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May 9 - 10, 2007


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5. U. T. System: Annual report on research and technology transfer

Research and Technology Transfer

Annual Report

Arjuna S. Sanga
*Vice Chancellor *ad interim**



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Overview

- Research
 - National Rankings
 - Research Expenditures
 - Market share
 - Distinguished Faculty awards
- Technology Transfer
 - Texas Emerging Technology Fund
 - Technology Transfer Activities
 - National Rankings
- Research & Technology Transfer Initiatives

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5. U. T. System: Annual report on research and technology transfer (cont.)

RESEARCH

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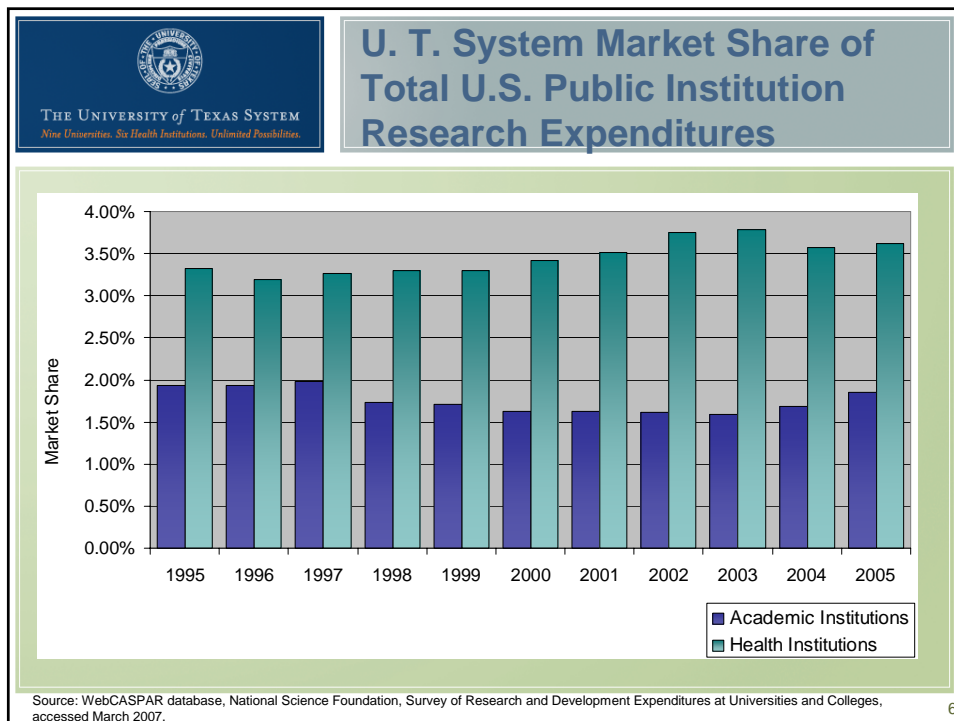
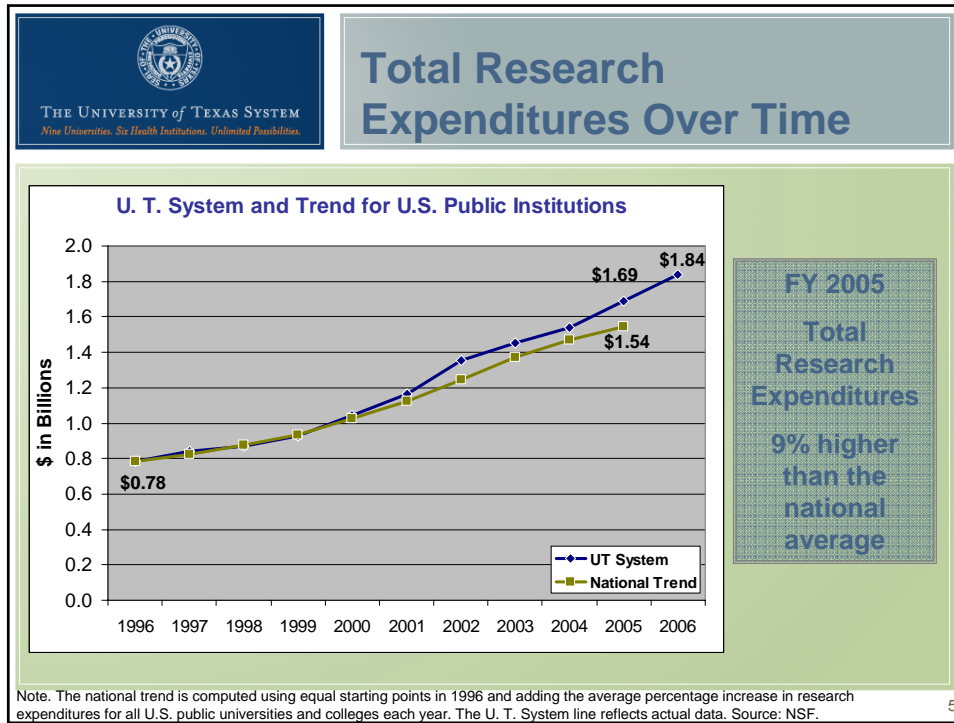
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Change in National Rankings, Total Research Expenditures 2001-2005


Institution	Public Institutions		Public & Private Institutions	
	Change 01-05	2005 Rank	Change 01-05	2005 Rank
U. T. Arlington	3	144	6	203
U. T. Austin	1	20	1	32
U. T. Dallas	31	122	45	171
U. T. El Paso	(11)	149	(15)	209
U. T. Pan American	5	243	17	342
U. T. San Antonio	9	157	18	220
U. T. Southwestern Medical Center – Dallas	6	28	3	46
U. T. Medical Branch – Galveston	9	63	8	93
U. T. Health Science Center – Houston	(9)	68	(12)	98
U. T. Health Science Center - San Antonio	(5)	70	(9)	101
U. T. M. D. Anderson Cancer Center	15	21	18	34

Note. Parentheses indicate a decline in rankings. Source: WebCASPARE database, National Science Foundation, Survey of Research and Development Expenditures at Universities and Colleges, accessed March 2007.

5. U. T. System: Annual report on research and technology transfer (cont.)



5. U. T. System: Annual report on research and technology transfer (cont.)




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**Research Capacity:
Distinguished Faculty Awards**

**U. T. System has 41
National Academy of Sciences members**

Institution	Cumulative NAS Members	Average Number NAS Members of Peers
U. T. Austin	20	33
U. T. Dallas	2	1
UTSWMC	17	29
UTHSCH	2	15

Source: U. T. System Accountability and Performance Report, 2007; peer comparisons: awards membership directories, accessed 4/07. 7



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**Research Capacity:
Distinguished Faculty Awards**

**U. T. System has 51
National Academy of Engineering members**

Institution	Cumulative NAE Members	Average Number NAE Members of Peers
U. T. Austin	50	20
U. T. Dallas	1	5

Source: U. T. System Accountability and Performance Report, 2007; peer comparisons: awards membership directories, accessed 4/07. 8

5. U. T. System: Annual report on research and technology transfer (cont.)



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**Research Capacity:
Distinguished Faculty Awards**

**U. T. System has 29
Institute of Medicine members**

Institution	Cumulative IOM Members	Average Number IOM Members of Peers
UTSWMC	17	31
UTMB	4	14
UTHSCH	5	17
UTHSCSA	2	7
UTMDA	1	14

Source: U. T. System Accountability and Performance Report, 2007; peer comparisons: awards membership directories, accessed 4/07. 9


TECHNOLOGY TRANSFER



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5. U. T. System: Annual report on research and technology transfer (cont.)




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Texas Emerging Technology Fund

A \$200M fund created to expedite the development and commercialization of new technologies and to recruit the best research talent in the world

Program	Total Available	Total Awarded to Date
Research Superiority	\$50M	\$29M
Commercialization	\$100M	\$31M
Research Matching	\$50M	\$17M

Source: Texas Governor's Office, 4/19/07
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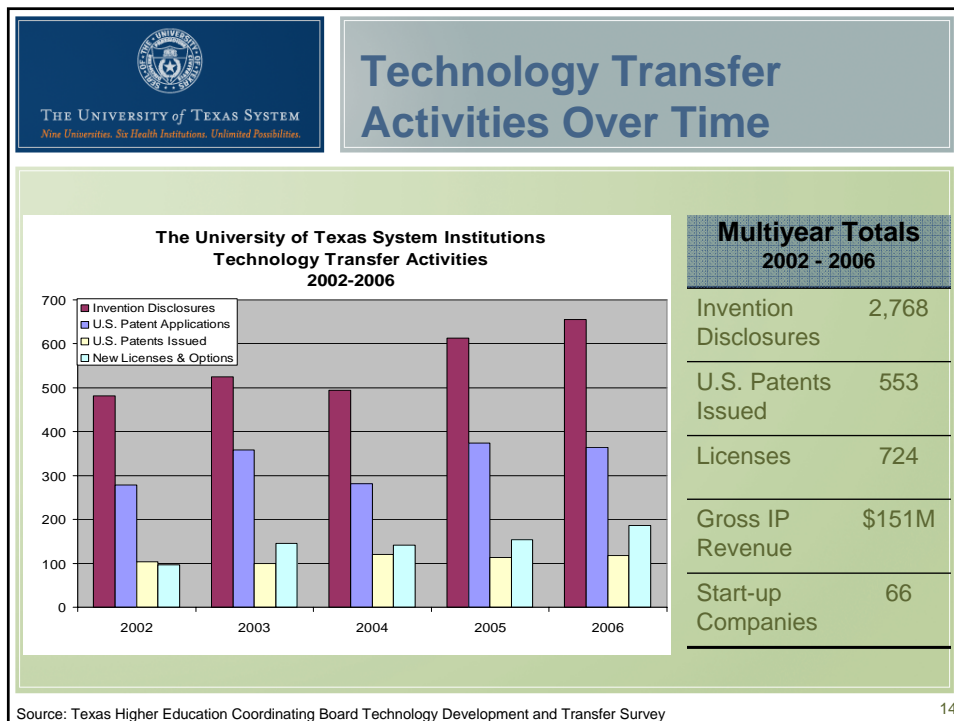
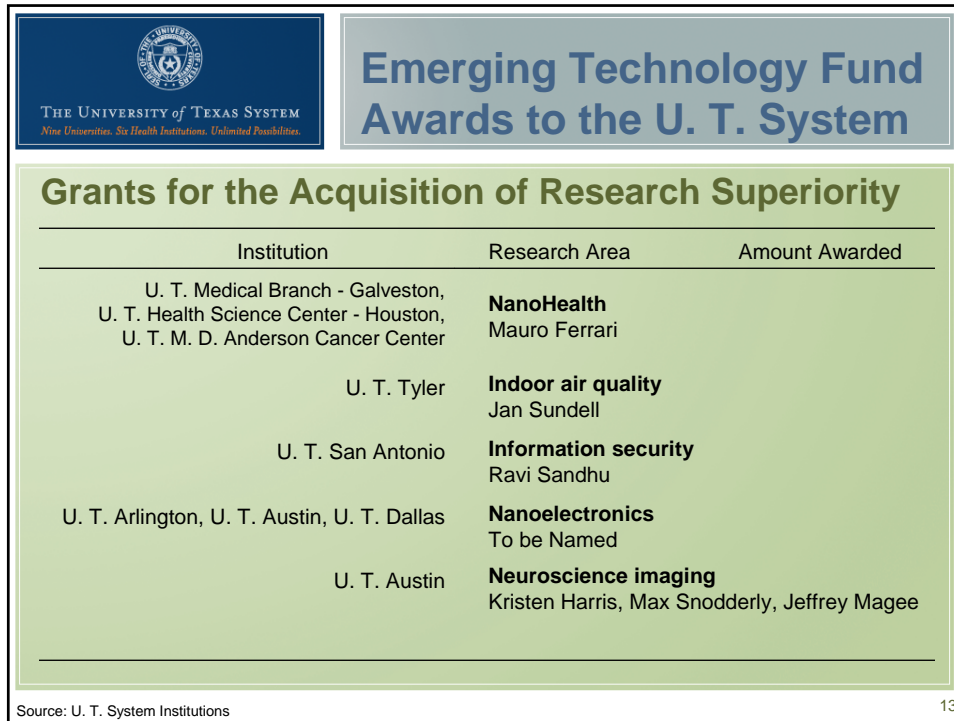
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Emerging Technology Fund Awards to the U. T. System

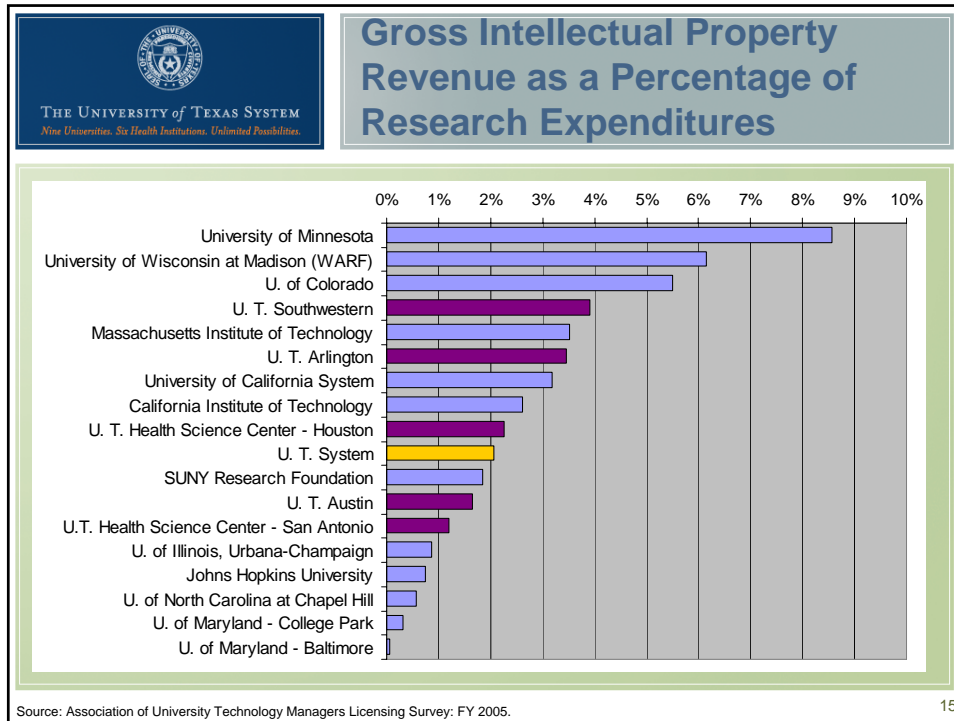
Program	Awards Received by U. T. System Institutions	Percentage of Funds Awarded to Date
Research Superiority	\$23M	79%
Commercialization	\$28M	91%
Research Matching	\$6M	35%
Total	\$57M	74%

Source: Texas Governor's Office, 4/19/07
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5. U. T. System: Annual report on research and technology transfer (cont.)



5. U. T. System: Annual report on research and technology transfer (cont.)



-
- Change in Technology Transfer**
- Technology transfer activities continue to increase; over the past 5 fiscal years:
 - **36%** increase in invention disclosures
 - **14%** increase in U.S. patents issued
 - **92%** increase in licenses and options executed
 - **34%** increase in gross revenue from intellectual property

5. U. T. System: Annual report on research and technology transfer (cont.)



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U. T. System Rankings: Technology Transfer

- 1st in the world in number of **biotech** patents (Milken Institute, 2006)
- 2nd as a “**patent powerhouse**” reflecting quality and quantity of U.S. patents (*The Scientist*, 2005)
- 4th in the nation in **U.S. patents issued** (USPTO, 2006)
- Five institutions rank in the top 100 on the **Milken Institute Technology Transfer and Commercialization Index**
 - U. T. Austin
 - U. T. Southwestern Medical Center – Dallas
 - U. T. Medical Branch – Galveston
 - U. T. Health Science Center – Houston
 - U. T. Health Science Center – San Antonio

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Office of Research & Technology Transfer Initiatives

Promoting a culture of innovation and entrepreneurship

- Key Collaborative Research Initiatives
 - Research Collaborations Survey
 - Texas Alliance for Nanotechnology (TxAN)
 - Texas Nanoelectronics Research Initiative
 - Sandia research peer review and research collaborations
 - Texas Advanced Computing Center (TACC)
- Key initiatives in technology transfer
 - Regional Technology Transfer Initiative
 - Technology transfer data management system and data standards
 - Research and Technology Transfer Showcase
 - Chancellor’s Entrepreneurship & Innovation Awards

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5. U. T. System: Annual report on research and technology transfer (cont.)



Endowment Compliance Initiative

Office of the Vice Chancellor
for External Relations



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UT System
Board of Regents
Meeting

May 10, 2007





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Mission of the Program


- Stewardship of the public trust and **\$5.8 billion** of endowed donations
- Ensure compliance with applicable laws, policies and procedures and endowment agreements

7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)

 THE UNIVERSITY of TEXAS SYSTEM <i>Nise Universitates. Sua Health Institutions. Unlimited Possibilities.</i>		Scope of the Program	
No. of Endowments	Market Value		
3,291	\$ 683,334,135	Student Support	
2,153	1,876,836,864	Academic Positions	
<u>1,894</u>	<u>2,140,233,591</u>	Program Support	
7,338	\$4,700,404,590	Total	
 		Endowments held by all external trustees*	
<u>818</u>	<u>\$1,112,096,017</u>	TOTAL	
8,156	\$5,812,500,607		
<p><i>*Only endowments held by UT-affiliated trustees (UT Law School Foundation, LBJ Foundation, Southwestern Medical Foundation, UT Pan American Foundation, etc.) were monitored.</i></p>			
3			

 THE UNIVERSITY of TEXAS SYSTEM <i>Nise Universitates. Sua Health Institutions. Unlimited Possibilities.</i>		Endowments as of 8/31/06			
Institution	Total Endowments	Student Support	Academic Positions	Program Support	Total Held by External Trustees
UT Arlington	286	219	25	42	2
UT Austin	3,842	1,878	1,143	821	357
UT Brownsville	56	44	5	6	0
UT Dallas	131	46	44	41	1
UT El Paso	479	274	47	158	1
UT Pan American	73	54	7	12	156
UT Permian Basin	86	76	5	5	1
UT San Antonio	228	163	29	36	0
UT Tyler	156	124	16	16	2
UT SWMC – Dallas	433	30	253	150	288
UT MB – Galveston	562	200	161	201	1
UT HSC – Houston	312	92	147	73	7
UT HSC - San Antonio	240	66	96	78	1
UT MDACC	331	11	161	159	0
UT HC - Tyler	38	3	13	22	0
UT System Administration	82	8	1	73	1
Multi-Institution	4	3	-	1	-
TOTAL	7,338	3,291	2,153	1,894	818

7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Funding for the Program

- Sixth year fee distributed 9/1/06 in the amount of \$2,727,018 to be used for staffing, operations and reporting
- 14 institutions elected to participate at .08% for compliance purposes
- One institution elected to take fee as an additional endowment distribution
- One institution elected not to participate in the fee

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Adding Value

- Centralized endowment compliance program administered by UT System Administration provides:
 - Framework for accountability
 - Ability to benchmark successes and areas needing improvement
 - Experienced endowment management professionals
 - Opportunities for institutions and UT System Administration to share best practices

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Program Elements

- Risk assessment
- Monitoring plan
- Education and training
- Reporting both to donors and executive management

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Risk Assessment

- Each year the endowment compliance committee at each institution and the UT System Administration determines and prioritizes risks related to its institution and incorporates newly identified risks into its monitoring plan

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Monitoring Plan

- Primary risks monitored:
 - Excessive accumulations
 - Inappropriate expenditures
 - No expenditures
 - Unfilled endowed academic positions
- Other areas monitored:
 - Reinvestment of distributions
 - Training
 - Reporting

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Monitoring Risks

- Excessive Accumulations
 - Accumulations of endowment earnings above the standard set by the institution (2 x annual, dollar amount, etc.)

<u>Fiscal Year</u>	<u>Avg. Monitored</u>	<u>Avg. Found</u>
2003-04	88% of 6,651	25%
2004-05	74% of 7,757	17%
2005-06	74% of 8,156	18%

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Monitoring Risks

- Inappropriate Expenditures
 - Endowment expenditures outside terms of endowment agreement, as interpreted by institutional Endowment Compliance Committee

<u>Fiscal Year</u>	<u>Avg. Monitored</u>	<u>Avg. Found</u>
2003-04	68% of 6,651	1.50%
2004-05	52% of 7,757	1.56%
2005-06	64% of 8,156	1.81%

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Monitoring Risks

- No Expenditures
 - Endowments from which no funds have been expended during the reporting period

<u>Fiscal Year</u>	<u>Avg. Monitored</u>	<u>Avg. Found</u>
2003-04	77% of 6,651	15%
2004-05	63% of 7,757	14%
2005-06	74% of 8,156	20%

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Monitoring Risks

- Unfilled Academic Positions
 - Endowed academic positions without a holder appointed

<u>Fiscal Year</u>	<u>Avg. Monitored</u>	<u>Avg. Found</u>
2003-04	100% of 1,884	28%
2004-05	100% of 1,973	27%
2005-06	86% of 2,042	16%

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Training

- Educate staff and endowment signatories on availability and use of funds
- Improve communication between development and business offices
- Provide ongoing training on endowment related issues

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Reporting to Donors

▪ UT institutions and UT System Administration provide reports annually to their known donors and contacts


<u>Fiscal Year</u>	<u>Endowments with Known Donors</u>	<u>Avg. Reported To</u>
2003-04	5,920	79%
2004-05	5,854	89%
2005-06	6,293	91%

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Endowment Reports




ROBERT E. BOYER ENDOWED PRESIDENTIAL SCHOLARSHIP FOR NATURAL SCIENCES

I. ENDOWMENT REPORT FOR PERIOD ENDED AUGUST 31, 2006

Beginning Market Value (September 1, 2005)	\$	200,443.76
Contributions Received		-
Withdrawals		-
Income Reinvested		-
Investment Return:		
Income	\$	4,235.97
Net Realized Gains (Losses) on Investments		4,506.67
Net Increase (Decrease) in Market Value of Investments		12,874.00
Total Investment Return		21,616.64
Cash Distributions to Endowment Income Account		(8,742.64)
Ending Market Value (August 31, 2006)	\$	213,317.76

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)



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UT Austin's Donor Direct


WHAT STARTS HERE CHANGES THE WORLD
THE UNIVERSITY OF TEXAS AT AUSTIN

DONOR DIRECT

Message Created by Sarah E. Withycombe on May 22, 2006

Robert E. Boyer Endowed Presidential Scholarship for Natural Sciences


Recipient Sarah E. Withycombe
Home Town Greenville, TX
Email Address .@excite.com
Major Biology & Plan II Honors



Thank you so much for your generosity and support. This scholarship has allowed me to succeed in college while being able to have experiences that would not have been possible otherwise. It has made my four years at UT some of the best I'll ever have and I greatly appreciate that. I have been able to work in a research lab on campus and to be involved in group organizations. I will be starting medical school in August at UTMB. Thank you once again!!

