountability

Cross-cutting issues, themes, and priorities. When the internal ideas, external advice, System initiatives, and mission statement are considered, a group of 13 critical thematic areas emerged. By integrating these sources, it is possible to illustrate where areas of emphasis match or diverge from the System's current mission statement and current initiatives. See pp. 19-32, below.

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The University of Texas System
Board of Regents

Cross-Cutting Issues and Themes for Planning
December 2005

Funding and resources					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
20%+ All mentioned some aspect but this was less emphasized by external respondents Costs/ affordability Growth Structure of funding Financial planning Facilities expansion (TRBs, PUF) Health reimbursements; un- and underinsured Alumni support Philanthropy	▪ Must rely on multiple and alternate sources of support ▪ Unlike many other public research universities, The UT System has a large endowment that offers opportunities.	▪ The state has limited resources, need to look at cost containment and realistic plans THECB: ▪ Plan for great enrollment growth, but without greatly increased resources	▪ Development benchmarking ▪ Capital planning scenarios ▪ Financial scenario building	▪ *Closing the Gaps targets become de facto performance targets; lag in funding formula means campuses fund growth from existing resources for 2 years. May need System plan to define capacity* ▪ *Strategic philanthropy to shape direction of campuses; presidents need to be able to identify specific topics and projects that would further institutional mission* ▪ *TRBs for key campus facilities re necessary to deal with growth; residence halls to transform commuter institutions, enhance student culture and commitment to degree programs; TRBs most needed for expensive science and engineering facilities* ▪ Regental support for resources to recruit and retain talented scientists/researchers ▪ Support for increase in number of medical student positions and medical residency positions ▪ Support modification of State Funding Formula to better balance funds for research and infrastructure with enrollment ▪ Support use of PUF, TRBs, and other mechanisms to fund additional research faculties and to recruit and retain outstanding individuals to Texas	Mission statement: ▪ Create and sustain physical environments that enhance and complement educational goals, including appropriate classrooms, libraries, laboratories, hospitals, clinics, computer and advanced technological facilities, as well as university centers, museums, performance facilities, athletic spaces, and other resources consistent with institutional objectives; ▪ Encourage public and private-sector support of higher education through interaction and involvement with alumni, elected officials, civic, business, community and educational leaders, and the general public.

Educational pipeline, diversity, alignment, student success					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
10% All groups mentioned some aspect Access/ quality Demographic trends Diversity K-16 alignment K-16 preparation for health careers Top 10% Admissions requirements	▪ Build pipeline for Hispanic students and community, particularly recruiting students to science, engineering, and health sciences	▪ Demographics of students ▪ Accessibility ▪ Affordability ▪ Graduation rates/time to degree ▪ Tuition increases, related to financial aid needs ▪ K-16 alignment and preparation ▪ 2- to 4-year college transitions ▪ Top 10% THECB: ▪ Must address college readiness in context of enrollment growth and pipeline issues ▪ Improve alignment with community colleges	▪ Graduation Rates ▪ Admissions standards	▪ *Growth in enrollment – UT System has absorbed 50% of state growth; most difficult issue is balancing growth with quality*	System theme: ▪ Improving student success Mission statement: ▪ To provide superior, accessible, affordable instruction and learning opportunities to undergraduate, graduate, and professional school students from a wide range of social, ethnic, cultural, and economic backgrounds, thereby preparing educated, productive citizens who can meet the rigorous challenges of an increasingly diverse society and an ever-changing global community

Strategic planning and governance					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
8% Growth Structure / governance Planning processes System distinctiveness	▪ Mission differentiation and resource allocation decisions – personally and legislatively driven decisions. ▪ Emerging challenge of governance and governance structures. ▪ The Board and System should set a strategic direction, help clarify unique missions. Focus on planning, policy, reporting – the large issues. ▪ Large size is distinctive – proportional reach in the state. The System has, and can have, an extraordinary impact on policy and future.	▪ Map state needs to higher education programs ▪ Role of Board as "air traffic controller" balancing needs across system ▪ Does the THECB process serve the UT System well? THECB: ▪ State must do more strategic planning for higher education	▪ Board strategic planning ▪ System planning framework ▪ Compacts ▪ Institution long-range planning		▪ Alignment