Sarah E. Withycombe

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Reporting to Executive Management

- Provide assurances to the Chancellor, Executive Vice Chancellors and each institution's president that risks are monitored appropriately and exceptions are addressed timely
- Quantify effectiveness of endowment compliance program

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)




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Summary of Progress

- Risk assessments developed by all institutions and UT System Administration by 2002; monitoring plans developed by 2003
- All individuals with endowment expenditure authority have a clearer understanding of the availability and use of endowment funds
- Reports to donors provide transparency
- UT institutions' knowledge of endowment terms and policies has improved

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Summary of Progress

- UT System Administration coordinates workshops for endowment compliance staff to discuss endowment issues and exchange ideas
- Several UT institutions have developed databases to record and report endowment data
- Annual customized progress reports are provided to each institution's president and to the Chancellor and Executive Vice Chancellors
- Annual report on Endowment Compliance Program provided to the Board of Regents beginning in 2007

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7. U. T. System: Presentation on the U. T. System-wide Endowment Compliance Program (cont.)



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Challenge

- Lack of uniformity in monitoring plans and reporting criteria
 - Program developed in 2000 with an administrative decision to allow each institution to set its own standards
 - While this structure created flexibility for each institution to create a program specific to its mission and culture, it created difficulties in benchmarking the progress of the program
 - Resulted in a disconnect between identified risks and monitoring plans and between endowment compliance committees and institutional compliance committees

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Recommendation

- Collaborate with UT institutions to establish uniform standards to enable the UT System-wide Endowment Compliance Committee to quantify and benchmark performance

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The University of Texas System Graduation Rates Initiative Progress Report

April 2007



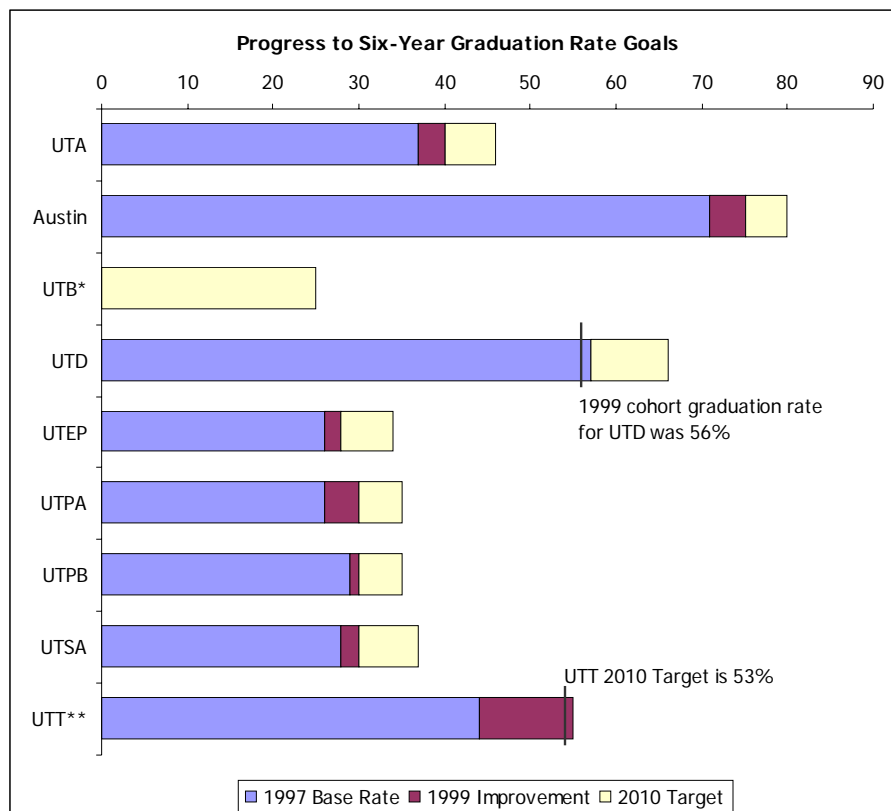
Contact:
UT System Office of Academic Affairs
(512) 499-4233 || www.utsystem.edu/aca

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

I. Executive Summary

The University of Texas System Graduation Rates Initiative began in May 2006. Thus, the impact of this initiative will not be fully felt until the student cohort of fall 2006 graduates in years 2010 through 2012. This follows the timetable agreed upon by the Board of Regents in their resolution. Yet, the institutions have enacted a series of programs, some of which were in place before this new System initiative, that have already demonstrated a positive effect on current students. However, those students entering in fall 2006 and 2007 will be able to benefit fully from the new set of programs designed to speed up graduation rates. The following are trends for all academic institutions are for the cohorts entering in fall 1998 and 1999:

1. Four out of nine institutions increased their 4-year graduation rate by an average of 4.2 percent. The highest increase was 10 percent. The lowest was a decrease of eight percent.
2. Five of out nine institutions increased their 5-year graduation rate by an average of 4.0 percent. The highest change in percentage points was 12 percent. The lowest saw no change in its 5-year graduation rate.
3. Seven out of nine institutions increased their 6-year graduation rates by an average of 3.3 percent. The largest increase was 11 percent. The lowest saw no change in its 6-year graduation rate.
4. One institution (UT Austin) far exceeds the national graduation rates in the 4-year, 5-year, and 6-year categories.
5. UT Dallas and UT Tyler have already exceeded the average national graduation rate (53%) for 6-year graduation category and are well under way to meet their own targets which are higher.
6. Assuming a two percent yearly increase in graduation rates for every institution, eight of nine institutions should meet their target goal for 2010.



*1997 and 1999 graduation rate data not available for UT Brownsville.

**UT Tyler did not admit lower division students until 1998; thus, the 1998 cohort was used as the base rate.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Conclusions

To meet the aggressive targets set by the Board of Regents, institutions have moved forward with a number of activities to improve graduation rates. Their initiatives have included a range of new structural, policy, and academic programs to promote timely graduation. The following are highlights:

1. Tuition structures have been modified to incentivize students to take a greater number of credit hours per semester, accelerating time to graduation.
2. Institutions have made policy changes that will encourage students to re-enroll and finish their coursework.
3. Institutions have created employment opportunities so that students remain on campus. There is some evidence that students employed at the university are more likely to perform better academically.
4. Institutions have developed new retention programs that will help keep students in college and thus able to finish coursework on time.
5. Some institutions have combined academic advising with financial aid advising so that students understand how continuous enrollment, supported by financial aid packages, will accelerate their time-to-graduation.
6. Some institutions have begun to redesign courses and add supplemental instruction to ensure student success and to avoid having students repeat courses to master the material.
7. There is significant activity at all institutions to strengthen their relationships with community colleges. Collaborations have been developed with local community colleges, that, in some cases, involve financial aid and curriculum reform.

Recommendations

Program and policy changes have been recently implemented or are in the process of implementation. It is too early to determine their effectiveness in improving graduation rates. Thus, five recommendations are suggested as next steps:

1. The UT System will continue to monitor and report graduation and persistence rates for all campuses every year.
2. The UT System will help institutions expected to have difficulty achieving their 2010 graduation rate target develop an action plan to improve the chances of achieving their goals.
3. The campuses will develop early assessment programs for all the programmatic and policy changes that have been implemented. It is the only way to understand the effectiveness of a program vis-à-vis graduation rates success. These assessments can only be done by the individual campuses.
4. The UT System will develop a website to share best practices associated with increasing graduation rates.
5. The Office of Academic Affairs will analyze and develop alternative measures of student success in addition to the basic four-, five-, and six-year graduation rate trends currently tracked.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

II. The University of Texas System Resolution to Improve Graduation Rates

In February 2006, the Board of Regents unanimously passed a resolution that made improving graduation rates one of its highest educational priorities.

RECOMMENDATION

The Chancellor recommends that the Board approve the following resolution to improve the graduation rates at all U. T. System academic institutions:

RESOLUTION

WHEREAS, The Board recognizes the importance of the State of Texas Initiative "Closing the Gaps by 2015," a plan to close the educational gaps in student participation and success within Texas, as well as between Texas and other states;

WHEREAS, Graduation rates are a critical component of such plan;

WHEREAS, Although the Board recognizes the progress in student participation among the academic institutions, the Board is not satisfied with the status of student success (graduation rates) among the academic institutions;

WHEREAS, The Board understands that each academic institution has a set of contextual factors that affect graduation rates, such as the proportions of students who are full-time, part-time, Coordinated Admissions Program enrollees, joint degree students, and transfer students; and

WHEREAS, The Board wishes to enhance the quality of the educational experience and does not approve lowering academic standards nor inflation of grades among academic institutions.

THEREFORE, BE IT RESOLVED that on behalf of The University of Texas System, the Board expresses concern about the student success rates among all academic institutions and thus makes improving graduation rates one of its highest educational priorities for the next decade, and the Board directs:

- That all academic institution presidents align institutional policies to maximize their positive impact on graduation rates -- policies such as financial aid, academic advising, performance reviews, tuition, course scheduling, campus housing, curriculum, admissions, and any other institutional policy that improves graduation rates;
- That all academic institution presidents develop specific targets by April 15, 2006, to meet or exceed national averages for four-year, five-year, and six-year graduation rates for full-time, part-time, and transfer students;
- **That students, faculty, and staff at all academic institutions be involved in discussions to improve graduation rates; and**
- That all academic institution presidents report each quarter the specific steps taken to align policies and to improve graduation rates and that they provide statistics and progress toward the specified targets annually to the Board for each group of students.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

III. Data Report and Analysis

Table I lists the graduation rates of 1997-1999 entering first-time, full-time, degree seeking undergraduate cohorts. Overall, UT System academic institutions showed an increase in their rates over the last few years.

Table 1
UT System Graduation Rate Targets
Academic Institutions

	Actual Graduation Rates			Targets		National Average
	1997 Cohort	1998 Cohort	1999 Cohort	2010	2015	1997 Cohort
Arlington						
Four-year Rate	20%	12%	15%	26%	30%	26%
Five-year Rate	34%	30%	32%	40%	44%	47%
Six-year Rate	37%	38%	40%	46%	50%	53%
Austin						
Four-year Rate	36%	39%	42%	55%	60%	26%
Five-year Rate	64%	67%	69%	73%	75%	47%
Six-year Rate	71%	74%	75%	80%	85%	53%
Brownsville/TSC						
Four-year Rate	n/a	n/a	n/a	10%	26%	26%
Five-year Rate	n/a	n/a	n/a	20%	47%	47%
Six-year Rate	n/a	n/a	n/a	25%	53%	53%
Dallas						
Four-year Rate	32%	38%	30%	38%	47%	26%
Five-year Rate	52%	51%	51%	57%	62%	47%
Six-year Rate	57%	56%	56%	65%	72%	53%
El Paso						
Four-year Rate	2%	4%	5%	10%	20%	26%
Five-year Rate	15%	16%	18%	23%	40%	47%
Six-year Rate	26%	27%	28%	34%	53%	53%
Pan American						
Four-year Rate	6%	n/a	8%	18%	26%	26%
Five-year Rate	18%	n/a	21%	30%	47%	47%
Six-year Rate	26%	27%	30%	35%	53%	53%
Permian Basin						
Four-year Rate	15%	17%	15%	18%	26%	26%
Five-year Rate	26%	27%	32%	35%	47%	47%
Six-year Rate	29%	31%	35%	40%	53%	53%
San Antonio						
Four-year Rate	6%	7%	6%	11%	26%	26%
Five-year Rate	19%	21%	22%	27%	47%	47%
Six-year Rate	28%	29%	30%	37%	53%	53%
Tyler*						
Four-year Rate		28%	38%	26%	28%	26%
Five-year Rate		39%	51%	47%	49%	47%
Six-year Rate		44%	55%	53%	55%	53%

Notes:

Graduation rates are for first-time, full-time, degree-seeking undergraduates who begin in the summer/fall of the enrollment year and graduate at the same institution. The cumulative rates represent the sum of degrees conferred at the end of the fourth,

Most students at Brownsville/TSC matriculate at TSC, so historical graduation rates could not be accurately calculated for the campus.

Tyler did not admit freshmen until summer/fall 1998, so their graduation rates begin with the 1998 entering cohort.

Graduation rate targets were submitted by U. T. System institutions and approved by the Board of Regents in May 2006.

Source: IPEDS Graduation Rate Survey Data and U. T. Academic Institutions

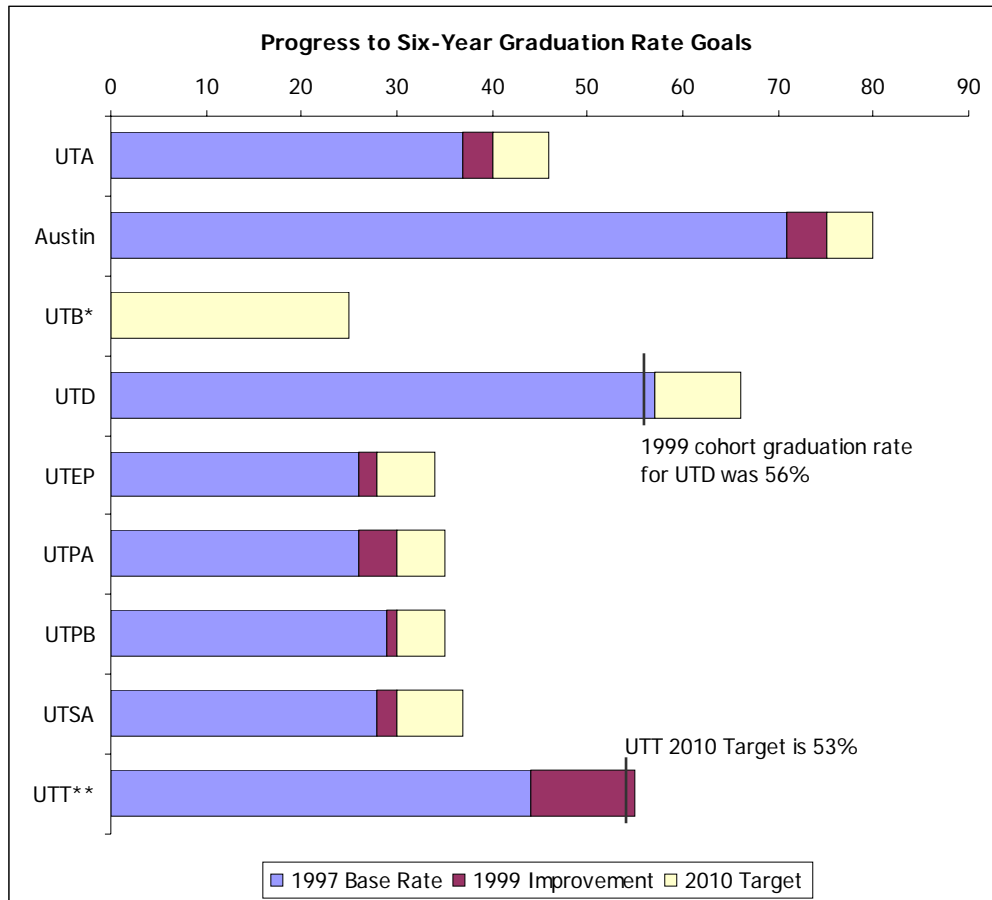
8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Analysis

Table 1 and Figure 1 show the progress each academic institution has made toward achieving their six-year graduation rate goals. They also show how many percentage points each institution needs to meet its target goal for year 2010.

- Seven of out of nine institutions made progress from the benchmark year (1997 cohort) to the 1999 cohort. One institution was flat in its growth; while the other institution did not have the necessary data to calculate their graduation rates.
- The average change has been two or more percentage points per year.
- UT Austin has far exceeded the average national graduation rates.
- UT Dallas and UT Tyler have exceeded the national graduation rate average (53%) and are on track to meet their own target goals, which are higher than the national average.

Figure 1



*1997 and 1999 graduation rate data not available for UT Brownsville.

**UT Tyler did not admit lower division students until 1998; thus, the 1998 cohort was used as the base rate.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Will institutions meet the target goals for 2010?

Assuming a two percent yearly increase in graduation rates for every institution, eight of nine institutions should meet their target goal for 2010:

- UT Arlington will need to increase their graduation rate from 40 percent to 46 percent in four years.
- UT Austin will need five percentage points to achieve 80 percent graduate rate.
- UT Brownsville will face the toughest challenge to increase its graduation rate to 25 percent.
- UT Dallas will need a nine point increase to achieve a 65 percent graduation rate.
- UT El Paso will need to increase its rate by six percentage points from 28 percent to 34 percent over the next four years.
- UT Pan American will need to increase its graduation rate by five percentage points from 30 percent to 35 percent over the next four years.
- UT Permian Basin will need to increase its graduation rate from 35 percent to 40 percent.
- UT San Antonio will need to increase by seven percentage points.
- UT Tyler has already exceeded the target rate for 2010.

In summary, three institutions (Austin, Dallas, Tyler) have already exceeded the national average graduation rates. The rest of the institutions are on track to meet their target goals for 2010. Only one institution does not seem to be on target to meet the goal.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

IV. Institutional Initiatives to Improve Graduation Rates

All academic institutions developed programs to improve graduation rates over the next decade. Below is a sampling of such programs for all nine academic institutions, including a brief profile containing total enrollment statistics, percent of part-time student body, and percent of undergraduates receiving financial assistance.

The University of Texas at Arlington

In fall 2006, a total of 24,825 students enrolled at The University of Texas at Arlington and 30 percent of the 19,205 undergraduate students were enrolled part-time. There were 2,120 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 1066. In the 2005-06 academic year, 37 percent of the undergraduate student body received need-based financial aid. Tarrant County, in which UT Arlington is located, has a median family income of \$47,660.

Modified Tuition Structure

In fall 2006, UT Arlington adopted a modified flat rate tuition structure. The new model consolidates tuition and most academic fees into a single tuition and fee rate. A small number of special fees may still be charged for certain programs or activities that do not involve all students on campus. UT Arlington now caps tuition and fee charges at 14 semester credit hours to provide students with additional incentives to take heavier course loads.

IMPACT: In fall 2006, the percentage of undergraduates taking 15 or more hours was 22.9 percent, up from 20.4 percent in fall 2005. The first run of "final" spring numbers showed that the percentage of undergraduates taking 15 or more hours was 25.1 percent, up from 23.4 percent in spring 2006.

Short-term indicator: SCH loads.

Long-term indicator: improved graduation rates.

Freshman Retention Strategies

In an attempt to get students on the right track, UT Arlington has improved its freshman orientation. Freshman orientation is now required for all entering students.

The university implemented a policy in fall 2006 that requires full-time freshmen who earn below a 2.0 grade point average their first semester to take an academic skills course during the subsequent semester as a condition of remaining enrolled at the university. The course, called Potential for Academic Success (PAS), is a one-credit course focused on providing students with the skills necessary to succeed, including time management strategies, study skills, test preparation techniques, and methods of coping with test anxiety and stress. The course also introduces students to the writing lab, math clinic, and university libraries. In spring 2007, 320 students were enrolled in this new course.

IMPACT: Too early to assess.

Indicator: improved retention for students on academic probation.

Policy Revisions

UT Arlington amended its policy related to dropping classes. Students entering in fall 2006 are limited to 15 hours of dropped courses over the course of their academic career. Before dropping a class, a student is required to meet with an academic advisor to learn about the consequences of dropping, such as the impact of progress toward the degree, financial aid, and the ability to enter subsequent courses which use the dropped course as a prerequisite.

IMPACT: Too early to assess.

Indicator: improved graduation rates.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

The University of Texas at Austin

In fall 2006, a total of 49,697 students enrolled at The University of Texas at Austin and over 92 percent of the 36,775 undergraduate students were enrolled full time (or just under 8 percent were enrolled part time). There were 7,410 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 1242. In the 2005-06 academic year, 47 percent of the undergraduate student body received need-based financial aid. Travis County, in which UT Austin is located, has a median family income of \$45,245.

Flat Rate Tuition Structure

To encourage undergraduate students to increase their course loads, and thus reduce their time-to-graduation, UT Austin adopted a flat-rate tuition model for all undergraduate colleges/schools in fall 2005. Tuition and mandatory fees are combined into a single fee. The flat rate tuition system is based on a 14 semester credit hour course load.

IMPACT: The average undergraduate course load increased from 13.26 in 2005 to 13.33 in 2006.

Student Cohorts

UT Austin is increasing the number of first-year interest groups. First-year interest groups are groups of 20-25 freshmen that take a group of courses together. The courses are organized around a common career interest or academic theme. The student cohorts help freshmen develop academic and social relationships with their peers. UT Austin has found that students that participate in these cohorts generally have higher grade point averages and are more likely to stay at the university beyond their freshman year.

An expansion of the freshman seminar program—classes of 15 or fewer students—is underway that will expose more freshmen to tenured and tenure-track faculty in a small-class setting early in their UT experience. This should lead to better first-year retention rates and higher graduation rates.

IMPACT: The four-year graduation rate has increased to 48% for the 2002 cohort and freshman retention rates continue to improve.

Transfer Policy

The minimum amount of completed coursework required for a transfer student has been raised from 24 to 30 hours. Transfer students will therefore arrive with greater progress toward a degree. Also, policy was changed to require a dean's permission for a student to make an *internal* transfer between UT Austin colleges after completing 60 hours or 4 long semesters. This encourages students to make decisions about their majors earlier and promotes timely graduation.

IMPACT: It is too early to determine the impact of these policy changes.

The University of Texas at Brownsville

In fall 2006, a total of 15,677 students enrolled at The University of Texas at Brownsville/Texas Southmost College and 61 percent of the 14,835 undergraduate students were enrolled part time. There were 1,453 first-time undergraduate students. In the 2005-06 academic year, 58 percent of the undergraduate student body received need-based financial aid. Cameron County, in which UT Brownsville is located, has a median family income of \$26,330.

Flat Rate Tuition Structure

In fall 2006, UT Brownsville implemented a flat fee for students taking 15 or more semester credit hours. Having seen a significant increase in the number of students taking 15 or more semester credit hours, the university will charge students taking 14 or more SCH a flat-rate beginning in fall 2007.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

IMPACT: For fall 2006, 590 students, a 71 percent increase over fall 2004, have benefited from the flat rate fee 15 hour cap, resulting in tuition and fee savings in excess of \$173,000. The flat-rate fee structure will remain at 15 or more semester credit hours for fall 2007/spring 2008.

The Early Alert Program

In order to improve student retention and graduation rates for students struggling academically, UT Brownsville instituted an Early Alert Program in 2005. The program is a collaborative effort between faculty and the counseling center. This retention initiative aims to identify first- and second-year students who are academically at risk during the first weeks of the fall and spring semesters. Faculty are asked to identify and refer students who have demonstrated poor academic progress. Then, the counselor and student collaborate on an "action plan" specifically addressing identified concerns in the referral. A follow-up session is scheduled to discuss student progress or difficulties that may have arisen in carrying out the "action plan." Through the students' interaction with faculty and counseling staff, they learn what actions need to be taken to achieve academic success and are provided an early opportunity to take full advantage of campus resources.

IMPACT: In fall 2006, UTB received 576 student referrals. Every student referred received an e-mail and telephone call. Letters were sent to the student's class, if no telephone number or e-mail was on record. All students contacted were asked to immediately meet with their instructor regarding the referral. An action plan was developed with every student who had a one-on-one visit with a counselor. Of the 576 students referred to the EAP, 116 students (20%) of the students referred to EAP had at least one one-on-one visit with a counselor, reflecting a 7 percent increase over Spring 2006.

Mentoring Programs

To meet the academic challenges faced by students enrolled in developmental courses, UT Brownsville has incorporated a new STING (Students Together, Involving, Networking and Guiding) Success Series Peer Mentor Program. The program offers entering freshmen a retention support program that helps students navigate the college environment, take advantage of campus resources and opportunities, and increase student confidence in their ability to succeed academically. Students who are not in compliance with the Texas Success Initiative policy and are not considered college ready must enroll in the STING program and meet with a peer mentor, staff instructor, and tutor in a lab on a weekly basis. Outside of the lab, peer mentors and tutors are available to work with students on an individual basis during office hours.

IMPACT: STING had 417 students participating in the program during the fall 2006 term. The group attempted an average of 10 hours and successfully completed 90 percent of the hours attempted with an overall GPA of 2.23 for fall 2006.

College Survival Series

UT Brownsville determined that it could not afford to implement a new academic skills course for freshmen. Instead, the university required that all the assignments given in the required freshman speech course relate to college survival.

IMPACT: Even though hundreds of students from all levels enroll in the course, the university's target group is first-time freshmen. From fall 2002 to fall 2006, improvements have been seen in enrollment and success. The number of first-time freshmen enrolled in SPCH 1315 increased from 155 to 280; the first semester GPA increased from 2.09 to 2.17; and, the percent of first-time freshmen enrolled for the following spring semester increased from 83 percent to 85 percent.

Scholarships

UT Brownsville began the University Scorpion Scholars (USS) program in fall 2006 to address the retention rate and time-to-graduation. The program is designed to attract college-prepared students and fully assist them financially to move efficiently through their undergraduate career. The scholarship is awarded on a yearly basis for up to 115 high school graduates in the top 10 percentile

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

of their class. The scholarship covers the cost of tuition and fees, textbooks, and on-campus housing for four or eight consecutive fall and spring semesters, allowing scholarship recipients to obtain their degrees without having to fund the cost of college out-of-pocket. This scholarship is awarded for as long as recipients maintain certain eligibility requirements, including completing 100 percent of credit hours attempted.

IMPACT: USS had 102 students participating in the program during the fall 2006 term. The group attempted an average of 15 semester credit hours and successfully completed 93 percent of the hours with an overall GPA of 3.24 for fall 2006.

On Campus Employment

In consideration of the constraints faced by working students, for two years UT Brownsville has used a Student Employment Initiative (SEI), which provides student employment opportunities on campus. In order to be eligible to apply for employment through the SEI, students must be enrolled for at least 15 semester credit hours and maintain a minimum 2.75 GPA. Participants will work a maximum of 20 hours a week in a job related to his or her major field of study. As an added incentive, the hourly wage is \$7.00, which is above the minimum wage rate and is more than what a majority of students would be paid working elsewhere. Available positions include peer mentors, peer facilitators, lab coordinators, supplemental instruction leaders, instructor assistants, and research assistants. SEI participants gain critical campus connections, and the university taps into support services for other students by utilizing their own students as mentors and facilitators.

IMPACT: During the three past semesters, the average credit hours completed have exceeded the required 15 hours per semester with 90 percent of students completing more than 15 hours. A similar result has been observed in the semester and cumulative GPAs with a minimum 2.75 requirement, the percentage of students maintaining a GPA of greater than 3.0 increased from 87 percent to an outstanding 98 percent. The average GPA for all UTB/TSC undergraduates is 2.4 vs. 3.3 for SEI students.

The University of Texas at Dallas

In fall 2006, a total of 14,523 students enrolled at The University of Texas at Dallas and 33 percent of the 10,086 undergraduate students were enrolled part time. There were 1,085 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 1245. In the 2005-06 academic year, 30 percent of the undergraduate student body received need-based financial aid. Dallas County, in which UT Dallas is located, has a median family income of \$41,147.

Undergraduate Advising

UT Dallas is in the ninth year of a redesigned undergraduate advising system that employs 30 professional advisors who last year made over 50,000 contacts with students. The director of undergraduate advising provides uniform training for advisors, a computerized system for managing advising contact information, a degree audit process for degree checking, and an annual student survey of advising satisfaction. In addition, this office publishes advising handbooks and minor handbooks for faculty and staff.

UT Dallas has also initiated specialized advising teams for students in pre-professional school programs (health and legal) that assist with exam and interview preparation and offer enrichment opportunities and career counseling. Students partaking of these services are being offered positions in prestigious schools at high rates.

IMPACT: Changes in retention and graduation rates over time as function of advising effort level. Specialized advising results in increasing numbers of placements in prestigious schools.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

First Year Experience, RHET 1101

All first time freshmen are required to take this first-semester, one-credit-hour course, which serves as the culmination of the First Year Experience program, providing students the guidance and tools they need to be successful at UT Dallas. The 11-week course addresses issues such as connecting to campus, introducing students to available services and resources, recognizing personal learning styles, and understanding the nature of the college experience. Classes are small - less than 20 students per instructor - to enable in-depth discussion and effective topic coverage. Students also have the choice of enrolling in a major-specific section, in order to share the experience with students of like interests.

IMPACT: Student evaluations; change in retention since inception.

New Drop Policy

Beginning in fall 2004, new procedures and deadlines for undergraduates regarding course withdrawal were imposed. This new policy was accompanied by a change in the method by which students' requests to withdraw from classes after the final 'drop date' were considered. Changes in the procedures and deadlines for withdrawing from classes have resulted in a process that is more equitable and uniform than our previous system.

IMPACT: A 50 percent reduction in the percentage of students who withdraw from classes; a 3 percent improvement in the overall class completion rate for undergraduate students; over 1,000 additional student class completions in a typical long semester.

Mid-term Grades

Freshmen make a transition from the high school classroom with daily assignments and weekly evaluations to the college classroom where evaluation is less frequent. For many, much of the semester has passed before they realize they are in trouble. For this reason, UT Dallas began issuing mid-term grades to freshmen in 2000. Any student who receives a mid-term grade less than 'C' is referred to an academic advisor to discuss remediation while still in the semester. This program has proven so successful that it has been extended to the entire undergraduate university.

IMPACT: Numbers/fractions of students contacted, number of respondents, success rates of responders and non-responders.

Learning Resource Center

The Learning Resource Center offers assistance to students in the areas of reading, writing, mathematics, and study skills. These services are available through individual appointments, group workshops, short courses, and audio and video tapes. The Writing Lab offers one-to-one assistance with writing assignments and general writing skills. Appointments are required. The Math Lab gives short-term and semester-long support for a variety of mathematics courses. Students may drop in or visit these labs on a regular basis. The Supplemental Instruction program offers facilitated group study sessions as a supplement to many UT Dallas courses. Students should check with the center for availability of individual tutoring in specific subjects. The Learning Resource Center also offers developmental math, reading, and writing classes. These classes are for credit, but they do not count toward graduation.

Assistance is also available in study skills; note-taking; writing; test-taking; algebra; and preparation for the THEA (required for teacher certification) GRE, GMAT, and LSAT. In addition, students can receive help with time management, basic mathematics improvement, test-anxiety reduction, and various other study techniques and strategies. All students enrolled at the university are eligible for these services.

IMPACT: Evaluations, comparative pass rates for clients relative to general population control group.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Supplemental Instruction

Supplemental Instruction (SI) is an academic support program sponsored by Learning Resources. SI provides academic assistance to students in historically difficult classes. The SI sessions help with content mastery and with learning and study strategies that are applicable to all subject areas. SI sessions are facilitated by a trained SI leader. SI leaders have taken the same course, done well, and then during the semester attend classes, take notes, and re-read all assigned materials in preparation to conduct the SI sessions three times a week.

IMPACT: Evidence collected over a large number of years indicate that students who participate in SI make better grades and are less likely to withdraw from the class than others in the class that do not participate in SI.

Gateway Courses

As a main component of its SACS self-study, UT Dallas is conducting a comprehensive review of curriculum and instruction in "Gateway" courses.

IMPACT: Comparisons of grades, standardized test results, inter-university comparisons.

"Flat-rate" tuition structure

Over the last two years, UT Dallas has moved to a tuition structure in which students may enroll in semester credit hours over and above 15 SCH at no additional cost. The intent is to encourage faster progress toward graduation.

IMPACT: Increase in SCH per undergraduate student.

Fixed tuition guarantee

The Guaranteed Tuition Plan available to incoming students in fall 2007 is designed to help families predict the final cost of a college education while providing students incentives for timely graduation. The new plan will "lock in" tuition for a four-year period, encouraging undergraduates to complete their degree within this time span. In combination with the flat-rate tuition policy, this program should enhance both retention and earlier graduation.

IMPACT: Plan awaits implementation, then compare to prior data.

Freshman Orientation

A multi-day program, both on and off-campus that provides all students with a common perspective that is important for college survival.

IMPACT: Success rates for students who do and do not participate fully in orientation; comparison of alternative approaches; evaluations. New student programs has parent and student evaluation information on freshmen orientations going back a number of years.

Campus Housing

It is generally believed that students, particularly freshmen, who live on campus succeed at higher rates than the peer control group. In this context, UTD continues to strive to encourage undergraduates to live on campus and to provide the necessary housing and dining facilities to make this possible. UTD is continuing its efforts to provide high-quality, programmatically coordinated housing for all of its undergraduate students who can be persuaded to live on campus.

IMPACT: Rates for students in campus housing relative to total population. All UTD freshmen (residential and non-residential): 2.69 GPA. Waterview freshmen (residential, non-LLC): 2.78 GPA

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Living-Learning Communities (LLC)

The University of Texas at Dallas began the fall 2006 school year with three Living-Learning Communities: pre-health, pre-law, and outreach.

IMPACT: There were 47 students in pre-health, 18 in pre-law, and 3 in outreach. LLC student GPAs were an average 8.7 percent higher than all UTD freshmen and 6.7 percent higher than residential, non-LLC freshmen. LLC students earned an average of .56 more credit hours last semester than other residential freshmen. LLC students had a 7.5 percent higher retention rate than all UTD freshmen and a 3.5 percent higher retention rate than other residential freshmen.

The University of Texas at El Paso

In fall 2006, a total of 19,842 students enrolled at The University of Texas at El Paso and 33 percent of the 16,793 undergraduate students were enrolled part time. There were 2,706 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 920. In the 2005-06 academic year, 47 percent of the undergraduate student body received need-based financial aid. El Paso County, in which UT El Paso is located, has a median family income of \$31,086.

College Readiness Initiative

The College Readiness Initiative (CRI) is a collaborative effort among UT El Paso, El Paso Community College, and Region 19 Independent School Districts with the goal of helping high school students become better prepared academically for college-level course work once they have completed their high school requirements. The components of CRI include an orientation to the ACCUPLACER placement exam, early testing during a student's junior and/or senior year(s), high school intervention for students who place into developmental math, reading, or writing, and retesting in their subject areas of intervention.

IMPACT: CRI is designed to increase the academic preparation of students who plan to attend college by administering the university's placement exam in the high schools and enabling the schools to provide interventions as needed based on those test results. In 2005-06, the test was given to 3,543 students in six school districts; twelve school districts are now involved for 2006-07. Testing has expanded from seniors to juniors in several districts, and all eventually plan to test juniors, which will give schools the entire senior year to provide any additional academic support that may be needed. We will monitor the number of CRI participants who actually enroll at UTEP each fall semester.

New Student Orientation/Enhanced New Student Orientation

Entering students are encouraged to attend a new student orientation prior to the start of their first semester of study. During the fall 2006 orientation cycle, the orientation program was expanded to include a mandatory math review workshop for students who placed into developmental math courses. This Enhanced New Student Orientation (ENSO) consisted of a three-day, six-hour math review conducted by math tutors from UT El Paso's Tutoring and Learning Center. After the conclusion of the math review, students were able to retake the placement exam with the hope of higher placement in mathematics. Forty-eight percent of the 1,603 students participating in this program retested at least one course higher and 31 percent retested from developmental math to college-level math.

IMPACT: ENSO is a new initiative (summer 2006) designed to improve students' math placement by moving them into college-level courses as soon as possible with the help of the math review. Positioning students to take college-level courses required on their degree plans helps them experience success and make progress in their academic careers, increases their incentive to re-enroll, and shortens time to degree. With 48 percent of students improving one or more course levels and 31 percent going from developmental to college-level math, the ENSO math review has

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

proven effective, and we will monitor how these students perform in their math courses compared to those who place directly into college-level courses.

Course Redesign

UT El Paso redesigned math, reading, and writing courses so that first-year students would not be delayed in long holding patterns of developmental coursework. The course redesign accelerates students' movement through developmental courses, enrolling them as quickly as possible into college-level courses, some with academic support.

IMPACT: Allowing students to take courses required for their degrees as soon as possible engages them with the institution, instills in them an early sense of accomplishment, decreases the number of prerequisites, increases the incentive to re-enroll, and shortens the time needed to earn degrees. In fall 2006, the course redesign and change in placement resulted in 522 students in math and 443 students in writing placing into college-level courses instead of the developmental courses into which they would have formerly placed. In reading, the redesigned developmental course support allowed students to enroll in reading-intensive courses from which they had previously been restricted. We will monitor students' performance in the courses into which they are placed to validate the effectiveness of their placement.

Advising and Financial Aid

Both the Academic Advising Center and the Office of Student Financial Aid advise students to take 15 credit hours each semester. UT El Paso has added a number of advisors over the past year to advise students at all levels – pre-majors, majors, and general studies. These additional advisors allow the university to manage increases in enrollment while maintaining individualized service. Advising sessions stress how continuous enrollment, supported by financial aid packages, accelerates students' time-to-graduation.

IMPACT: Additional staffing in academic advising provides students greater assistance in making informed decisions regarding majors, more direction on career and academic decisions, increased awareness of their academic progress, and improved realization of their investment in higher education. Directing students into appropriate fields of study, encouraging them to take 15 hours each semester and providing more supportive financial aid packages will help increase retention and shorten students' time to degree completion.

Entering Student Program

UT El Paso's Entering Student Program (ESP) assists first-year students with the transition to the university environment and increases their opportunities for academic success. The program includes seminars, learning communities, and a student leadership institute.

IMPACT: The First-Year Seminar (UTEP's Learning Framework course) is the cornerstone of the ESP. First-year students may also participate in learning communities as part of their freshman courses. There is also a Student Leadership Institute through which they develop leadership skills that can be employed across campus and in the workplace. The ESP experience enables students to make connections on campus more quickly, teaches them how to navigate the educational system, and accelerates their time to graduation. Retention rates appear to be higher for participants in all of these ESP elements and studies are underway to attempt to isolate the impact of each.

Welcome Back Miner

The Welcome Back Miner program is a university-wide effort that crosses all academic colleges. The program encourages students who have stopped-out for one or more semesters to return to UT El Paso and finish their degrees. Stop-out students are contacted each long semester by representatives of their academic dean's office to offer them information, incentives, and referrals

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

that may encourage them to complete their studies. Students are also offered the option of completing the Bachelor of Multidisciplinary Studies degree.

IMPACT: By providing personal attention to students who have interrupted their academic careers, specific issues that may act as barriers to continuing their education can be addressed. For our spring 2006 calling campaign, 1,046 students were contacted; of those who responded, 7 percent decided to register for the spring. For fall 2006, 663 students were contacted, and 13 percent decided to register. Without the personal contact, these students might otherwise not re-enroll. Our ability to provide them with information about areas such as financial aid, registration, flexible classes, day care, and degree plan options enables them to take advantage of opportunities that they may not have known were available to them, thereby helping them re-enter the educational system to complete their degrees. We will continue to target and monitor special populations to encourage their return to the university.

Scheduling

UT El Paso continues to increase course offerings in the afternoons, evenings, and on weekends to accommodate non-traditional and part-time students. Many courses in the university core curriculum are offered in a hybrid format (combining online learning with reduced and concentrated face-to-face sessions on campus), making these courses more accessible to students who must work off campus to help pay for their education and provide for their family responsibilities. UT El Paso has also expanded its minimesters and parts-of-terms, providing even greater scheduling opportunities for students.

IMPACT: During fall 2006, UTEP offered 20 courses (40 sections total) in a hybrid format. Hybrid courses were available in three of the nine curricular blocks of the core curriculum. UTEP is at the forefront in the state in offering multiple parts-of-term courses to give students the options and flexibility they need to complete their degrees. UTEP offered 42 parts-of-term courses, providing students with 5-week, 3-week, and other options as well as traditional 15-week versions. We will continue to monitor these delivery modes and use student and faculty feedback to decide future strategies that will make degrees more accessible to our students.

Success in the Middle Years

Unlike traditional students, UT El Paso students' middle years extend beyond two years to as long as ten years or more. The "Success in the Middle Years" plan – building upon successful first-year programming and high marks in student satisfaction once students enter into their major area of study – provides a university-wide course of action for focused improvements in learning and learning outcome assessment in students' "middle years." The two components of the plan are: (a) curriculum review and renewal in each degree program and the core curriculum, providing students an efficient and purposeful pathway to demonstrate mastery of general education proficiencies and major field knowledge, skills, and dispositions; and (b) academic and career advising redesign to provide students with personal and career guidance. As a part of this plan, all degree granting programs are currently reviewing their degree requirements in order to minimize the time-to-degree and to ensure compliance with the new 120 hour degree requirements.

IMPACT: All degree plans are currently being reviewed to meet the 120 hour baccalaureate degree requirement. All College of Science degree plans, Theatre, Art, Nursing, about half of Health Science programs, and Business are nearing completion. In addition, academic advising and career services are collaborating in a coordinated effort to help students see the career implications of their educational choices and to help them with their decision-making regarding choice of major. The curricular and academic/career advising redesign will enable students to progress more quickly toward their degrees, saving them time and money and making them eligible to enter the workforce or continue on to professional programs sooner than is currently occurring.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

The University of Texas - Pan American

In fall 2006, a total of 17,337 students enrolled at The University of Texas - Pan American and almost 27 percent of the 15,076 undergraduate students were enrolled part time. There were 2,803 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 949. In the 2005-06 academic year, 66 percent of the undergraduate student body received need-based financial aid. Hidalgo County, in which UT Pan American is located, has a median family income of \$25,894.

Raising Admissions Standards

In fall 2005, UT Pan American introduced minimum admissions standards. Prior to this time, the university was considered an open-enrollment campus. Almost 600 students were unable to meet the minimum ACT score of 15 (SAT 710) in fall 2005. UT Pan American will slowly raise its admission standards through fall 2011, when the minimum ACT requirement will be 18 (SAT 850). Students are now required to have graduated from high school with the recommended or higher curriculum.

IMPACT: With the advent of minimum admission standards, UTPA has experienced an increase in the average ACT composite score for entering freshmen (full-time/part-time) from 18.14 in fall 2004 to 18.87 in fall 2006. The number of entering freshmen (full-time/part-time) who were in the top 10 percent of their graduating high school class has increased from 457 (16.2%) in 2004 to 508 (17.8%) in 2006. More of UTPA's entering freshmen registered for a full-time course load of 15 or more hours in fall 2006; 36.7 percent of entering freshmen took 15 or more hours. Twenty-five percent of entering freshmen took 15 or more hours in fall 2004. The proportion of part-time students has decreased from 15 percent in fall 2000 to 4.7 percent in fall 2006.

Supplemental Instruction

UT Pan American offers students Supplemental Instruction (SI), an academic enrichment program that is offered in traditionally difficult courses. SI discussion and review sessions are facilitated by trained student SI leaders who have successfully completed the course. Designed to supplement – not replace – class lectures and recitations, SI sessions are interactive and collaborative. SI targets historically difficult courses that are characterized by a 30 percent or greater failure rate.

IMPACT: The Supplemental Instruction program was expanded in FY 07. For fall 2006, a total of 448 students out of a potential 1,195 participated for a 37.5 percent participation rate. Successful results after fall 2006 show that the mean GPA of students in SI was 2.3; the mean GPA of students not in SI was 1.9. Additionally, 26 percent of non-SI students received a D or F or withdrew from the course; for SI students the rate was 18 percent.

K-12 Outreach

UT Pan American has begun working with high school students to promote concurrent enrollment. Forty-nine percent of the fall 2006 incoming freshman class began the year with college credit.

IMPACT: UTPA's Concurrent Enrollment Program was designed to encourage more rigorous course taking for high school students and to allow them to earn college credit while in high school. In AY 2006, the program had increased its enrollment by more than 730 percent compared to its enrollment in 1998. AY 2006 enrollment was 1,227 while AY 1998 had only 167 students. UTPA has seen a remarkable increase in the number of entering freshmen with and average of 14 hours of college credit. In fall 2001, 28.7 percent of entering freshmen had college credit; in fall 2006, 49.6 percent of entering freshmen had college credit.

Students entering UTPA with prior college credit are driving improved retention and graduation rates. The fall 2005 entering freshmen retention rate of students in the Concurrent Enrollment Program was 89.3 percent versus 72.8 percent overall. UT Pan American's overall four-year graduation rate is 13.4 percent.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Learning Frameworks Course for freshmen

As of fall 2004, incoming freshman are required to enroll in a "Learning Frameworks" course custom-designed to meet the information and skills needs of new students. The goal of the course is to help students understand how people learn and provide them with the skills that are needed to be successful in college. The course focuses on the research, theory, and application of the psychology of learning, cognition, and motivation.

IMPACT: During AY 2004-05, approximately 80.8 percent (2,118 of 2,620) of the fall 2004 cohort of first-time, full-time entering freshmen attempted the Learning Framework course. Of this group, 91.0 percent (1,927 of 2,118) passed the course and had a first-year retention rate of 83.9 percent (1,617 of 2,118). The first-year retention rate for the total fall 2004 cohort of first-time, full-time students was 68 percent.