Mission focus and selective excellence					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
5 % Mission clarity Centers of excellence Alignment with resources	▪ UT Austin and the health science centers distinguish the UT System from other systems. The quality and sheer numbers of free-standing health institutions even distinguish it from the UC System where a number of research campuses have medical schools. The California Master Plan is still best example of this differentiation. ▪ Institutions should be first class at what they do, but missions should be appropriate to campus (some, focus on medical and translational research for example) ▪ What is the uniqueness of	▪ Need mission differentiation – can't afford for institutions to be all things to all people ▪ Need mission focus ▪ Role of regional campuses ▪ Quality of UT Austin THECB ▪ Look for different models of excellence ▪ State support for additional research campuses is uncertain		▪ *Growth in research best short-hand indicator of improved [academic quality]; faculty engaged in research better versed in subjects, can introduce cutting edge to students* ▪ *To increase research; identify areas with critical mass of faculty; build better functionality for collaborations, improve research infrastructure (technology transfer capability)*	▪ Increasing research

Mission focus and selective excellence					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
	each campus? ▪ Concentrate resources – not every campus should attempt to excel at every thing; most don't need PhD or extensive research ▪ Resource allocation is really an issue of mission differentiation ▪ Must have strengths in basic sciences and liberal arts – can't sacrifice the humanities				

Value-added, efficiency, use of technology					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
8 % Value of the UT System Efficiency Use of technology in teaching Use of technology for efficiencies	▪ The role and value-added of a public university system. ▪ This system is one of few that are generally not defensive. Other systems are usually unwilling to admit they need to improve; she gets the sense that the UT System is continually looking for ways to improve. This is very unusual.	▪ Facilities planning – use technology to improve efficiency of scheduling; use technology to leverage tight resources ▪ Technology to transform education; new modes of delivery THECB: ▪ Efficiency, use of technology, and consideration of new and flexible models to deliver programs is crucial	▪ UT System Administration value-added initiative		▪ Aligning resource development and investments

Economic and science / engineering impact of System					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
5% Health/ science education Research productivity Economic impact K-16 pipeline to professions	▪ Economic impact, especially science and engineering workforce (use national indicators to show gap in science/engineering indicators with other states) ▪ Texas shares national need to train more scientists and engineers	▪ Higher education role and impact on workforce and job creation ▪ Regional focus and critical needs matched with areas of workforce shortages THECB: ▪ Must emphasize basic as well as applied research		▪ Task force on Public Health recommendations ▪ Explore ways to create venture capital funds ▪ Explore opportunities to make UT science products more accessible and transparent to those who might commercialize them ▪ Evaluate campus technology transfer capacity ▪ Look for resources to support incubator programs	Themes: ▪ Making a positive impact on the economy and on society ▪ Improving health care Mission: ▪ To render service to the public that produces economic, technical, social, cultural, and educational benefits through interactions with individuals and with local, Texas, national, and international organizations and communities; ▪ To provide excellent, affordable, and compassionate patient care through hospitals and clinics that are of central importance to programs of teaching, scholarship, research, and service associated with medicine and related health sciences; ▪ To serve as a leader of higher education in Texas and to encourage the support and development of a superior, seamless system of education – from pre-kindergarten through advanced post-graduate programs, and encompassing life-long learning and continuing education.

NOT emphasized IN INTERVIEWS
From Mission statement: To enrich and expand the appreciation and preservation of our civilization through the arts, scholarly endeavors, and programs and events which demonstrate the intellectual, physical, and performance skills and accomplishments of individuals and groups;

Health Issues					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
5% Health/ science education Un, under-insured patients GME	▪ Cross-disciplinary research		▪ Task force on Public Health		Mission: ▪ To provide excellent, affordable, and compassionate patient care through hospitals and clinics that are of central importance to programs of teaching, scholarship, research, and service associated with medicine and related health sciences

System Messages					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
5%					Mission: ▪ Encourage public and private-sector support of higher education through interaction and involvement with alumni, elected officials, civic, business, community and educational leaders, and the general public

Globalization and competition for talent					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
2 % Inter-nationalization Competition Competition for talent in health institutions	▪ Recruiting and retaining faculty and grad students (leadership, international sites and partnerships) ▪ Increased competitiveness – region, state, nation, *global* ▪ Globalization brings opportunity for partnerships but also increased competition, i.e., raiding talented students and faculty ▪ Talent identification ▪ Develop plans to "grow your own" faculty, get them involved in academies, task forces, committees ▪ Do not see higher education institutions making radical changes in nature of faculty appointments; use post tenure review	THECB ▪ Texas shares national need to train more scientists and engineers	STARS investments in new faculty	▪ Support for high quality graduate students, health benefit issues, stipends ▪ *Hiring high-quality new faculty is key task for every campus; most campuses expect increased retirements as current faculty age.* ▪ *Need new faculty to develop and sustain research and graduate programs, and to deal with enrollment growth.*	Mission: ▪ Attract and support serious and promising students from many cultures who are dedicated to the pursuit of broad, general educational experiences, in combination with the pursuit of areas of personal, professional, or special interest ▪ Acquire, retain, and nourish a high-quality, dedicated, diverse faculty of competence, distinction, and uncompromising integrity