During AY 2005-06, 91.5 percent (2,095 of 2,289) attempted the course. Of this group, 93.1 percent (1,951 of 2,095) passed the course and had a first-year retention rate of 82.1 percent (1,602 of 1,951). The first-year retention rate for the total fall 2005 cohort of first-time, full-time entering freshmen was 72.7 percent.

Addressing Bureaucratic Obstacles

UT Pan American has been addressing bureaucratic blocks that have affected re-enrollment. For example, it was discovered that there were more than 7,000 recent students still on the records with some form of "hold" preventing them from enrolling. To address the issue, students with money-related holds of less than \$300 were immediately moved to a "transcript hold" rather than a "registration hold." This made 174 students eligible to return with no additional processing and 2,832 students of recent vintage eligible to return upon re-applying for admission. The university is reaching out to these students by phone, mail, and email.

IMPACT: During summer 2006, UTPA successfully switched 10,542 registration holds to transcript holds for students with balances less than \$300. Since a number of students had multiple holds, 7,987 students were actually affected by the change. Of the 7987, 174 continuing students were eligible to return in fall 2006 with no additional process; 2,832 "former" students were eligible to return upon re-applying for admission.

Academic Advisement and Mentoring (AAM) Center

In fall 2005, UT Pan American instituted a comprehensive, university-wide Academic Advisement and Mentoring (AAM) Center to serve all students. A director and nine academic advisors were hired to staff the centralized advisement center. Twelve professional guidance counselors, two per college, were hired to staff decentralized advisement centers in six colleges. The center is supported by two full-time support staff and five part-time support staff. To help improve time-to-graduation and graduation rates, advisors are utilizing Academic Road Maps for four-, five- and six-year graduation timelines as part of the advisement process with students.

IMPACT: There has been a dramatic increase in number of freshmen and sophomores seeking academic information and academic advisement and the number advised by professional advisors. Office visits by students seeking academic advisement and information increased substantially (fall 2005 total = 2,932; fall 2006 total = 5,949). Due to the increase in advisement personnel and focus, the advisement of freshmen and sophomores is now being tracked and monitored. AAM Center fall 2006 results: 88.1 percent of freshmen advised; 85.8 percent of sophomores advised.

Early Warning System (EWS)

In fall 2000, UT Pan American initiated a computerized Early Warning System that allows faculty to identify students who are having difficulty in a course at mid-semester. Student Development Specialists, working under the University Retention Advisement Program, alert students via letter, email, and/or telephone calls that they are at risk of failing the course and encourage them to meet

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

with the professor and/or seek assistance. The EWS initiative has grown over the years to now include all courses in the core curriculum.

IMPACT: During the FY 2005-06 a total of 6,670 letters were mailed out to students having been identified by faculty as having academic difficulty in their course and at risk of failing the course. Of this number, 73.3 percent of the students obtained grades of "C" or better at the end of the semester.

University Scholars

The University Scholars program is designed to encourage high school students to enroll in rigorous academic courses that would prepare them for success at the university level. The program began in fall 1998 with 19 students. Scholarships are awarded to students who successfully earned college credit through Advanced Placement examinations and/or Concurrent Enrollment at UTPA and who are from counties in the South Texas area. It is the only primary scholarship that UTPA has to recruit top students in *any* discipline.

IMPACT: Since its inception in fall 1998, each year there has been at least a 20 point difference in the retention rate for University Scholars compared with all other entering freshmen. In fall 2005, the retention rate for all entering freshmen was 72.8 percent; the retention rate for University Scholars was 95.8 percent. The University Scholars program was recognized by the Texas Higher Education Coordinating Board as a Texas Higher Education Star Award Winner for 2002 "for an exceptional contribution toward the goals in *Closing the Gaps* and for the creative way UTPA has tied high school rigor to a UTPA scholarship program."

The University of Texas of the Permian Basin

In fall 2006, a total of 3,462 students enrolled at The University of Texas of the Permian Basin and almost 36 percent of the 3,000 undergraduate students were enrolled part time. There were 339 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 988. In the 2005-06 academic year, 36 percent of the undergraduate student body received need-based financial aid. Ector County, in which UT Permian Basin is located, has a median family income of \$33,045.

Freshman Seminar

At UT Permian Basin, every new freshman is required to enroll and attend the freshman seminar which covers degree planning extensively. Students develop a degree plan as a requirement for the course, and registration for the spring semester is done in the seminar. All course activities emphasize both the incentives for timely graduation and the regulations on excessive credits.

IMPACT: Retention indicators from fall to spring indicate an 84 percent retention rate. Follow-up checks have been implemented this year for the spring semester in order to impact the fall 2007 retention rate.

Freshman Interest Groups (FIGs)

Freshman Interest Groups are freshman seminar sections organized around a special interest such as pre-health professions, teacher education, business, coaching, or STEM majors. In addition to the normal freshman seminar topics, the FIG sections have greater career interest exploration, guest speakers from related fields, and meetings with faculty from the field. Most FIG sections also share one or more other classes and are encouraged to form study groups, join professional student organizations, and pursue other activities that promote an early identification with a profession or interest area.

IMPACT: The FIGs were first organized in fall 2006 with approximately one-third of the entering freshman students in FIG sections.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Career Counseling

Through an Hispanic Serving Institution (HSU) grant a career center was established four years ago. The career center offers initial help with selecting a major and a career. Other services include part-time job placement and career services for those who are graduating. The director extends an invitation to all accepted freshmen to meet for individual career counseling.

IMPACT: Career planning starts with all freshmen with the career center staff working with every freshman seminar section. In addition, the center staff met with 292 university students for individual career counseling and 1,414 high school students in group meetings on career planning.

Mentoring Program

The student mentor program was started three years ago and targets students who are conditionally admitted and those who have not done well during their freshmen year. Students meet weekly with a mentor who has been successful in college and they participate in a variety of activities designed to help with social, academic, and personal adjustment. The program was recently expanded to include transfer students from the community college. The program is sponsored by two HSI grants.

IMPACT: Approximately 50 students per year participate in the mentor program. About 35-40 were still enrolled a year after entry into the program.

ExCET/TEExES (Teacher Certification) Study Sessions

This program was started about six years ago and targets students in teacher education. Students are provided study materials and study sessions that help them prepare for practice tests and for the ExCET/TEExES exams. This helps retain students in the teacher certification program who might otherwise drop out of the program and/or leave the university.

IMPACT: About 225 students participate each year in the program, resulting in a 99 percent passing rate on the ExCET/TEExES exams.

Literacy Center

This center was established one year ago through Title V funding. The center provides a variety of reading and writing skill development, including preparation for exams, textbook comprehension, vocabulary development, study skills for high failure rate classes, time management, note taking skills, and other study skills. A full range of reading assessments is available. Students who are placed on academic probation are required to attend study sessions in the literacy center to improve their skills.

IMPACT: Approximately 275 students have used the center for various activities and many report improving their grades from the study skills provided for targeted courses.

Supplemental Instruction

Offered through the PASS Office, the supplemental instruction program provides a student tutor who has demonstrated excellence in a high failure rate class. The SI tutor attends the class again with the students and works with the professor to provide outside tutorials and study sessions to assist students in grade improvement.

IMPACT: Students who attend SI study sessions achieve 37 percent higher grades than those who do not attend.

Community College Transfer Assistance

About 40 percent of the incoming undergraduates to UT Permian Basin enter as transfer students, most from area community colleges. To help these students graduate in a timely fashion, UT Permian Basin has developed its Direct Connect program with area community colleges. Students at area community colleges who declare their intent to transfer to UT Permian Basin are provided academic advising, financial aid advising, and other assistance while attending the community college.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Advisors work with community college staff to help transfer students prepare a degree plan through which they will earn an associates degree from the community college and a bachelor's degree from UT Permian Basin in the most efficient manner possible. Because of earlier articulation agreements and other less formal efforts to align the university and community college curriculum, students in the Direct Connect program typically do not have to take any extra hours to earn both the associates and the bachelor's degree. The development of the degree plans includes discussion of the incentives and the regulations related to timely graduation.

IMPACT: Our community college graduation rate is up by 4.3 percent over the past year.

LEAD West Texas

The LEAD West Texas program is a collaborative HSI grant with Howard College in Big Spring. This teacher education pipeline program provides a shared academic advisor that works on the Howard College campus part of the week and the UTPB campus the other part. It also has a number of activities designed to encourage students at Howard College to go into teacher education by finishing their degrees and certification at UT Permian Basin.

IMPACT: LEAD West Texas started in fall 2005. About 35 students at Howard College impacted by the program should be transferring starting in AY 2007-08. Approximately 15 have already transferred to UTPB.

The University of Texas at San Antonio

In fall 2006, a total of 28,379 students enrolled at The University of Texas at San Antonio and almost 26 percent of the 24,738 undergraduate students were enrolled part time. There were 4,783 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 996. In the 2005-06 academic year, 47 percent of the undergraduate student body received need-based financial aid. Bexar County, in which UT San Antonio is located, has a median family income of \$38,521.

Required Advising and Degree Plans

Academic advisors are working to implement a new policy that states that all students must complete a semester-by-semester degree plan with expected graduation date with their advisors by fall 2007. All students are required to be advised each semester or they will receive a hold on their records.

IMPACT: More students are coming in for advising. We are exploring purchasing software that not only tracks student degree plans, but also aggregates courses for all advised students by semester so that we can better determine what courses need to be scheduled in future semesters to ensure course availability.

Task Force for Student Success and Graduation

The university's provost appointed a Task Force for Student Success and Graduation, which made recommendations on improving graduation rates in summer 2006. In fall 2006, the provost named an associate dean for retention and graduation, who is tasked with implementation of Task Force recommendations, oversight of policies affecting graduation rates, and reporting. An assistant vice provost for assessment was hired to facilitate the development of student learning outcome assessment and assist in research regarding retention and graduation.

UT San Antonio has instituted a three-year course schedule so students can determine what they need to take and when they can take it, and adjust their work and family schedules accordingly in advance. In addition, college compacts include projections for anticipated enrollment for all courses taught so that adequate sections will be available for students who follow their degree plans.

IMPACT: (See note above on software.) We continue to work on task force recommendations. This semester we implemented dropout recovery program for seniors, providing special outreach for those seniors with few hours left to graduate who had not yet enrolled and working to remove barriers so they could return, including additional financial aid.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

The University of Texas at Tyler

In fall 2006, a total of 5,926 students enrolled at The University of Texas at Tyler and 26 percent of the 5,143 undergraduate students were enrolled part time. There were 636 first-time undergraduate students. The average SAT score of entering students in fall 2005 was 1079. In the 2005-06 academic year, 42 percent of the undergraduate student body received need-based financial aid. Smith County, in which UT Tyler is located, has a median family income of \$38,561.

Community College Collaborations

UT Tyler is working with community colleges to ensure students are aware of the first two years of curriculum needed for baccalaureate degree completion. A full-time academic advising position was filled in fall 2006 to advise all transfer students who are not core-complete upon admission.

IMPACT: UT Tyler transfer students represent a higher percentage of all new students than all other UT campuses. The academic advising position was filled in October 2006 and 106 transfer students were advised. The University has also collaborated in the Phi Theta Kappa junior college honor society and the Tyler Chamber of Commerce Progressive dinner for Hispanic families.

Learning Communities

Student Learning Communities (SLC) are offered to freshmen to facilitate a successful first semester experience. All SLC participants enroll in a Freshman Year Experience class that provides information and activities that help students attain academic goals. Three SLC groups will participate in a second semester learning community experience in spring 2007.

IMPACT: In fall 2005, 155 freshmen participated in 10 Learning Communities. This represents 27 percent of the first time, full time freshmen. The one-year retention rate of these students was slightly better than the overall freshman class: 61 percent vs. 58.7 percent.

Supplemental Instruction

The Supplemental Instruction Program was expanded from three sections in fall 2005 to nine sections in fall 2006. A full-time administrative position was filled to oversee the Academic Support Center, including the Supplemental Instruction Program, and to develop an expanded tutoring program.

IMPACT: Students participating in SI have higher grades and are more likely to persist to their sophomore year. In fall 2005, the mean grade for SI students was 2.21 compared to 1.81 for non-SI students. In fall 2006, the mean grade for SI students was 2.39 compared to 1.99 for non-SI students. 68.4 percent of freshmen who entered in fall 2005 and participated in SI returned for their sophomore year compared to 58.7 percent of all freshmen.

Developing a Campus Community

The first residence hall was opened in fall 2006, three sororities colonized in spring 2006, and two fraternities will be on campus in spring 2007. A full-time Greek advising position is posted for spring 2007.

IMPACT: Freshmen who live on campus and participate in UT Tyler residence life programs are more likely to persist to their sophomore year. 89.5 percent of residential students in Patriot Village returned for their sophomore year compared to 58.7 percent of all freshmen. A new residence hall opened in fall 2006 with 189 freshman residents. 82 percent of these residents were still enrolled in spring 2007. In spring 2006, 79 women were initiated into three sororities.

Sources:

1. The University of Texas System Board of Regents Accountability and Performance Report 2006-2007, <http://www.utsystem.edu/osm/accountability/2006/studentaccess.pdf>
2. The University of Texas System Statistical Handbook 2006, <http://www.utsystem.edu/isp/StatHndbk/2006/Enrollment.pdf>

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

V. Alternative Approaches to Understanding Graduation Rates

It is widely recognized that the traditional method of calculating graduation rates focuses on a subset of all students, omitting part-time students, those who enter after fall, and those who transfer elsewhere before completing a degree. To provide a more complete and accurate assessment of student success, additional metrics should be considered in evaluating the performance of an institution. This section covers three such alternate measures: 1) composite graduation and persistence rates; 2) time to degree; and 3) the degree completion comparison.

Composite Graduation and Persistence Rates

A shortcoming of the traditional 4-, 5-, and 6-year graduation rate metrics is that institutions get no credit for students who begin as entering freshmen at their institutions and transfer to another institution. The Texas Higher Education Coordinating Board, through their state-wide tracking system, has compiled graduation and persistence information on students who begin at any Texas four-year institution and transfer to another public or private institution within the State. So, information is now available to give a more complete picture of student success. These data are presented in the UT System accountability report and show, for first-time, full-time, degree-seeking undergraduates, the progress of students after six years. Graduation rates from the same institution, from any Texas institution, as well as the proportion still enrolled at the same institution and at another Texas institution, give a more complete picture of the pathway many students take.

For UT System academic institutions, the proportion of first-time, full-time, degree seeking undergraduate cohorts which graduate from another Texas institution ranges anywhere from 3 to 13 percentage points higher than the traditional 6-year graduation rate. The combined graduation and persistence rates can be 12 to 30 percentage points higher. Looking at those students who have not yet graduated but are still enrolled acknowledges that many students are unable to sustain full-time enrollment, stop out for a time and may re-enroll on a part-time basis. While they have not graduated, they have not given up their goal of pursuing a degree, even if it may take them longer than the traditional time to obtain it.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Table 2

**Six-Year Composite Graduation and Persistence Rates
Students Enrolled at U. T. Academic Institutions**

	Enrolled Fall	Graduating from Same or Another Texas Institution	Persisting at Same or Another Texas Institution	Composite Graduation and Persistence Rate*
Arlington	1997	43.3%	18.7%	62.0%
	1998	44.1	16.2	60.3
	1999	48.5	15.6	64.0
Austin	1997	73.8	8.0	81.8
	1998	78.0	7.4	85.4
	1999	78.7	6.8	85.5
Dallas	1997	62.9	9.9	72.8
	1998	65.6	11.0	76.6
	1999	64.1	12.8	76.9
El Paso	1997	28.4	23.3	51.7
	1998	29.7	25.9	55.6
	1999	31.6	25.2	56.8
Pan American	1997	29.6	23.5	53.0
	1998	31.2	23.1	54.3
	1999	33.5	23.5	57.0
Permian Basin	1997	36.6	20.5	57.1
	1998	42.9	17.9	60.7
	1999	47.5	8.2	55.7
San Antonio	1997	35.4	21.1	56.5
	1998	37.0	23.6	60.6
	1999	37.9	21.8	59.7
Tyler	1998	55.6	11.1	66.7
	1999	NA	NA	NA

* Beginning in 1998, the composite graduation and persistence rates include students enrolled or graduating from private institutions. Prior years' rates only track students enrolled or graduating from public institutions in Texas.

Tyler did not admit freshmen until summer/fall 1998. The graduation rate for the fall 1999 cohort was corrected by UT Tyler. Six-year composite rates on the revised cohort are not available.

Source: Texas Higher Education Coordinating Board

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Time-To-Degree

Another measure also recognizes that many students, because of financial or personal constraints, do not begin as full-time undergraduates, may stop out for a semester or more, transfer from community colleges or other four-year institutions, but still obtain a baccalaureate degree. Time-to-degree examines the enrollment records of students graduating from UT System four-year institutions and accumulates the number of fall or spring semesters these students were enrolled at any institution in Texas, two-year or four-year.

In response to Section 1 of HB 1172, the Texas Higher Education Coordinating Board provides time-to-degree information for a subset of students who first enrolled in a Texas public institution and subsequently earned a bachelor's degree from a Texas public higher education institution in FY 2005. Transfer students from outside the state of Texas were excluded as were students who took longer than 10 years to complete their degrees. Of the 68,029 baccalaureate graduates statewide, a total of 46,692 (69%) met these criteria. Hence, the information reported in Table 4 represents a partial sample of the total graduates of the UT System academic institutions.

Table 3

Average Semesters Completed by Baccalaureate Degree Recipients at UT System Academic Institutions and All Texas Public Four-Year Institutions, AY 2004-05		
	Number of Baccalaureate Degrees	Average Semesters Completed ¹
Arlington	1,821	10
Austin	7,083	9
Brownsville	349	12
*Texas Southmost College	137	14
Dallas	1,261	10
El Paso	1,035	12
Pan American	1,272	11
Permian Basin	221	11
San Antonio	1,823	11
Tyler	418	11
University of Texas System with Austin	15,420	10
University of Texas System without Austin	8,337	11
Texas Public Institutions State-Wide Average	46,814	10

¹ Fall and spring semesters only

*TSC tracked for a total of six years.

Source: Texas Higher Education Coordinating Board

Table 3 shows that, on average, baccalaureate recipients in Texas attend 10 fall or spring semesters at any Texas institution. The average for baccalaureate recipients is 9 semesters for Austin; 10 semesters for Arlington and Dallas; 11 semesters for Pan American, Permian Basin, San Antonio and Tyler; and 12 semesters for Brownsville and El Paso.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

Degree Completion Comparison

This table compares the total number of students entering as freshmen, regardless of status, (full-time, part-time and transfers) in fall 2004 to the number of bachelor's degrees awarded by the institution annually.

This comparison addresses two major limitations associated with traditional graduation rates. First, it considers all freshmen who enter the university during the fall semester, and does not exclude part-time students and transfer students. Second, the measure does not consider time-to-degree, which is a complex mix of both of student characteristics and institutional efforts. One limitation of this comparison is that fast growing institutions, such as UT San Antonio, will have lower ratios.

Table 4

Baccalaureate Degrees Awarded and Freshman Enrollment[^], 2004-05			
	Fall Entering Freshmen [^] 2004	Baccalaureate Degrees Awarded 2004-05	Ratio
Arlington	2,470	3,316	1.34
Austin	6,864	8,705	1.27
Brownsville*	2,110	681	0.32
Dallas	1,236	2,020	1.63
El Paso	2,666	1,957	0.73
Pan American	3,115	1,987	0.64
Permian Basin	322	437	1.36
San Antonio	4,816	3,272	0.68
Tyler**	600	792	1.32

* Brownsville includes first-time undergraduates and freshmen transfers from both UTB and Texas Southmost College.

** In 1998, UT Tyler began enrolling freshmen and sophomores. Prior to this time, it was an upper-division institution.

[^]Full and part-time first-time undergraduates plus freshmen transfer students.

Source: The University of Texas System Statistical Handbook 2006

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

VI. Other Institutional Initiatives

UT System academic institutions have examined their institutional policies to determine ways to provide access to all students, regardless of their financial circumstances. Tuition deregulation, coupled with cuts to state student aid funding, have changed the way financial aid is distributed. Increased focus on retention and graduation has led to large investments in advising.

Guaranteed Financial Aid Programs

In January 2007, The University of Texas System announced that its nine academic institutions had established guaranteed financial aid programs for students who come from low-income families. These programs basically guarantee that qualifying students will have their tuition and mandatory fees covered if they perform well and graduate on time. For those institutions that have not already begun offering the guarantee, the guarantee will begin this fall for all incoming in-state freshmen with household incomes of \$25,000 or less per year.

UT Arlington will offer the Maverick Promise to provide grant assistance to cover all fall and spring in-state tuition and fees for undergraduate Texas residents who receive a Federal Pell Grant, and who are admitted and complete the financial aid application process including all required forms by April 1, 2007. The Maverick Promise is open to all undergraduate students who are enrolled at least half time (6 credit hours). Students may renew the Maverick Promise if they continue to meet program requirements, including meeting the Satisfactory Academic Progress requirements outlined by UTA. New freshmen students are eligible for the Maverick Promise for up to 5 years and new transfer students are eligible for up to 3 years.

UT Austin began offering its financial aid guarantee program in 2003. Eligible students have had all increases in flat-rate tuition covered by the program if they come from households with incomes of \$40,000 or less per year. On average, eligible students have had all of their tuition and fees paid by financial aid. Students whose family incomes are in the \$40,000 to \$80,000 range are also eligible for some financial assistance.

UT Brownsville will offer the UTB/TSC Imagine College! Program, which will cover all tuition and fees for first-time freshman Texas residents who are taking 15 hours or more and who also qualify for the Pell Grant. It is estimated that as many as 700 freshmen could qualify.

UT Dallas has announced the UT Dallas Tuition Promise to cover the tuition and mandatory fees for new, full-time undergraduate students who are Texas residents. To benefit from the plan, students must be eligible to receive federal Pell grants and must be full-time – taking 12 semester credit hours of classes or more at UT Dallas. In order to continue to remain eligible for the program, students must complete 30 credit hours each year with a minimum 2.5 grade point average, and must continue to meet income and grant eligibility requirements. The Promise will be effective for four years or until a student graduates, whichever comes first.

UT El Paso began offering its program, the UTEP Promise, in the fall 2006. Approximately 600 students took advantage of the program, which covers tuition and mandatory fees for 30 SCH per year for new freshmen (Texas residents) with family incomes of \$25,000 or less per year.

At UT Pan American, as many as one-half of the student population may meet the financial qualifications for the program. As a result, UTPAdvantage is expected to have a positive impact on the college graduation rate for the Rio Grande Valley. The plan is available for four years of study and students must take 30 semester credit hours each year to continue to be eligible for benefits. Both new and current undergraduate students will be eligible for UT Pan American's program.

UT Permian Basin will offer the UTPB Promise financial aid program. The program, which began in spring 2007, is open to freshmen with family incomes of \$25,000 or less and covers all tuition and mandatory fees for 30 semester credit hours each year. The plan is available for four years of study and students must take 30 semester credit hours each year to continue to be eligible for benefits.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

UT San Antonio's program, UTSAccess, will include a work-study component that will allow students to earn additional money to offset the costs of room and board. The program will also include support programs to aid students in maintaining eligibility and graduating on time. UTSA estimates that 500 students may be covered by the plan's guarantee.

UT Tyler will offer the Pathway to Success Program. The program will be offered to first-time resident freshmen who meet UT Tyler admissions requirements, who complete all required financial aid documentation, and who enroll in a minimum of 12 credit hours at UT Tyler each fall and spring semester. The plan is available for four years and students must take 30 semester credit hours each year to continue to be eligible for benefits.

Tuition Incentives

Tuition Rebates

UT Arlington offers students who take a full course load tuition rebates in order to encourage its students to take additional courses and graduate sooner. In fall 2005, UT Arlington offered a rebate of \$200 per year (\$800 maximum) for any student who successfully completed 30 SCH in the combined fall and spring semesters while maintaining at least a 2.25 GPA. In fall 2006, UT Arlington increased the amount of its rebate to \$500 and expanded eligibility for its tuition rebates to students completing 28 SCH in two full terms. Over four years students could earn up to \$2,000 in tuition credit. The minimum grade point average was raised slightly to 2.5.

UT Arlington also provides a \$3 per SCH designated tuition discount to students who pay their full tuition and fee bill on time. Prior to instituting the discount, only about 25 percent of UT Arlington's students paid in full and on time; with the discount, the on-time payment rate is over 50 percent. Early payment helps UT Arlington finalize its course schedule and faculty assignments at an earlier date, leading to improved use of resources.

UT Permian Basin began its "Cash for College" Program in spring 2004. The program was established as an incentive for students to graduate on time and as a means to off-set tuition increases. It is funded by designated tuition set-asides. Students qualify for a \$200 award by maintaining a 2.0 GPA and completing at least 30 SCH each year (September to August). Summer sessions are included, enabling part-time students to qualify by attending year-round. Eligible students also must complete a bachelor's degree with no more than 130 credit hours. As of fall 2006, 722 students have earned more than \$320,000 in tuition rebates through Cash for College.

UT Tyler offers a "Free Senior Semester Tuition Rebate" program that rewards those students who enroll in 15 or more SCH and maintain consecutive semester enrollment. Students can receive up to 15 credits without paying designated tuition in their senior year by participating in the program. At current designated tuition rates (\$85 per SCH); the rebate is worth up to \$1,275.

Tuition Discounts

Discounting tuition rates to encourage students to take courses at times when facilities are underutilized is often cited as an example of how tuition flexibility can help universities achieve greater efficiencies.

To encourage students to take courses at times when facilities are underutilized, UT Brownsville discounts designated tuition and certain fees by 25 percent for students who enroll in 7:00 a.m. and weekend classes and offers a discount of 10 percent to students enrolling in classes from 1:00 p.m. to 4:00 p.m. Tuition discounts save students money and result in better-utilized classroom and lab facilities. In turn, this provides the institution with more capacity and flexibility to handle students that want to take larger course loads.

Tuition Guarantee Plans

A number of universities have instituted "tuition guarantee" plans. Under this arrangement, tuition and fees are guaranteed not to increase over the four years (or longer if a degree program is more than four

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

years) that is required to obtain a baccalaureate degree. Students who do not complete their degree program in the allotted time lose the guarantee. Students and their families are better able to plan for college expenses because they know that tuition and fees will remain the same if they complete their degree program on time. Because the guarantee expires at the end of the time period required for a degree, students have a powerful incentive to complete their program on time to avoid annual increases in tuition and fee charges.

In fall 2006, UT El Paso became the first institution in Texas to offer a tuition guarantee plan. The university's voluntary Guaranteed Tuition Rate Plan provides entering freshmen who qualify for and select the program a guaranteed tuition and mandatory fee rate of \$194 per credit hour for four years. The plan requires students to take at least 30 credits each academic year and thus will encourage graduation in as close to four years as degree requirements permit. Entering freshmen in fall 2007 will pay \$208 per credit hour.

Beginning in the 2007-2008 academic year, new students entering UT Dallas for the first time will be guaranteed fixed tuition and academic fees for four years. The tuition and fee rates for new students in 2007-2008 will be 13 percent higher than the 2006-2007 rates, but will remain unchanged for this cohort for four years. The increase would be equivalent to an average increase of 5 percent per year if distributed over 4 years.

A unique feature of UT Dallas' program is its agreements with local community colleges. Admitted students can enroll at a community college for two years, and then at UT Dallas for their final two years at the UT Dallas tuition rate applicable when they first enrolled at the community college.

Advising

Over the last several years, institutions have begun focusing on the importance of tracking student progress. Ensuring that students succeed their freshman year and return to the institution to continue their education is vital to reaching the aggressive graduation rate targets that each institution has set for itself. Advising is a key element to improving retention and graduation. UT System academic institutions have been investing in their advising centers to provide more direction to students, from the time they enter the university through to graduation.

UT Austin has the largest number of full-time advisors available. Over 130 advisors offer guidance to students. UT Austin provides extensive academic advising at the department and college levels to insure that students have the specific information needed to help them graduate in a timely manner. Each advisor is expected to have at least a bachelor's degree with relevant experience in the field. UT Austin's Provost's Council on Academic Advising and its Student Deans group provide university-wide oversight and planning for academic advisors. The university has increased its freshman seminars and signature course offerings in its first year curriculum, providing counseling on study skills and study groups and monitoring their progress.

UT Brownsville's Academic Advising Center hired ten new advisors in fall 2006, increasing the number of academic advisors on campus to 27. The Academic Advising Center has recently moved to a new location on campus. This new location has provided more room and more offices to house all the advisors, and, most importantly, has provided the privacy that the students need when they talk to an advisor. To assist students who are having academic difficulties, an Academic Recovery Plan is required for students on suspension/academic probation in order to encourage remediation and retention.

UT Dallas is in the ninth year of a redesigned undergraduate advising system that employs 30 professional advisors who last year made over 50,000 contacts with students. The director of undergraduate advising provides uniform training for advisors, a computerized system for managing advising contact information, a degree audit process for degree-checking, and an annual student survey of advising satisfaction. In addition, this office publishes advising handbooks and minor handbooks for faculty and staff.

UT El Paso has an Academic Advising Center staffed with eight full-time advisors and eight program advisor lecturers. In addition, each college has at least one full-time advisor. Larger colleges, such as

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

the College of Education, have more advisors available for pre-major and major academic advising needs. UT El Paso is working on implementing a plan to integrate more career advising with academic advising. The university's "Success in the Middle Years" Quality Enhancement Plan will also make use of electronic advising tools and provide for better training and evaluation for advisors.

UT Pan American, prior to 2005, did not have a university-wide academic advising center. The institution relied on faculty in each department to provide guidance to students. Today, in addition to twelve guidance counselors distributed among the colleges, UT Pan American has nine academic advisors available in a university-wide advisement center called the Academic Advisement and Mentoring (AAM) Center. The goal of the center is to advise and track every individual freshman and sophomore students. Advisors assist students in making informed decisions about a major as early in their academic career as possible and ensure that they register for the appropriate courses every semester. Freshman and sophomore students are being advised at a centralized location by academic career advisors. Juniors and seniors are being advised by professional guidance counselors and faculty in each of six colleges. In fall 2006, an additional six professional guidance counselors were hired to advise students in each of six colleges and three additional academic career advisors were hired to advise students at the centralized AAM Center. Faculty advisors are now relied upon to serve as mentors to students. UT Pan American will continue to focus on advising, with plans to hire an additional six professional guidance counselors and three academic advisors in 2007.

UT Permian Basin has five professional academic advisors in the Academic Advising Center and the School of Business Academic Advising Office. UTPB Academic advisors maintain weekly office hours on the campuses of Howard College, Midland College, and Odessa College. The academic advising staff work with undergraduate students on initial entry advising, degree plan development, and registration. The Center director conducts regular faculty development programs on common problems being found in student degree plans, changes in academic regulations, and ways to improve academic advising to students.

UT Tyler opened its Academic Advising Center in 2004. Four full-time academic advisors provide services to all freshman and all transfer students who have not completed the core curriculum. All freshmen are required to meet with a professional academic advisor to plan their first-year coursework. Students must declare a major no later than the completion of 60 semester credit hours. Most majors require that students declare their major and have degree plans completed by their second semester.

As part of its new advising center and services, UT Tyler developed the Mentoring and Advising for Patriot Success (MAPS) program. The MAPS program includes personalized mentoring, referrals to appropriate campus resources, the development of a personalized MAPS plan, and consistent contact with a designated academic advisor based on the student's declared major. MAPS participants receive a Student Success Checklist for them to follow that includes a thorough review of the university academic policies for undergraduate students. The checklist is completed with an end-of-semester interview with the academic advisor and fall registration. The goal of the MAPS Program is to provide an intensive individualized program to help students on academic probation restore their grades and attain the college success skills necessary to continue their academic endeavors.

All UT System academic institutions have plans to expand their advising capabilities. Each institution will hire at least one additional advisor in 2007, with UT Brownsville and UT San Antonio pursuing fairly aggressive growth with plans to add nine to ten advisors over the next year.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

VII. Conclusions

To meet the aggressive targets set by the Board of Regents, institutions have moved forward with a number of activities to improve graduation rates. Their initiatives have included a range of new structural, policy, and academic programs to promote timely graduation. The following are highlights:

1. Tuition structures have been modified to incentivize students to take a greater number of credit hours per semester, accelerating time to graduation.
2. Institutions have made policy changes that will encourage students to re-enroll and finish their coursework.
3. Institutions have created employment opportunities so that students remain on campus. There is some evidence that students employed at the university are more likely to perform better academically.
4. Institutions have developed new retention programs that will help keep students in college and thus able to finish coursework on time.
5. Some institutions have combined academic advising with financial aid advising so that students understand how continuous enrollment, supported by financial aid packages, will accelerate their time-to-graduation.
6. Some institutions have begun to redesign courses and add supplemental instruction to ensure student success and to avoid having students repeat courses to master the material.
7. There is significant activity at all institutions to strengthen their relationships with community colleges. Collaborations have been developed with local community colleges, that, in some cases, involve financial aid and curriculum reform.

All these changes will have profound effects on how students make academic progress and graduate on time. No other system-wide initiative in the state or the nation is known to have envisioned the strategic steps to improve graduation rates.

Finally, all academic institutions have adopted other strategies that, directly or indirectly, will impact graduation rates.

1. All institutions adopted guaranteed financial aid programs for students who are economically disadvantaged. These programs require that students take a 15 credit hour course load per semester or 30 hours for the academic year, including the summer.
2. A few institutions have developed flat rate tuition, encouraging students to take a heavier course load by not charging them for any hours over some pre-set limit, for example, taking 18 hours but paying tuition for only 14.
3. Some institutions have provided tuition rebates. These programs encourage students to take more courses per semester, resulting in faster time-to-graduation.
4. Some institutions have provided tuition discounts so that students are motivated to take courses at off-peak times; thus, students are not stuck waiting for courses closed because of being oversubscribed and institutions realize greater resource efficiencies.
5. All institutions have redesigned the academic advising centers. The institutions have developed electronic tracking mechanisms to make sure students do not register without academic advising. All institutions have developed electronic degree checkers so that student can check their degree requirements anytime. Some institutions have added a significant number of new academic advisors to their staff. These new additional advisors will make sure that every student has timely academic counseling.

8. U. T. System: Graduation Rates Initiatives presentation (cont.)

VIII. Recommendations for Next Steps

Program and policy changes have been recently implemented or are in the process of implementation. It is too early to determine their effectiveness in improving graduation rates. Thus, five recommendations are suggested as next steps:

1. The UT System will continue to monitor and report graduation and persistence rates for all campuses every year.
2. The UT System will help institutions expected to have difficulty achieving their 2010 graduation rate target develop an action plan to improve the chances of achieving their goals.
3. The campuses will develop early assessment programs for all the programmatic and policy changes that have been implemented. It is the only way to understand the effectiveness of a program vis-à-vis graduation rates success. These assessments can only be done by the individual campuses.
4. The UT System will develop a website to share best practices associated with increasing graduation rates.
5. The Office of Academic Affairs will analyze and develop alternative measures of student success in addition to the basic four-, five-, and six-year graduation rate trends currently tracked.

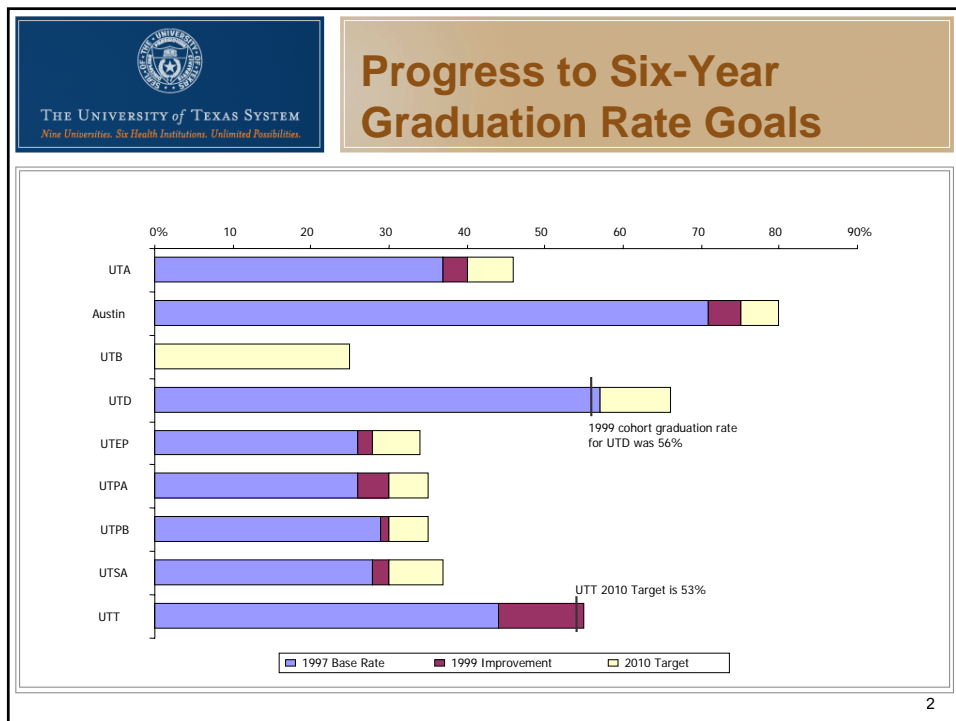
8. U. T. System: Graduation Rates Initiatives presentation (cont.)

The University of Texas System Graduation Rates Initiative Progress Report

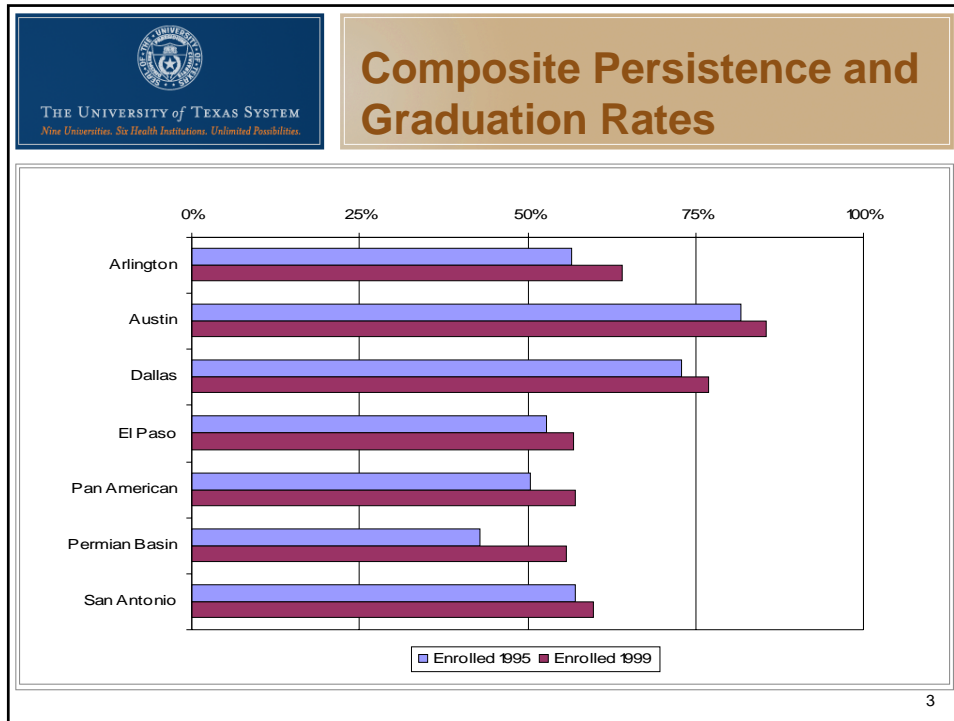
THE UNIVERSITY of TEXAS SYSTEM
Nine Universities. Six Health Institutions. Unlimited Possibilities.

May 9, 2007

1



8. U. T. System: Graduation Rates Initiatives presentation (cont.)



Average Semesters Completed

	# Baccalaureate Degrees	Average Semesters Completed
Arlington	1,821	10
Austin	7,083	9
Brownsville	349	12
Texas Southmost College	137	14
Dallas	1,261	10
El Paso	1,035	12
Pan American	1,272	11
Permian Basin	221	11
San Antonio	1,823	11
Tyler	418	11
University of Texas System with Austin	15,420	10
University of Texas System without Austin	8,337	11
Texas Public Institutions Statewide Average	46,814	10

Source: Texas Higher Education Coordinating Board

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8. U. T. System: Graduation Rates Initiatives presentation (cont.)




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Implementation Strategies at Work

- Increased advising, and combined academic and financial aid advising.
- Modified tuition structures.
- Policy changes that encourage students to reenroll and finish coursework.
- Increased work-study employment opportunities so students remain on campus.
- New retention programs to keep students in college.
- Course redesign and supplemental instruction to improve mastery and reduce course repetition.
- Strengthened relationships with community colleges.

5



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Recommended Next Steps

- Continue to monitor and report graduation and persistence rates annually.
- Adopt alternative measures and targets of student success in addition to the basic four-, five-, and six-year graduation rate trends.
- Develop action plans to address challenges in meeting goals.
- Analyze combined impact of policy changes and institutional activities.
- Share best practices via Web site.

6

1. U. T. Arlington: Campus Master Plan Update




THE UNIVERSITY OF TEXAS SYSTEM

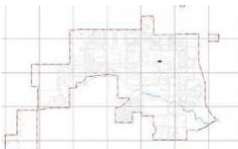

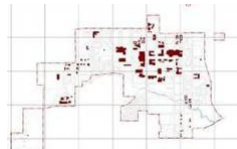

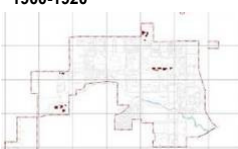

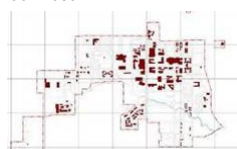

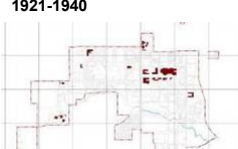

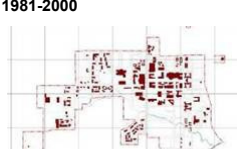

U. T. Arlington
Campus Master Plan Update

May 9, 2007

Office of Facilities Planning and Construction



Observations:
Campus Growth

 <p>1900-1920</p>	 <p>College Hall</p>	 <p>1961-1980</p>	 <p>Library</p>
 <p>1921-1940</p>	 <p>Brazos Hall</p>	 <p>1981-2000</p>	 <p>Pickard Hall</p>
 <p>1941-1960</p>	 <p>University Center</p>	 <p>2001-present</p>	 <p>Kalpana Chawla Hall</p>

1. U. T. Arlington: Campus Master Plan Update (cont.)


Observations:
Natural & Built Systems



Topography





Uses



Floodplain







Parking




Vegetation





Thoroughfares


Concept Design:
Guiding Principles

Reputation and Tradition
(Academic Advancement)

- Use the latest technologies to enhance teaching spaces, while ensuring flexibility to accommodate various learning styles, to strengthen the university's multidisciplinary comprehensive research core.
- Through the use of civic art, open spaces, and university symbols build a stronger, richer, more traditional college campus to enhance the reputation of the campus in the community, state, and the nation.

Campus and Community
(People Programs)

- Encourage student achievement through an enriching university experience by creating culturally diverse community hubs that integrate housing, open spaces, and academic facilities.
- Engage the broader community as learners, teachers, and partners in the redevelopment and growth of the university and downtown Arlington through a welcoming, accessible campus that opens outward.

Identity and Aesthetics
(Physical Elements)





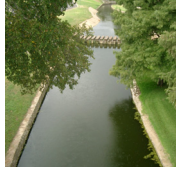
- Create a sense of place and strong university identity throughout the campus by the use of landmarks, gateway buildings, and improved pedestrian bridges.
- Complement the City of Arlington Downtown Master Plan with a seamless transition between the campus and downtown then establish a link with the future stadium town center.