Collaborations and partnerships					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
2 %	▪ Cross-institution collaborations – encourage strongly, but cannot be forced from top down ▪ Consider centers that bring together community colleges, universities, local businesses, government in Texas, even internationally	▪ Develop academic and research programs across systems in Texas THECB: ▪ Consolidation of campuses is unlikely; fostering of much more collaboration and formal regional partnerships should be emphasized	▪ LANL, Sandia ▪ Funding for research collaborations	▪ Support collaborations; willingness to consider new configurations and modification of Regents rules (appointments, promotions, finances, organizational requirements)	▪ Increasing research ▪ Maximizing intuitional synergy through collaborations

Interdisciplinary programs and research					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
< 2% Health research Environment for research	▪ Major groundbreaking discoveries at the interface of many disciplines ▪ Develop interdisciplinary, collaborative groups ▪ Interdisciplinarity and modality of teaching -- much lip service is paid to cutting across academic silos, but little real action		▪ STARS investments		▪ Increasing research Mission: ▪ To engage in high-quality, innovative research that entails the discovery, dissemination, and application of knowledge

Leadership development					
Critical Issues Emphasis (% of responses)	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
< 2 % Campus leadership	▪ Cultivation of leadership – there is a lack of leadership and leadership grooming in higher education nationally ▪ Needed at the institution, college, department level ▪ Need leaders who think of whole institution, not individual departments.		▪ Individual health institutions leadership development initiatives	▪ Monitor diversity among students, faculty, staff, as part of leadership evaluation of each institution (health)	Mission: ▪ Recruit and appropriately recognize exemplary administrators and staff members who provide leadership and support of the educational enterprise in an energetic, creative, caring, and responsible manner

NOT emphasized IN INTERVIEWS Mission: To cultivate in students the ethical and moral values that are the basis of a humane social order

Measurement systems and accountability					
Critical Issues Emphasis	External advisors	State emphasis (interviews)	UT System Initiatives	2004 Retreat Action Items *Academic Affairs in italics* Health Affairs	UT System Mission and Strategic Themes
< 2 % Accountability Evaluation	▪ Measurement systems to assess institutional strengths ▪ Regental assessment of the current strengths of each campus: need quantitative and qualitative measures ▪ Public will expect alignment with local and state needs ▪ Need less constraints by local, state, federal government	▪ State accountability will increase ▪ Must make case for support based on return on investment ▪ Justify in dollar terms why higher education needs additional resources THECB ▪ Accountability requirements will increase			▪ Assuring integrity and public trust

Agenda Item 2

U. T. System: Follow-up report on Austin Academic Health Center

REPORT

Executive Vice Chancellor Shine will present an update on a potential Academic Health Center in Austin as discussed with the Board at the August 11, 2004 meeting. During the 2004 meeting, Dr. Shine made a report entitled Proposed Austin Academic Health Center; a copy is attached on Pages 34 – 34b. Materials Dr. Shine will use during his presentation are set forth on Pages 34c – 34g.

6. U. T. System: Proposed Austin Academic Health Center

REPORT

Dr. Kenneth Shine, Executive Vice Chancellor for Health Affairs will present an overview of interest and opportunities for the development of an academic health Center in Austin.

Considerable opportunities exist for the expansion of biomedical research, education, and training programs in Austin. The University of Texas at Austin, a major research institution, would benefit significantly from interactions with biomedical scientists and health researchers. Such research activities could translate into further economic development.

Expansion of educational opportunities for medical students and training for resident physicians would enhance health and healthcare in general, and particularly provide care for the medically indigent in the community. Research and training programs would also attract outstanding faculty physicians who would contribute to healthcare and would add to the attractiveness of the city to employers, employees, and their families.

The U. T. Medical Branch - Galveston has a long history of academic affiliations in Austin. Twenty-three medical students spend their third year training in Austin hospitals. Many other students take electives in Austin so that at any given time as many as 100 medical students are present. A new women's health hospital was opened under the direction of U. T. Medical Branch - Galveston at the Seton/Brackenridge Hospital. This program has received approval for a resident physician training program in obstetrics and gynecology. A state-of-the-art, fast MRI, imaging program is now under joint development by the U. T. Medical Branch - Galveston, U. T. Austin and the Central Texas Veterans Administration. U. T. Medical Branch - Galveston and U. T. Austin are now organizing a joint M.D./Ph.D. program.

Opportunities for an academic health center in Austin include the development of a regional school of public health, created by U. T. Health Science Center - Houston in collaboration with U. T. Austin, as well as collaborations with U. T. Health Science Center - San Antonio and other health institutions.

An academic health center could be developed in Austin through a series of incremental steps which would build research, education, patient care capacity over time. Such an academic health center could be developed in accordance with the following principles:

a. Each component of the enterprise must be of the highest quality so as to recruit a world-class faculty and develop outstanding educational and clinical programs.

b. Each step would be taken only if adequate funding were available for that portion of the program. Considerable private support would be required for this purpose.

c. An incremental approach would be taken to increase the number of programs for undergraduate students seeking M.D. or M.D./Ph.D. degrees, and the addition of postgraduate residency training programs in the various medical specialties.

d. The academic health center should be physically located proximate to the U. T. Austin campus, in order to synergize the capacities of each enterprise.

e. An academic medical center would require the establishment of one or more medical research institutes which capitalize on synergies with U. T. Austin. An institute might focus on developmental biology, neurosciences, systems biology, cancer genetics or other aspects of molecular medicine. Substantial support from private donors would be required to create such an institution.

f. U. T. Medical Branch - Galveston would continue to develop educational and research programs in collaboration with the new Austin Children's Hospital, the Central Texas Veterans Administration, Seton/Brackenridge Hospital, St. David's Hospital and other clinical sites for student and residency training.

g. The School of Public Health at U. T. Health Science Center - Houston would continue to develop collaborations with U. T. Austin for research and education.

h. Other institutions including U. T. San Antonio, U. T. Health Science Center - Houston, and Texas A&M University would be encouraged to enter into collaborations in medicine, nursing, pharmacy, allied health and other areas.

The development of expanded educational programs, including residencies, would contribute substantially to the provision of care for the medically indigent individuals. It would also contribute to an increased number of physicians practicing in Texas.

In a time of profound fiscal constraints in the State, development of these academic health programs would require substantial public and private partnerships in which the local community and local donors would have to provide substantial resources for the development of an academic health center.

While there have been no negotiations with the City of Austin, it has been reported that the City of Austin proposes to set aside 15 acres on the former Mueller Airport site for medical purposes. This site is proximate to the new Children's Hospital. A more fully developed academic health center would require substantially more space. However this property might form the initial location of the educational, research, or clinical facilities essential to developing an Academic Health Center.

Considerable public interest has been expressed in Austin to create a medical school in the community. It is possible that the incremental developments described above might lead, at some future time, to formal establishment of such a school. However incremental and gradual expansion of programs by U. T. Medical Branch - Galveston an already fully accredited institution, could continue, without the immediate major financial resources required for a new medical school. Incremental development of research program offers opportunities to recruit a small core of world class scientists upon which a great faculty could be built. This development will require effective public-private synergies and resources for its accomplishment. There does seem to be a convergence of interest and opportunity upon which to build.

Presentation to the Board of Regents
January 12, 2006

Austin Academic Health Center

1

Austin Academic Health Center

- Medical Education
- Biomedical Research
- Nursing
- Pharmacy
- Public Health (Houston)
- Health Care

2

Principles

- Highest Quality
- Incremental Approach
- Adequate Funding at Each Step
- Considerable Private Support
- Proximate to UT Austin (Mueller Site?)
- Partnership of UT Austin and UT Health Science Schools

3

Mueller Site

- Catellus (Developer)
- 15 Acres Long Term Lease (Nominal Cost)
- 12 Acres Purchase/Option (City Council Approval)
- Research Buildings (4)
- VA Clinic?
- Educational Buildings
- Proximate to Children's Hospital

4

Mueller Site

- Good Neighbors
- Compatible Design Features
- Retail/?Children's Museum
- No Further Expansion on Site

5

Educational/Clinical Programs - UTMB

- Women's Hospital
- OB/GYN Residency
- Seton System/UTMB Affiliation Agreement
- Medical Students (~120)
- Imaging Center (Joint UTMB/VA/Austin)
- MD/PhD Program/Austin
- Community Clinics
- Cancer Program/Brackenridge

6

Biomedical Research

- UT Austin/Dean Mary Ann Rankin
  - Programs/Appointments
- Biomedical Research Institutes/Translational
- Children's Health Research Institute
  - Developmental Biology
  - Genetics
  - Nutrition
- Neurosciences
- Heart Disease/Cancer

7

Community Support

- Continued Strong Broad-Based Interest
- Offers to Help
- Economic Development
- Recruiting Executives
- Community Health Needs

8

Next Steps

- Continue Clinical/Educational Programs
- Continue UT Austin Collaborations with Health Campuses
- Pursue Philanthropic Opportunities Focused Upon Biomedical Research Institute(s) Especially Children's Health Research