Spaces and Linkages
(Natural Places)

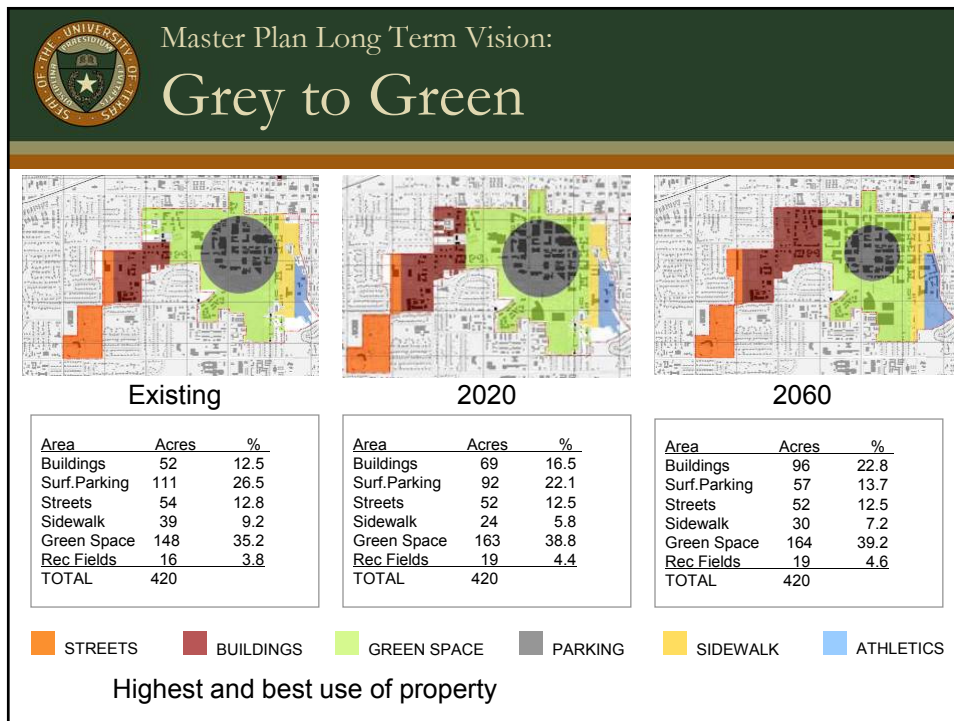
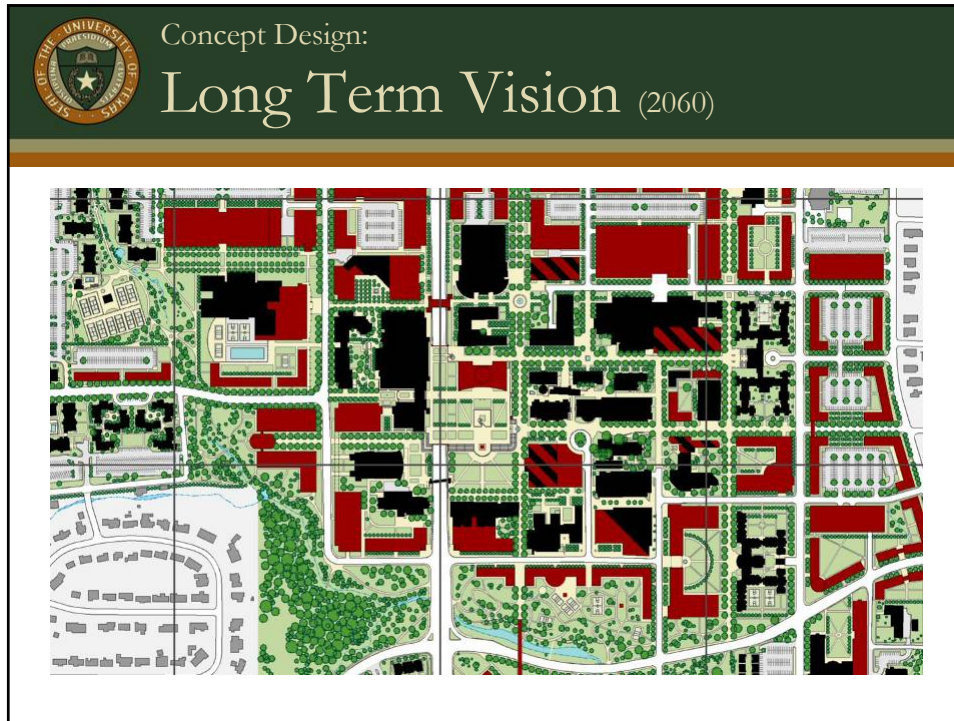
- Create a campus of outdoor rooms, shaded gardens, and activity hubs, punctuated with water features, which are interconnected by tree-lined pedestrian malls.
- The campus respects and is informed by the natural regional systems in the use of native plant materials, climate responsive outdoor spaces, and good stewardship of water.

Environment and Sustainability
(Responsible Implementation)


- The campus plan should identify the full and responsible capacity for growth within the university's existing boundary by transforming underutilized parcels into sustainable buildings and open space.
- Encourage walking, biking, and the use of transit throughout the university and downtown by keeping automobiles to the periphery of campus in structured parking accessed by pedestrian-friendly streets.









1. U. T. Arlington: Campus Master Plan Update (cont.)




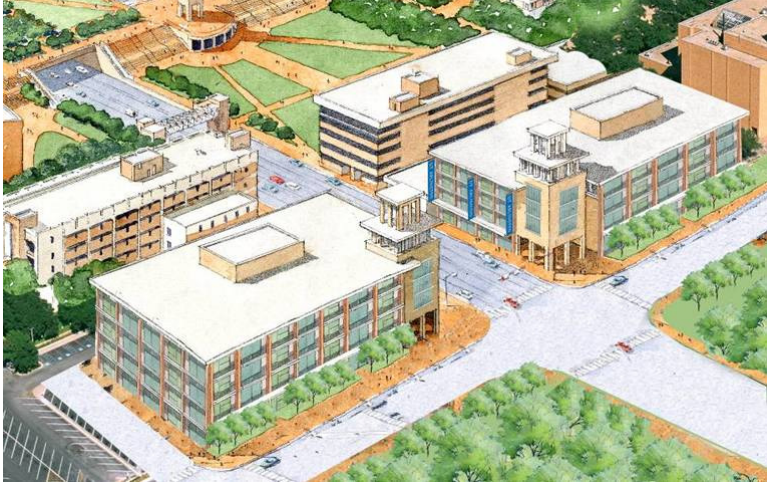
1. U. T. Arlington: Campus Master Plan Update (cont.)

 Master Plan Long Term Vision:
Downtown Interaction



1. U. T. Arlington: Campus Master Plan Update (cont.)

 Master Plan Long Term Vision:
Southern Gateway



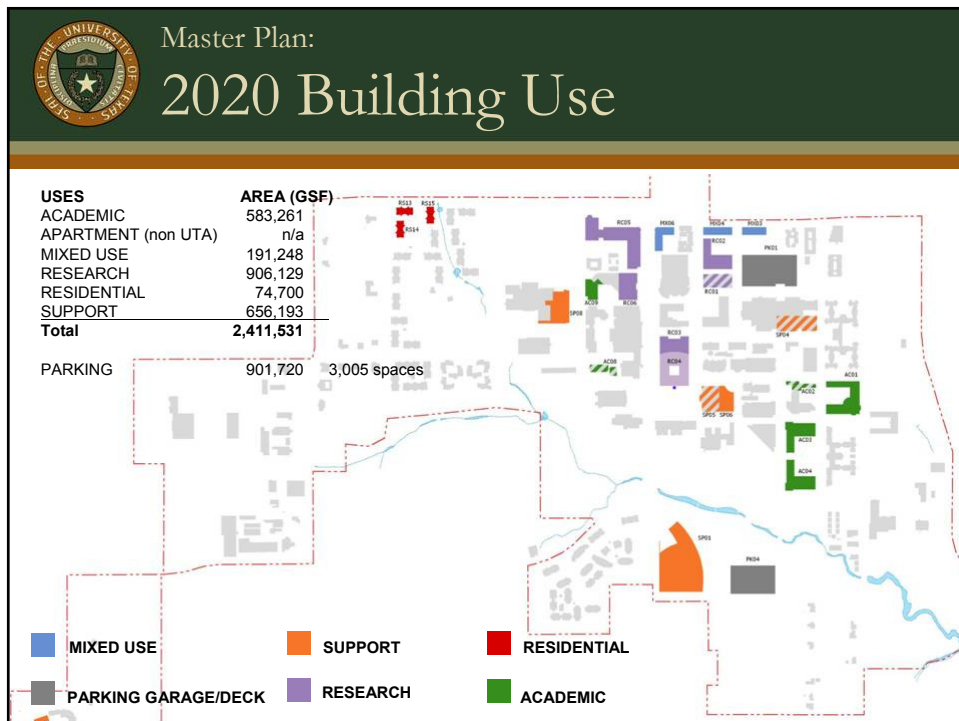
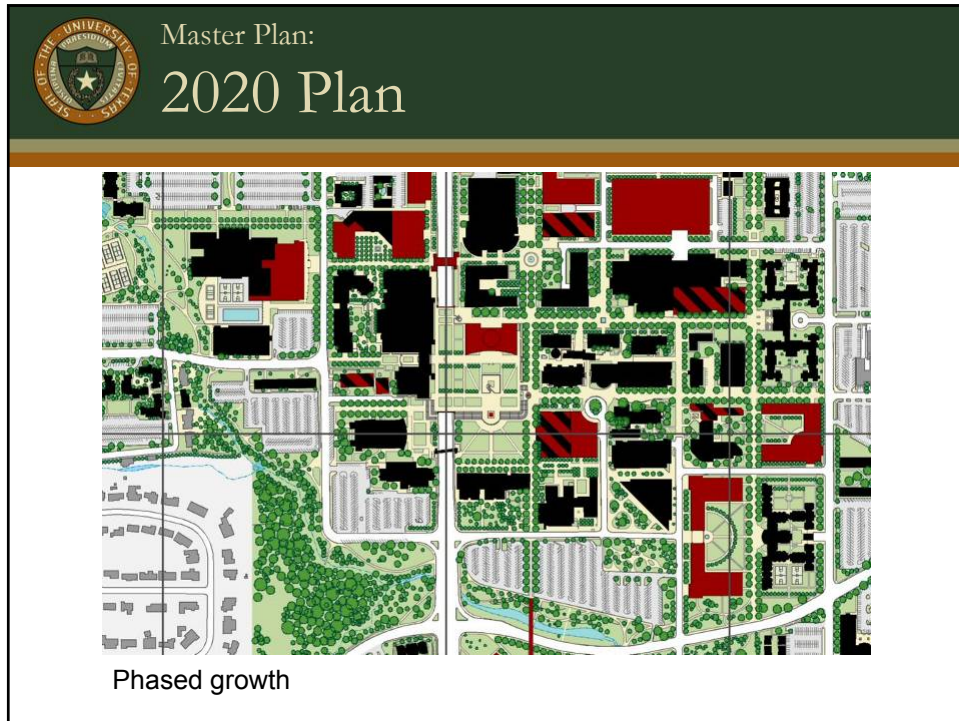
New Visitor Center at Davis Hall and Doug Russell Park

 Master Plan Long Term Vision:
Complete Second Street Mall

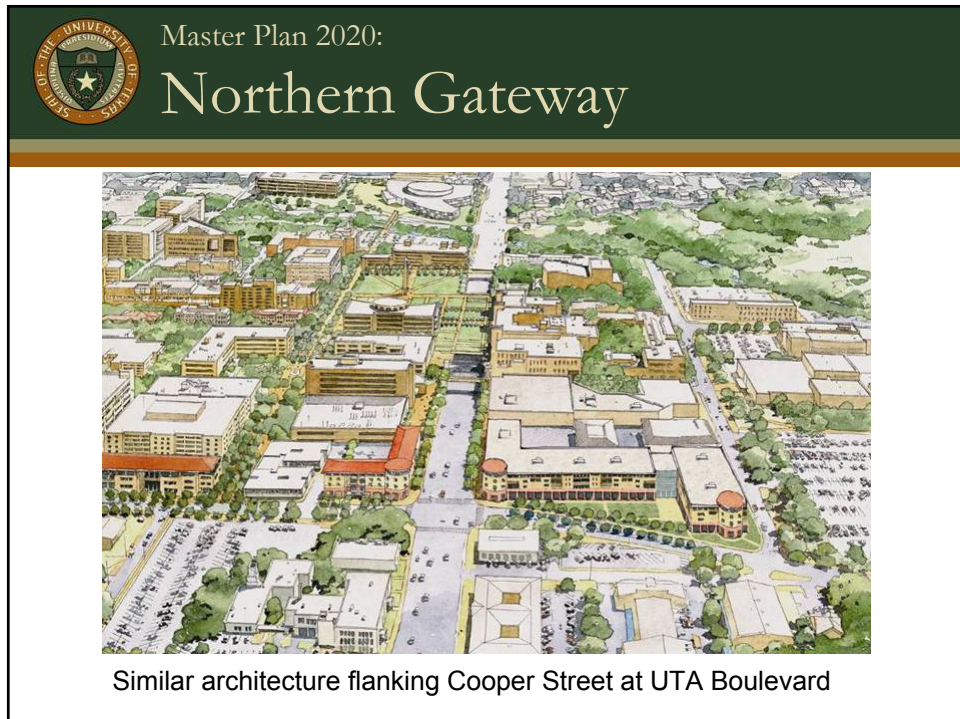
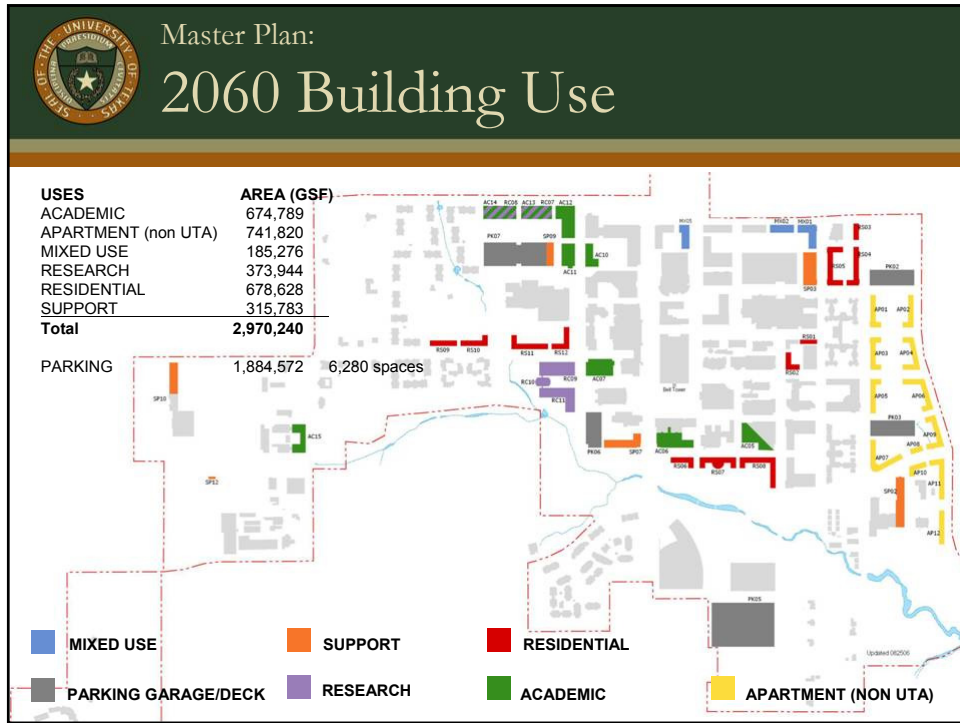


Honors College Residence Hall to fill open area on main mall


1. U. T. Arlington: Campus Master Plan Update (cont.)

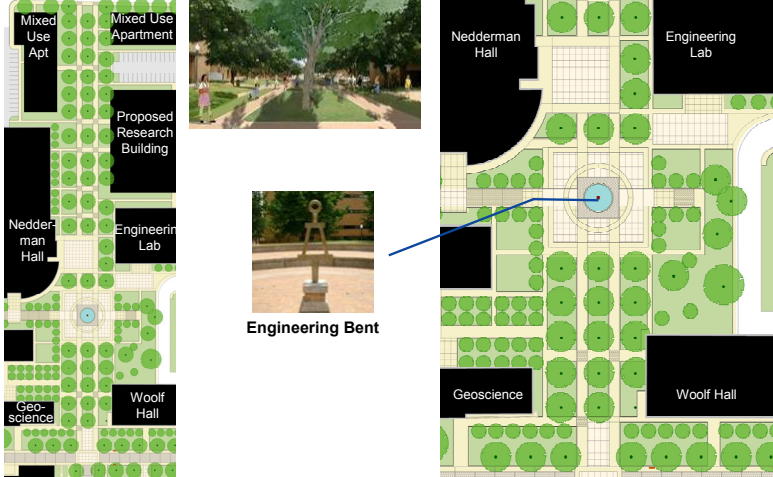


1. U. T. Arlington: Campus Master Plan Update (cont.)





1. U. T. Arlington: Campus Master Plan Update (cont.)

 Master Plan 2020:
Arlington Walk




Yates Street closure and Engineering Quad


 Master Plan 2020:
College Town




Improved UTA Boulevard and mixed use university housing

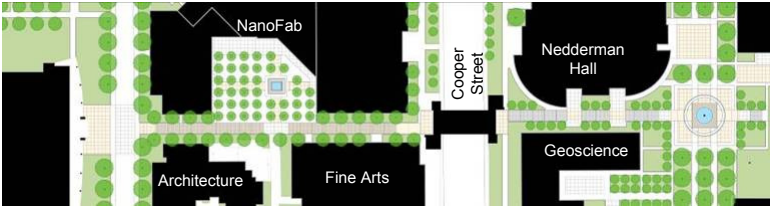
1. U. T. Arlington: Campus Master Plan Update (cont.)

 Master Plan 2020:
Engineering Bridge

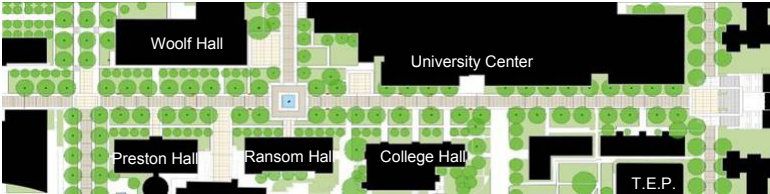


Engineering Bridge Studies

 Master Plan 2020:
Landscape Improvements





Activities Link: Engineering Quad to Maverick Activities Center



Second Street Mall Upgrades

1. U. T. Arlington: Campus Master Plan Update (cont.)

 Master Plan 2020:
Library Quad



Bell Tower and new icon building

 Master Plan 2020:
Fine Arts Plaza




Open space at School of Architecture and new Pachi Hall




1. U. T. Arlington: Campus Master Plan Update (cont.)

 Master Plan 2020:
South Oak Street Mews



Bookstore Green and street closure for pedestrian walk

 Master Plan 2020:
Nedderman Quad



New academic buildings at Kalpana Chawla Hall


1. U. T. Arlington: Campus Master Plan Update (cont.)


Master Plan 2020:
University Center





Addition of a glassy partial floor for student activities


Guidelines:
Mixed-Use Buildings

HEIGHT & MASSING

UTA Boulevard is the "college town" with four story buildings. These will have retail and commercial service uses on the ground floor with residential on the upper three floors. The residential may be market-rate apartments (owned or rented) or university housing.

DISPOSITION

- Preferred Building Frontage
- Recommended Building Frontage
- Allowable Building Footprint


ENTRANCE & SERVICE

- Primary Entrance
- Secondary Entrance
- Primary Service
- Secondary Service






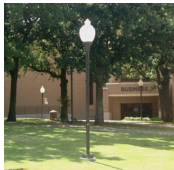




INFRASTRUCTURE

- Water Line - Replaced
- Water Line - Removed
- New Water Line
- Water Line - Remain
- Storm Line - Remain
- Sanitary Sewer - Relocated
- Sanitary Sewer - Remain
- Sanitary Sewer - Replace

1. U. T. Arlington: Campus Master Plan Update (cont.)



Guidelines:
Urban Elements

SITE FURNISHINGS

 <p>VEHICULAR LIGHTS: Parking areas, safety and security lighting</p>	 <p>BOLLARDS: 36" to 42" in height, located along minor pathways</p>	 <p>BIKE RACKS: Currently in use and maintained</p>	 <p>TRASH RECEPTACLES: Currently implemented as the new standard</p>	 <p>RECYCLING RECEPTACLES: Consistent furnishing across campus</p>
 <p>PEDESTRIAN LIGHTS: Should be consistent across campus</p>	 <p>LANDSCAPE WALLS: Brick or stone consistent with the adjacent buildings</p>	 <p>FINISHES: Consistent color selection for multiple site furnishings</p>	 <p>TABLES AND CHAIRS: Wooden picnic style tables</p>	 <p>BENCHES: Teak furniture ensures low maintenance</p>


Guidelines:
Architectural

FAÇADE ARTICULATION

 <p>Facades should not have blank, unarticulated wall surfaces.</p>	 <p>Entries should be clearly visible and free from blockage of secondary structure</p>	 <p>Exterior materials (color and texture) should coordinate with recent construction</p>	 <p>Brick articulation is encouraged</p>
 <p>Ground level floor-to-floor dimension (A) should be greater than upper level floors (B).</p>	 <p>If buildings should mediate the slope of a site, the first story of a building may be as high as 20 feet.</p>		

1. U. T. Arlington: Campus Master Plan Update (cont.)

Guidelines: Signage & Wayfinding

LOCATIONS

- Primary Node
- Secondary and/or Tertiary Nodes

ELEVATION
Pedestrian Wayfinding - Stone Base Option
Scale: 1/2" = 1'-0"

ELEVATION
Square Post Mounted Option
Scale: 1/2" = 1'-0"

ELEVATION
Parking Area ID - Stone Base Option
(Copy simulation shown)
Scale: 1/2" = 1'-0"

ELEVATION
Primary Pedestrian Information Kiosk
Scale: NTS

Guidelines: Landscape

ATHLETIC FIELD: Active playing surface dedicated for any sporting events

INTERSTITIAL AREA: Located between built configurations

PLAZA: Public Space; Primarily paved; Defined by building edges

FRONTAGE: Area in front of building; Consistent planting, landscape elements and site furnishings


LAWN: Acts as gathering space

GARDEN: Planned space for display, cultivation, and enjoyment of plant material and space


NATURAL PARK: No defined program; Includes mature trees and picnic areas

OPEN SPACE: Proposed open space labeled in green.


1. U. T. Arlington: Campus Master Plan Update (cont.)




Guidelines: Implementation




DESIGN REVIEW:
Clearly defined, consistent with prescribed benchmarks, and contain goals understood by all participants.
Design Review Committee will meet monthly to review all components of master plan that are to be implemented. Recommended deviations will immediately be brought to President's attention for approval.
Monthly meetings permit review of projects at project initiation, conceptual design, schematic design, design development, construction documents, and construction.




BUILDING MATERIALS:
Need to compose a palette that is in keeping with the existing campus but not duplicative.
Primary wall material should be brick to match existing.
Special building features should be articulated in limestone, sandstone, granite, cast stone/concrete, or architectural metal.



PEDESTRIAN PAVING:
Walking and paved surfaces shall consist of specific materials and configurations.
Paving promotes and enhances an active and unified exterior campus environment; further defines campus identity; and provides additional pedestrian connectivity.
Paths are divided into primary (central spines through campus), secondary (sidewalks or lead to building entries), and tertiary walkways (preferred pedestrian routes connecting other walks).



SITE FURNISHINGS:
Standardized furnishings and amenities unifies outdoor spaces and helps to establish unique identity.
Standards allow for systematic replacement of site furnishings.



MAINTENANCE:
Evaluation of all existing landscapes by a team of Physical Plant staff should occur to ensure that the landscapes are cared for as designed.
Written maintenance manual should be a required deliverable with each newly designed landscape space.
Individual manuals should be integrated into one campus wide manual that directs all maintenance activities.

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5. U. T. System: Discussion of and video presentation on international programs

U. T. Southwestern Medical Center International Program Activities

INTERNATIONAL HOSPITAL CORPORATION: Educational Affiliation Agreement has been signed whereby U. T. Southwestern Medical Center will provide faculty/speakers for postgraduate clinical educational programs, as identified by the IHC hospitals. IHC is a hospital management company with private acute care hospitals in Mexico and Costa Rica. The specific number of educational activities has not been determined. Educational encounters will be held at U. T. Southwestern as well as their hospitals in Latin America.

INNOVATIVE AND AGGRESSIVE CONTROL STRATEGIES IN DIABETES MANAGEMENT in Mexico: U. T. Southwestern Office of CME has embarked on a multiphased educational effort involving the development of a slide-kit, speaker training, and numerous live CME activities throughout Mexico. All educational materials are in Spanish. Speakers include U. T. Southwestern Medical Center faculty as well as local endocrinologists from Mexico. The slide-kit, speaker training, and one live activity (Mexico City) have been completed; five to seven more CME events throughout Mexico are planned for this year.

AMERICAN DIABETES ASSOCIATION: U. T. Southwestern Office of CME will present the first Spanish language satellite symposia at the ADA Scientific Session this June. The program is a modified version of the "Innovative and Aggressive Control Strategies in Diabetes Management." The target audience is Spanish-speaking physicians attending the Scientific Sessions. Of note, in 2006, approximately 900 Spanish-speaking physicians attended the ADA conference.

SOUTH AFRICA AIDS PROJECT: U. T. Southwestern has established a program to send physicians selected from the departments of Pediatrics, Internal Medicine or Family and Community Medicine to South Africa to work for three to six months in the Waterberg Welfare Society Hospice House clinic which treats children with HIV or AIDS. This facility is directed by Dr. Peter Farrant, one of South Africa's top pediatricians. This novel program holds great promise for helping patients in South Africa, while simultaneously enhancing the training and experiences of U. T. Southwestern participating physicians. Expenses for the program, including the full salary and fringe benefits of the participants, are covered by philanthropic gifts.

5. U. T. System: Discussion of and video presentation on international programs (cont.)

**U. T. Health Science Center – San Antonio
International Program Activities**

None from Allied Health and Nursing.

Dental School:

The 2nd year Dental students can be chosen as hosts for students from two Japanese sister institutions, who annually visit the HSC in August. The same group of students, during their senior year, will visit the Japanese sister institution during HSC's spring break. The purpose of the exchange is to enhance mutual understanding of the cultures and the Dental education in two different countries.

Graduate School:

1. Pharmacology is organizing a coop diabetes research program with China. This, once in place, will include the exchange of graduate students and postdoctoral fellows.
2. Phil LoVerde (new faculty coming this summer) will bring with him a Fogarty Global Disease International Training Grant. The grant will support the training of postdocs and undergraduates from Brazil. The training will take place in Dr. LoVerde's lab as well as some other research labs around the country.

School of Medicine:

1. The HSC and Universisas Autonomo de Guadalajara School of Medicine have entered into an agreement on multiple exchange programs including students, residents and faculty.
2. The HSC Surgery Department has a new Latin American Student Program with the Universidad Nacional Autonomia de Mexico Medical School (UNAMM). Currently there are two students from UNAMM on campus doing a six-month externship that includes six medical rotations.
3. The Department of Medicine has a long-standing fourth-year medical student exchange program with two schools in Medellin, Colombia; Instituto de Ciencias de La Salud Ces and Universidad Pontificia Bolivariana. The program has been in existence since 1990 and is set up to provide clinical experience in an international setting.
4. The Department of Family and Community Medicine is offering an elective to the fourth-year medical students in Perceptorship in International Health. The goal is for the student to gain experience in

5. U. T. System: Discussion of and video presentation on international programs (cont.)

providing patient care in an international setting under the supervision of qualified physicians.

Challenges: lack of identified sites to establish on-going relationships, funding

Opportunities: establish in the future firm training sites to provide meaningful experiences for the students.

5. The School of Medicine offers an elective in International Medicine to the fourth-year medical students. The elective includes the programs below:
 - a. A Rotation at the Christian Medical College in Vellore, India. This is an elective in international medicine for the 4th year medical students, it lasts four weeks. Each year 20 students were selected to participate in this program to enhance their understanding in cultural competency, international health care system comparison and medical services for underrepresented individuals. Their expenses were covered by a scholarship offered by donations and the Center for Medical Humanities & Ethics. The students keep journals/blogs on the trip and upon their return; they share their experiences with presentations.
 - b. Shoulder to Shoulder program in Latin America.
 - c. Programs in Nicaragua, Mexico, Panama and Guatemala.
 - d. Others as listed on the website.

All rotations commit to service learning for four weeks. The students live in international sites and participate in the care of patients, under the supervision of local and visiting health care providers. The students are encouraged to share their experiences upon return.

6. Another senior medical elective, History of Anatomy in Situ, will take six students to Italy for an in-depth study of the reawakening and development of anatomy in 14th-18th century Italy. The experience will allow students to experience the actual dissecting theaters and classrooms where this development occurred, thus enhancing their interest in the history of medicine and instilling in them an increased sense of professional responsibility and greater awareness of the social and ethical issues of today.

Challenges: funding & liability

Opportunities: more options for students to engage in international medical training

5. U. T. System: Discussion of and video presentation on international programs (cont.)

7. One more senior medical elective on Poverty, health, and Disease explores the problems of inequality of access to health care and its impact on health delivery systems with examples from Guatemala, Haiti, and New Orleans.

Challenges: time commitment from the faculty and funding

Opportunities: provides significant educational value in the inequality of health care to medical students

8. STEER (South Texas Environmental Education and Research), a medical elective offering community-based experience highlighting international, environmental and public health concerns at the U.S.-Mexico border.

Challenges: immigration visa issues, student safety/liability, funding

Opportunities: abilities to study broad medicine issues without having to go abroad

9. The Department of Pediatrics has an elective for the fourth year medical students and residents, Community for Children: At the Border and Beyond. It provides a structured curriculum designed to prepare medical students and residents to identify and address the complicated social milieu which perpetuates poverty, inequities and disease. This project represents the collaborative effort of the Department of Pediatrics, UTHSC-Houston School of Public Health-Brownsville, Brownsville Community Health Center and community partners in the Lower Rio Grande Valley and Matamoros and Ciudad Victoria, Tamaulipas, Mexico.

Challenges: Stable funding support, lack of dedicated faculty time to develop more programs and lack of integration of HSC global activities.

Opportunities: provide health care to population who otherwise may not have access to care. In addition, it provides our medical students the opportunities to work in environment that are unusual.

Current and Pending Institutional Agreements

5. U. T. System: Discussion of and video presentation on international programs (cont.)

Country	Institution	Initiation Date	Agreement	Purpose
Brazil	Federal University of Minas Gerais	2005	Memorandum of Agreement	Cooperation in cellular and developmental biology
Chile	Ministry of Health	1987	Agreement of Cooperation	Postgraduate education exchange
China	Shanghai Novartis Trading, Ltd.	2005	Agreement of Cooperation	Fellowship Program exchange
Egypt	National Cancer Institute, University of Cairo	2003	Agreement of Cooperation & Program Agreement	Postgraduate education exchange
India	Vivekananda Yoga Anusandhana Samsthana	2005	Memorandum of Understanding	Integrative medicine collaboration
Italy	G. Pascale Foundation National Cancer Institute	1992	Agreement of Cooperation & Program Agreement	Postgraduate education exchange
Italy	University of Catania	1990	Agreement of Cooperation	Postgraduate education exchange
Japan	University of Fukui	2004	Agreement of Cooperation	Experimental Diagnostic Imaging collaboration
Jordan	US - Middle East Breast Cancer Partnership King Hussein Cancer Center	2007	Memorandum of Understanding	Clinical Care, Prevention, Research Collaborations, Post graduate Educational & Training Exchanges
Korea	Presbyterian Medical Center	1991	Agreement of Cooperation & Program Agreement	Pending termination
Mexico	Universidad Autonoma de Guadalajara	1990	Agreement of Cooperation	Postgraduate education exchange
Singapore	Singapore General Hospital	2002	Agreement of Cooperation	Postgraduate education exchange
Spain	MDA Holding, S.A., et al.	1999	Clinical Support Services Agreement	Development of cancer center
Taiwan	China Medical University and Hospital	2005	Memorandum of Understanding	Translational research, fellow/postdoctoral/faculty/personnel training and exchanges/ Postgraduate educational & training exchanges.

5. U. T. System: Discussion of and video presentation on international programs (cont.)

Country	Institution	Initiation Date	Agreement	Purpose
Taiwan	National Taiwan University	2005	Memorandum of Understanding	Translational research, fellow/postdoctoral/faculty/personnel training and exchanges.
Taiwan	National Yang-Ming University	2005	Agreement of Cooperation	Experimental Diagnostic Imaging collaboration
Turkey	Vehbi Koc Foundation Healthcare Organization	2005	Agreement of Cooperation	Postgraduate education and training

5. U. T. System: Discussion of and video presentation on international programs (cont.)

Current and Pending Sister Institution Relationships

Country	Institution	Initiation Date	Agreement	Purpose
Beirut	American University in Beirut	2007 - pending signing ceremony with date not set	Sister Institution	Clinical Care, Research Collaborations
Brazil	Hospital International Albert Einstein, Sao Paulo	2004	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
Chile	Clinica Alemana, Santiago	2003	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
China	Fudan University Cancer Hospital, Shanghai	2003	Sister Institution	Clinical Care, Research Collaborations, Clinical Trials, Postgraduate Educational Training & Exchanges
China	Peking Union Medical College Cancer Institute & Hospital, Beijing	2003	Sister Institution	Clinical Care, Research Collaborations
China	Sun Yat-Sen University Cancer Center, Guangzhou	2003	Sister Institution	Clinical Care, Research Collaborations, Clinical Trials, Postgraduate Educational Training & Exchanges
China	Tianjin Medical University Cancer Institute & Hospital, Tianjin	2006	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
France	Institut Gustave Roussy, Villejuif	2004	Sister Institution	Clinical Care, Research Collaborations, Clinical Trials, Postgraduate Educational Training & Exchanges
India	All India Institute of Medical Science, Delhi	2003	Sister Institution	Clinical Care, Research Collaborations

5. U. T. System: Discussion of and video presentation on international programs (cont.)

Country	Institution	Initiation Date	Agreement	Purpose
India	Tata Memorial Center, Mumbai	2003	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
Japan	St. Luke's International Hospital, Tokyo	2003	Sister Institution	Clinical Care, Clinical Trials, Postgraduate Educational Training & Exchanges
Korea	Samsung Medical Center, Seoul	2002	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
Korea	Yonsei University Medical Center, Seoul	2006	Sister Institution	Clinical Care, Research Collaborations
Mexico	Instituto Nacional de Cancerologia, Mexico City	2006	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
Norway	Norwegian Cancer Consortium, Stavanger / Oslo	2007 - pending signing ceremony in May, 2007	Sister Institution	Clinical Care, Research Collaborations, Postgraduate Educational Training & Exchanges
United Kingdom	Imperial College of London, London	2005	Sister Institution	Clinical Care, Research Collaborations

5. U. T. System: Discussion of and video presentation on international programs (cont.)

**The University of Texas M. D. Anderson Cancer Center
Centro Oncológico M. D. Anderson International España (COMDAIE)**

The hospital officially opened its doors in November 2000 as a private hospital with Spanish capital investment from two principal investment companies – Inveralia and Ibersuiza – with M. D. Anderson Cancer having a six percent equity stake. At that time the total number of inpatient beds was 16 – by the end of December 2006 there will be approximately 93 inpatient beds. The initial hospital space was one of the wings of the former military hospital, the Policlínica Naval. The hospital's radiation therapy facility with space for two linear accelerators was constructed as a brand new facility, with design and architectural plans approved by M. D. Anderson in Houston. Specific radiation oncology planning clinics are held on Thursday mornings via videoconferencing with Madrid when attendance allows and is needed. Many radiation staff from Houston have visited COMDAIE on numerous occasions, and similarly, all their staff have visited Houston and have spent 2- 4 weeks rotating with our physicians.

In March of 2000 twelve nurses spent 3 weeks observing here at M. D. Anderson. Nursing has provided numerous clinical rotations for all the chief nurses recruited at COMDAIE, and a nurse educator position was established in Madrid about 3 years ago. Other clinical rotations of the faculty in Madrid to Houston have continued and improved over the years. Spanish physicians typically visit for a week or two and rotate with others in the physician's specialty. One full-time surgeon spent 5 months rotating in Surgical Oncology in 2005 with a focus on GI cancers. More recently in May 2006, the Head and Neck multidisciplinary team (medical oncologist, radiation oncologist, and surgeon) from Madrid visited their H & N colleagues here for a week.

Telemedicine activities between both sites continue. Tuesdays are reserved for specific disease site multidisciplinary case presentations – these typically occur about three times per month, and include specialists from medical oncology, surgical oncology, and radiation oncology. Surgical Grand Rounds are transmitted to Spain every other Wednesday, and Thursdays are reserved for Radiation Oncology Planning Clinic videoconferences.

Over the last year, the hospital has added and opened many new areas. The onsite laboratory facilities were opened in October 2005, to include microbiology, cytology, blood banking, and pathology. An emergency center became operational in early 2006. Bone marrow transplantations also began at the hospital early in 2006.

Academic and clinical programs have been organized at the hospital. Multidisciplinary teams currently exist in the following areas: bone and soft tissue, breast, central nervous system, gastrointestinal, genitourinary, gynecologic, head & neck tumors, melanoma, and thoracic. Outside of the regularly scheduled telemedicine sessions, faculty in Madrid continue to interact directly with faculty in Houston on various aspects of patient care.

5. U. T. System: Discussion of and video presentation on international programs (cont.)

INTERNATIONAL PROGRAMS

UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON

April 2007

CHINA

China Medical Informatics Association (CMIA)

An agreement of cooperation and a program agreement were signed. U. T. School of Health Information Sciences at Houston provides an Intermediate Short Course and Certificate Program on Biomedical and Health Informatics to healthcare providers in China in collaboration with the China Medical Informatics Association.

Peking University (PKU)

An agreement of cooperation and a program agreement were signed. Peking University will send students to participate in the UTHSC-H Summer Research Program. U. T. Graduate School of Biomedical Sciences will provide scholarships for 2 students in 2007.

Shanghai Jiao Tong University, School of Medicine

An agreement of cooperation and a program agreement were signed. Shanghai Jiao Tong University sent 2 students to attend the Summer Research Program in 2006. The international students enjoyed the academic research program with a one-on-one faculty mentor. The U. T. MS-1 students also enjoyed their experience as they had the opportunity to interact and exchange with the international students. Students from Shanghai Jiao Tong University are not anticipated this year due to financial considerations.

COLOMBIA

Pontificia Universidad Javeriana

The agreement of cooperation between the UTHSC-H and the Pontificia Universidad Javeriana in Colombia involves support for academic degree training in occupational and environmental health at the master level in Colombia and at the doctoral level in Texas at the U. T. School of Public Health (UTSPH); in-country short courses based on current needs assessments; and support for pilot research projects aimed at developing the research skills of new investigators and infrastructure of host agencies through a collaborative mentoring of researchers. Dr. Sarah Felknor and Dr. George Delclos head this effort at the UTSPH.

5. U. T. System: Discussion of and video presentation on international programs (cont.)

COSTA RICA

Universidad Nacional Heredia de Costa Rica

The agreement of cooperation between the UTHSC-H and the Universidad Nacional Heredia (UNA) in Costa Rica involves support for academic degree training in occupational and environmental health at the master level in Costa Rica at UNA, and at the doctoral level in Texas at the UTSPH; in-country short courses based on current needs assessments; and support for pilot research projects aimed at developing the research skills of new investigators and the infrastructure of host agencies through a collaborative mentoring of researchers. Dr. Sarah Felknor and Dr. George Delclos head this effort at the UTSPH.

JAPAN

The University of Tokushima

An agreement of cooperation and 2 program agreements were signed. In a student exchange program to gain educational and social experience, U. T. medical and dental students visited Tokushima and Tokushima dental students visited the U. T. Dental Branch. Under this agreement, the University of Tokushima is sending research fellows to work in Dr. Anil Kulkarni's laboratory on his research projects.

MEXICO

Universidad Autonoma de Guadalajara

An agreement of cooperation and program agreement were signed. Since 1975 Dr. Herbert L. DuPont has led U. T. faculty and medical students to conduct research on travelers' diarrhea in Guadalajara. Each year, U. T. senior medical students can choose this program as their required elective for 1-2 months.

NETHERLANDS

Maastricht University

The educational experience program affiliation agreement between the UTHSC-H and the University of Maastricht involves faculty and student exchanges. School of Public Health faculty including Dean Guy Parcel, Dr. Kay Bartholomew, Dr. Maria Fernandez, and Dr. Christine Markham conduct a five day course every summer in Maastricht on health promotion program planning. Recently, Dr. Kay Bartholomew has worked with University of Maastricht faculty to provided graduate training for students in Africa. Drs. Andrew Springer and

5. U. T. System: Discussion of and video presentation on international programs (cont.)

Maria Fernandez have worked with University of Maastricht faculty to provide training for university faculty in El Salvador.

NICARAGUA

Universidad Nacional Autonoma de Nicaragua-Leon (UNAN-Leon)

The agreement of cooperation between the UTHSC-H and the Universidad Nacional Autonoma de Nicaragua-Leon (UNAN-Leon) involves support for academic degree training in occupational and environmental health at the master level in Nicaragua at UNAN-Leon and at the doctoral level in Texas at the UTSPH; in-country short courses based on current needs assessments; and support for pilot research projects aimed at developing the research skills of new investigators and infrastructure of host agencies through a collaborative mentoring of researchers supervised by UNAN-Leon and UTSPH faculty. Dr. Sarah Felknor and Dr. George Delclos head up this effort at the UTSPH.

SPAIN

Universitat Pompeu Fabra

The agreement of cooperation between the UTHSC-H and the Universitat Pompeu Fabra in Barcelona, Spain involves support for residency training in occupational medicine, graduate education in public health, and advanced training in occupational health nursing. In addition to having co-directed the development of a new competency-based curriculum in occupational medicine during a 2004-2005 sabbatical, Dr. George Delclos teaches formal courses introducing occupational medicine, ethics in occupational health (fall of each year), occupational respiratory disease (spring of each year), and co-teaches an annual seminar in epidemiology. In addition, he directs approximately two thesis projects per year for occupational medicine residents. Beginning in mid-2007, this advising will expand to doctoral students.

THAILAND

Mahidol University, Faculty of Tropical Medicine

An agreement of cooperation and multiple program agreements were signed. Dr. Herbert L. DuPont formed a collaborative research agreement with Mahidol University to conduct research on enteric infectious disease in Thailand. U. T. School of Nursing formed multiple program agreements for several students and faculty from Mahidol University to observe and learn at U. T. School of Nursing.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report

**THE UNIVERSITY OF TEXAS SYSTEM
OFFICE OF THE CONTROLLER**

MONTHLY FINANCIAL REPORT
(unaudited)

MARCH 2007



201 Seventh Street, ASH 5th Floor
Austin, Texas 78701
512.499.4527
www.utsystem.edu/cont

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

THE UNIVERSITY OF TEXAS SYSTEM
MONTHLY FINANCIAL REPORT
(Unaudited)
FOR THE SEVEN MONTHS ENDING
MARCH 31, 2007

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

The University of Texas System Monthly Financial Report

Foreword

The Monthly Financial Report (MFR) compares the results of operations between the current year-to-date cumulative amounts and the prior year-to-date cumulative amounts. Explanations are provided for institutions having the largest variances in Adjusted Income (Loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. In addition, although no significant variance may exist, institutions with losses may be discussed.

The data is reported in three sections: (1) Operating Revenues, (2) Operating Expenses and (3) Other Nonoperating Adjustments. Presentation of state appropriation revenues are required under GASB 35 to be reflected as nonoperating revenues, so all institutions will report an Operating Loss prior to this adjustment. The MFR provides an Adjusted Income (Loss), which takes into account the nonoperating adjustments associated with core operating activities. An Adjusted Margin (as a percentage of operating and nonoperating revenue adjustments) is calculated for each period and is intended to reflect relative operating contributions to financial health.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)
UNAUDITED

The University of Texas System
Comparison of Operating Results and Margin
For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 767,368,266	\$ 681,625,449	\$ 85,742,817	12.6%
Sponsored Programs	1,346,500,846	1,281,563,116	64,937,730	5.1%
Net Sales and Services of Educational Activities	154,820,796	135,418,369	19,402,427	14.3%
Net Sales and Services of Hospitals	1,555,403,195	1,450,165,554	105,237,641	7.3%
Net Professional Fees	588,681,511	459,366,471	129,315,040	28.2%
Net Auxiliary Enterprises	211,832,969	194,786,741	17,046,228	8.8%
Other Operating Revenues	107,287,493	92,102,186	15,185,307	16.5%
Total Operating Revenues	<u>4,731,895,076</u>	<u>4,295,027,886</u>	<u>436,867,190</u>	<u>10.2%</u>
Operating Expenses				
Salaries and Wages	2,816,675,787	2,678,639,031	138,036,756	5.2%
Payroll Related Costs	690,160,310	653,994,606	36,165,704	5.5%
Professional Fees and Contracted Services	157,734,776	146,950,772	10,784,004	7.3%
Other Contracted Services	221,975,467	209,101,395	12,874,072	6.2%
Scholarships and Fellowships	384,379,553	338,282,032	46,097,521	13.6%
Travel	58,875,331	55,368,187	3,507,144	6.3%
Materials and Supplies	621,396,285	604,785,811	16,610,474	2.7%
Utilities	140,439,186	153,359,225	(12,920,039)	-8.4%
Telecommunications	38,264,125	38,515,152	(251,027)	-0.7%
Repairs and Maintenance	88,113,681	84,784,246	3,329,435	3.9%
Rentals and Leases	59,904,200	57,764,589	2,139,611	3.7%
Printing and Reproduction	15,072,577	15,665,415	(592,838)	-3.8%
Bad Debt Expense	730,628	729,528	1,100	0.2%
Claims and Losses	20,904,336	6,091,041	14,813,295	243.2%
Federal Sponsored Programs Pass-Throughs	15,382,159	12,420,774	2,961,385	23.8%
Depreciation and Amortization	348,350,191	324,188,256	24,161,935	7.5%
Other Operating Expenses	210,572,379	205,619,545	4,952,834	2.4%
Total Operating Expenses	<u>5,888,930,971</u>	<u>5,586,259,605</u>	<u>302,671,366</u>	<u>5.4%</u>
Operating Loss	<u>(1,157,035,895)</u>	<u>(1,291,231,719)</u>	<u>134,195,824</u>	<u>10.4%</u>
Other Nonoperating Adjustments				
State Appropriations	1,034,714,823	1,025,149,807	9,565,016	0.9%
Gift Contributions for Operations	169,476,227	142,301,020	27,175,207	19.1%
Net Investment Income	282,684,925	283,123,307	(438,382)	-0.2%
Long Term Fund Distribution	111,577,259	105,638,087	5,939,172	5.6%
Interest Expense on Capital Asset Financings	(102,776,846)	(106,066,624)	3,289,778	3.1%
Net Other Nonoperating Adjustments	<u>1,495,676,388</u>	<u>1,450,145,597</u>	<u>45,530,791</u>	<u>3.1%</u>
Adjusted Income (Loss) including Depreciation	338,640,493	158,913,878	179,726,615	113.1%
Adjusted Margin (as a percentage) including Depreciation	5.3%	2.7%		
Investment Gains (Losses)	1,639,243,051	997,979,935	641,263,116	64.3%
Adj. Inc. (Loss) with Investment Gains (Losses)	\$ 1,977,883,544	\$ 1,156,893,813	\$ 820,989,731	71.0%
Adj. Margin % with Investment Gains (Losses)	24.8%	16.9%		
Adjusted Income (Loss) with Investment Gains (Losses) excluding Depreciation	2,326,233,735	1,481,082,069	845,151,666	57.1%
Adjusted Margin (as a percentage) with Investment Gains (Losses) excluding Depreciation	29.2%	21.6%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

The University of Texas System
Comparison of Adjusted Income (Loss)
For the Seven Months Ending March 31, 2007

Including Depreciation and Amortization Expense

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
UT System Administration	\$ 117,718,680	\$ 138,079,260	\$ (20,360,580)	-14.7%
UT Arlington	10,143,460	5,639,002	4,504,458 (1)	79.9%
UT Austin	87,346,559	57,544,824	29,801,735 (2)	51.8%
UT Brownsville	(945,828) (3)	(435,236)	(510,592)	-117.3%
UT Dallas	(5,057,676) (4)	(6,427,500)	1,369,824	21.3%
UT El Paso	1,502,228	1,774,010	(271,782)	-15.3%
UT Pan American	(1,750,413) (5)	(1,405,031)	(345,382)	-24.6%
UT Permian Basin	332,783	1,267,529	(934,746) (6)	-73.7%
UT San Antonio	22,004,791	14,495,301	7,509,490 (7)	51.8%
UT Tyler	2,051,435	308,637	1,742,798 (8)	564.7%
UT Southwestern Medical Center - Dallas	43,468,716	4,064,009	39,404,707 (9)	969.6%
UT Medical Branch - Galveston	2,537,753	(34,946,042)	37,483,795 (10)	107.3%
UT Health Science Center - Houston	21,431,783	22,792,744	(1,360,961)	-6.0%
UT Health Science Center - San Antonio	16,801,392	(5,119,586)	21,920,978 (11)	428.2%
UT M. D. Anderson Cancer Center	92,283,344	29,228,471	63,054,873 (12)	215.7%
UT Health Center - Tyler	3,181,486	(2,333,181)	5,514,667 (13)	236.4%
Elimination of AUF Transfer	(74,410,000)	(65,613,333)	(8,796,667)	-13.4%
Total Adjusted Income (Loss)	338,640,493	158,913,878	179,726,615	113.1%
Investment Gains (Losses)	1,639,243,051	997,979,935	641,263,116 (14)	64.3%
Total Adjusted Income (Loss) with Investment Gains (Losses) Including Depreciation and Amortization	\$ 1,977,883,544	\$ 1,156,893,813	\$ 820,989,731	71.0%

Excluding Depreciation and Amortization Expense

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
UT System Administration	\$ 121,287,130	\$ 141,180,753	\$ (19,893,623)	-14.1%
UT Arlington	22,021,181	17,357,367	4,663,814	26.9%
UT Austin	156,950,674	121,091,802	35,858,872	29.6%
UT Brownsville	2,199,353	2,556,535	(357,182)	-14.0%
UT Dallas	6,368,324	2,036,162	4,332,162	212.8%
UT El Paso	9,331,413	8,704,023	627,390	7.2%
UT Pan American	7,403,151	6,948,658	454,493	6.5%
UT Permian Basin	2,344,974	3,220,374	(875,400)	-27.2%
UT San Antonio	35,738,571	26,512,304	9,226,267	34.8%
UT Tyler	5,809,473	3,867,550	1,941,923	50.2%
UT Southwestern Medical Center - Dallas	79,705,992	37,286,112	42,419,880	113.8%
UT Medical Branch - Galveston	33,522,199	(5,397,125)	38,919,324	721.1%
UT Health Science Center - Houston	39,797,207	38,818,898	978,309	2.5%
UT Health Science Center - San Antonio	31,384,725	8,364,438	23,020,287	275.2%
UT M. D. Anderson Cancer Center	199,284,159	133,567,757	65,716,402	49.2%
UT Health Center - Tyler	8,252,158	2,599,859	5,652,299	217.4%
Elimination of AUF Transfer	(74,410,000)	(65,613,333)	(8,796,667)	-13.4%
Total Adjusted Income (Loss)	686,990,684	483,102,134	203,888,550	42.2%
Investment Gains (Losses)	1,639,243,051	997,979,935	641,263,116	64.3%
Total Adjusted Income (Loss) with Investment Gains (Losses) Excluding Depreciation and Amortization	\$ 2,326,233,735	\$ 1,481,082,069	\$ 845,151,666	57.1%

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

THE UNIVERSITY OF TEXAS SYSTEM EXPLANATION OF VARIANCES ON THE MONTHLY FINANCIAL REPORT For the Seven Months Ending March 31, 2007

Explanations are provided for institutions having the largest variances in adjusted income (loss) year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss.

- (1) UT Arlington – The \$4.5 million (79.9%) increase in adjusted income over the same period last year was primarily due to an increase in tuition and fees as a result of the new utility fee and new flat rate tuition.
- (2) UT Austin – The \$29.8 million (51.8%) increase in adjusted income over the same period last year was primarily due to an increase in net sales and services of educational activities and net auxiliary enterprises. Net sales and services of educational activities increased primarily as a result of growth in the Executive MBA programs. The increase in net auxiliary enterprises was due to increases in Intercollegiate Athletic receipts and application fees and room payments for Housing and Food Services. Intercollegiate Athletic receipts increased as a result of the Darrell K Royal-Texas Memorial Stadium expansion completed in the summer of 2006 which increased capacity and therefore gate receipts. Housing and Food Services increased due to opening the new Almetrius Duren residence hall and to rate increases to compensate for increasing utilities. Excluding depreciation expense, *UT Austin's* adjusted income was \$157 million or 13.1%.
- (3) UT Brownsville – The \$946,000 year-to-date loss was the result of expenses outpacing revenues. *UT Brownsville* budgeted to utilize \$858,000 of reserves in 2007; however, included in the use of reserves was budgeted enrollment growth of 3% with a corresponding increase in expenses. Although total enrollment growth including dual enrollment high school students is projected to be 5%, enrollment growth for tuition paying students is actually 1%. While dual enrollment students at *UT Brownsville* do not pay tuition and fees, future benefits such as additional student enrollments and decreased time to graduation are anticipated.
- (4) UT Dallas – The \$5.1 million year-to-date loss was the result of management's decision to utilize accumulated reserves in lieu of increasing student fees. The funds are being used to invest in new faculty and Development Office staff and to cover increased costs of facilities. Excluding depreciation expense, *UT Dallas'* adjusted income was \$6.4 million or 3.9%. *UT Dallas* anticipates ending the year with a \$5.1 million negative margin which represents -2% of projected revenues. This forecast includes \$19.7 million in non-cash depreciation expense.
- (5) UT Pan American – The \$1.8 million year-to-date loss was primarily due to increased salaries and wages and interest expense. Salaries and wages and payroll related costs increased due to new faculty to accommodate enrollment growth and faculty workload reduction, new staff positions primarily in the department of information technology as a result of the Oracle software conversion, merit increases, the filling of vacant positions and higher group insurance premiums. Interest expense increased due to the completion of the Wellness and Recreation Sports Center.

Excluding depreciation expense, *UT Pan American's* adjusted income was \$7.4 million or 5%. *UT Pan American* anticipates ending the year with a \$6.3 million negative margin which represents -2.7% of projected revenues. This forecast includes \$15.7 million in non-cash depreciation expense.
- (6) UT Permian Basin – The \$935,000 (73.7%) decrease in adjusted income over the same period last year was primarily due to decreased gift contributions. In March 2006, *UT Permian Basin* reported \$1.5 million of operating gifts for the pre-conceptual design of the High-Temperature Teaching and Test Reactor (HT³R). *UT Permian Basin* received a total of \$3 million for HT³R in 2006, of which only \$1.1 million was expended. It is anticipated that the remaining \$1.9 million will be expended in 2007 without any corresponding revenues.

In an effort to improve operating margin, *UT Brownsville* has frozen the availability of lapsed salaries and is examining other areas for reductions of expenses. Excluding depreciation expense, *UT Brownsville's* adjusted income was \$2.2 million or 2.5%. *UT Brownsville* anticipates ending the year with a \$2.6 million negative margin which represents -1.9% of projected revenues. This forecast includes \$5.4 million in non-cash depreciation expense.

While *UT Permian Basin* reflects a positive margin of \$333,000, management projects a year-end loss of approximately \$1.5 million which represents -3.3% of projected revenues. This forecast includes \$3.4 million in non-cash depreciation expense. Excluding depreciation expense, *UT Permian Basin's* adjusted income was \$2.3 million or 9.2%.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

- (7) UT San Antonio – The \$7.5 million (51.8%) increase in adjusted income over the same period last year was primarily due to an increase in tuition and fees as a result of enrollment increases of 3% and rate increases of 11%.
- (8) UT Tyler – The \$1.7 million (564.7%) increase in adjusted income over the same period last year was primarily due to higher tuition and fees as a result of increased rates, headcount and semester credit hours. Headcount increased by 193 students and semester credit hours increased by 4.9% for fall 2006. Headcount also increased by 291 students and semester credit hours increased by 7% for spring 2007. Excluding depreciation expense, UT Tyler's adjusted income was \$5.8 million or 12.5%.
- (9) UT Southwestern Medical Center at Dallas – The \$39.4 million (969.6%) increase in adjusted income over the same period last year was primarily due to the receipt of the first two payments for the Texas Physician Upper Payment Limit (UPL) reimbursement of \$51 million. Excluding depreciation expense, UT Southwestern's adjusted income was \$79.7 million or 10.3%.
- (10) UT Medical Branch – Galveston – The \$37.5 million (107.3%) increase in adjusted income was primarily due to the receipt of \$21.7 million for the first two UPL payments, an increase in other operating revenues as a result of the Austin Initiative and a decrease in operating expenses of \$13.3 million. The \$5.3 million increase in the Austin Initiative is the result of contract agreements with Seton Healthcare Network, primarily in their Pediatrics Graduate Medical Education, Internal Medicine and OB-GYN departments. The \$13.3 million decrease in operating expenses is the result of cost reductions associated with the financial improvement plan and the elimination of certain one-time costs in the prior year.
- (11) UT Health Science Center – San Antonio – The \$21.9 million (428.2%) increase in adjusted income over the same period last year was primarily due to a \$12 million operating gift received from the Greehey Foundation to be used for research, educational and recruitment efforts and the receipt of \$9.6 million for the first two UPL payments. Excluding depreciation expense, UTHSC – San Antonio's adjusted income was \$31.4 million or 9.4%.
- (12) UT M. D. Anderson Cancer Center – The \$63.1 million (215.7%) increase in adjusted income over the same period last year was primarily due to higher patient volumes related to the temporary closure of M. D. Anderson in the first quarter of 2006 due to Hurricane Rita and the first two UPL payments of \$10.7 million. Excluding depreciation expense, M. D. Anderson's adjusted income was \$199.3 million or 13.8%.
- (13) UT Health Center – Tyler – The \$5.5 million (236.4%) increase in adjusted income over the same period last year was primarily due to decreased salaries and wages as a result of the elimination of over 200 full time positions and the first two UPL payments of \$3.1 million. The increase in adjusted income was partially offset by a loss in the Northeast Texas Consortium (NETnet) of \$1.3 million.

NETnet is a network of K-12, community colleges, universities, and health institutions linked together allowing the sharing of classrooms, students, teachers, and professors throughout northeast Texas. The financial structure for NETnet rests within UTHC – Tyler's financial statements. The \$2 million per year in general appropriations for NETnet is being used for operations. NETnet will lose over \$2.3 million by the end of the current fiscal year due to depreciation expense

While UTMB reflects a positive margin of \$2.5 million, management projects a year-end loss of approximately \$9.7 million which represents -.7% of projected revenues. The projected loss is the result of decreased volume and unfavorable changes in payor mix. A decline in the percentage of Medicare patients and an increase in the percentage of Medicaid patients are adversely impacting revenue. Excluding depreciation expense, UTMB's adjusted income was \$33.5 million or 4%.

Excluding depreciation expense, UTHC – Tyler's adjusted income was \$8.3 million or 11.9%.

- (14) Investment Gains (Losses) – The majority of the \$641.3 million (64.3%) increase in investment gains relates to the Permanent University Fund of \$322.3 million and the Long Term Fund of \$168.1 million.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

GLOSSARY OF TERMS

OPERATING REVENUES:

STUDENT TUITION AND FEES – All student tuition and fee revenues earned at the UT institution for educational purposes.

SPONSORED PROGRAMS – Funding received from local, state and federal governments or private agencies, organizations or individuals. Includes amounts received for services performed on grants, contracts, and agreements from these entities for current operations. This also includes indirect cost recoveries and pass-through federal and state grants.

NET SALES AND SERVICES OF EDUCATIONAL ACTIVITIES – Revenues that are related to the conduct of instruction, research, and public service and revenues from activities that exist to provide an instructional and laboratory experience for students that create goods and services that may be sold.

NET SALES AND SERVICES OF HOSPITALS – Revenues (net of discounts, allowances, and bad debt expense) generated from UT health institution's daily patient care, special or other services, as well as revenues from health clinics that are part of a hospital.

NET PROFESSIONAL FEES – Revenues (net of discounts, allowances, and bad debt expense) derived from the fees charged by the professional staffs at UT health institutions as part of the Medical Practice Plans. These revenues are also identified as Practice Plan income. Examples of such fees include doctor's fees for clinic visits, medical and dental procedures, professional opinions, and anatomical procedures, such as analysis of specimens after a surgical procedure, etc.

NET AUXILIARY ENTERPRISES – Revenues derived from a service to students, faculty, or staff in which a fee is charged that is directly related to, although not necessarily equal to the cost of the service (e.g., bookstores, dormitories, dining halls, snack bars, inter-collegiate athletic programs, etc.).

OTHER OPERATING REVENUES – Other revenues generated from sales or services provided to meet current fiscal year operating expenses, which are not included in the preceding categories (e.g., certified non profit healthcare company revenues, donated drugs, interest on student loans, etc.)

OPERATING EXPENSES:

SALARIES AND WAGES – Expenses for all salaries and wages of individuals employed by the institution including full-time, part-time, longevity, hourly, seasonal, etc.

PAYROLL RELATED COSTS – Expenses for all employee benefits paid by the institution or paid by the state on behalf of the institution.

PROFESSIONAL FEES AND CONTRACTED SERVICES – Payments for services rendered on a fee, contract, or other basis by a person, firm, corporation, or company recognized as possessing a high degree of learning and responsibility. Includes such items as services of a consultant, legal counsel, financial or audit fees, medical contracted services, guest lecturers (not employees) and expert witnesses.

OTHER CONTRACTED SERVICES – Payments for services rendered on a contractual basis by a person, firm, corporation or company that possess a lesser degree of learning and responsibility than that required for Professional Fees and Contracted Services. Includes such items as temporary employment expenses, fully insured medical plans expenses, janitorial services, dry cleaning services, etc.

SCHOLARSHIPS AND FELLOWSHIPS – Payments made for scholarship grants to students authorized by law.

TRAVEL – Payments for travel costs incurred during travel by employees, board or commission members and elected/appointed officials on state business.

MATERIALS AND SUPPLIES – Payments for consumable items. Includes, but is not limited to: computer consumables, office supplies, paper products, soap, lights, plants, fuels and lubricants, chemicals and gasses, medical supplies and copier supplies. Also includes postal services, and subscriptions and other publications not for permanent retention.

UTILITIES – Payments for the purchase of electricity, natural gas, water, thermal energy and waste disposal.

TELECOMMUNICATIONS - Electronically transmitted communications services (telephone, internet, computation center services, etc.).

REPAIRS AND MAINTENANCE – Payments for the maintenance and repair of equipment, furnishings, motor vehicles, buildings and other plant facilities. Includes, but is not limited to repair and maintenance to copy machines, furnishings, equipment – including medical and laboratory equipment, office equipment and aircraft.

RENTALS AND LEASES – Payments for rentals or leases of furnishings and equipment, vehicles, land and office buildings (all rental of space).

PRINTING AND REPRODUCTION – Printing and reproduction costs associated with the printing/copying of the institution's documents and publications.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

BAD DEBT EXPENSE – Expenses incurred by the university related to nonrevenue receivables such as non-payment of student loans.

CLAIMS AND LOSSES – Payments for claims from self-insurance programs. Other claims for settlements and judgments are considered nonoperating expenses.

FEDERAL SPONSORED PROGRAMS PASS-THROUGHS – Pass-throughs to other Texas state agencies, including other universities, of federal grants and contracts.

STATE SPONSORED PROGRAMS PASS-THROUGHS – Pass-throughs to other Texas state agencies, including Texas universities.

DEPRECIATION AND AMORTIZATION – Depreciation on capital assets and amortization expense on intangible assets.

OTHER OPERATING EXPENSES – Other operating expenses not identified in other line items above (e.g., certified non profit healthcare company expenses, property taxes, insurance premiums, credit card fees, hazardous waste disposal expenses, meetings and conferences, etc.).

OPERATING LOSS – Total operating revenues less total operating expenses before other nonoperating adjustments like state appropriations.

OTHER NONOPERATING ADJUSTMENTS:

STATE APPROPRIATIONS – Appropriations from the State General Revenue fund, which supplement the UT institutional revenue in meeting operating expenses, such as faculty salaries, utilities, and institutional support.

GIFT CONTRIBUTIONS FOR OPERATIONS – Consist of gifts from donors received for use in current operations, excluding gifts for capital acquisition and endowment gifts. Gifts for capital acquisition which can only be used to build or buy capital assets are excluded because they can not be used to support current operations. Endowment gifts must be held in perpetuity and can not be spent. The distributed income from endowment gifts must be spent according to the donor's stipulations.

NET INVESTMENT INCOME (on institutions' sheets) – Interest and dividend income on treasury balances, bank accounts, The Short Term Fund, the Intermediate Term Fund. It also includes distributed earnings from the Permanent Health Fund and patent and royalty income.

NET INVESTMENT INCOME (on the consolidated sheet) – Interest and dividend earnings of the Permanent University Fund, Short Term Fund, Intermediate Term Fund, Long Term Fund and Permanent Health Fund less Long Term Fund transfers so as not to overstate investment income. This line item also includes the Available University Fund surface income, oil and gas royalties, and mineral lease bonus sales.

LONG TERM FUND DISTRIBUTION – At the institutional level, includes Long Term Fund fixed payouts approved by the Board of Regents. Investment income for System Administration and the consolidated sheet has been reduced for the amount of any Long Term Fund distribution so as not to overstate investment income system-wide.

INTEREST EXPENSE ON CAPITAL ASSET FINANCINGS – Interest expenses associated with bond and note borrowings utilized to finance capital improvement projects by an institution. This consists of the interest portion of mandatory debt service transfers under the Revenue Financing System, Tuition Revenue bond and Permanent University Fund (PUF) bond programs. PUF interest expense is reported on System Administration as the debt legally belongs to the Board of Regents.

ADJUSTED INCOME (LOSS) including Depreciation – Total operating revenues less total operating expenses including depreciation expense plus net other nonoperating adjustments.

ADJUSTED MARGIN (as a percentage) including Depreciation – Percentage of Adjusted Income (Loss) including depreciation expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

AVAILABLE UNIVERSITY FUND TRANSFER – Includes Available University Fund (AUF) transfer to System Administration for Educational and General operations and to UT Austin for Excellence Funding. These transfers are funded by investment earnings from the Permanent University Fund (PUF), which are required by law to be reported in the PUF at System Administration. On the MFR, investment income for System Administration has been reduced for the amount of the System Administration transfer so as not to overstate investment income for System Administration. The AUF transfers are eliminated at the consolidated level to avoid overstating System-wide revenues, as the amounts will be reflected as transfers at year-end.

INVESTMENT GAINS (LOSSES) – Realized and unrealized gains and losses on investments.

ADJUSTED INCOME (LOSS) excluding Depreciation – Total operating revenues less total operating expenses excluding depreciation expense plus net other nonoperating adjustments.

ADJUSTED MARGIN (as a percentage) excluding Depreciation – Percentage of Adjusted Income (Loss) excluding depreciation expense divided by Total Operating Revenues plus Net Nonoperating Adjustments less Interest Expense on Capital Asset Financings.

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas System Administration Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 10,009,756	\$ 7,193,630	\$2,816,126	39.1%
Net Sales and Services of Educational Activities	10,005,707	10,869,607	(863,900)	-7.9%
Other Operating Revenues	14,632,952	10,404,112	4,228,840	40.6%
Total Operating Revenues	<u>34,648,415</u>	<u>28,467,349</u>	<u>6,181,066</u>	<u>21.7%</u>
Operating Expenses				
Salaries and Wages	15,172,311	15,958,774	(786,463)	-4.9%
Employee Benefits and Related Costs	3,311,954	3,579,104	(267,150)	-7.5%
Professional Fees and Contracted Services	3,158,562	585,233	2,573,329	439.7%
Other Contracted Services	4,958,605	3,014,129	1,944,476	64.5%
Scholarships and Fellowships	105,600	186,000	(80,400)	-43.2%
Travel	867,012	1,008,586	(141,574)	-14.0%
Materials and Supplies	809,841	1,472,889	(663,048)	-45.0%
Utilities	416,915	13,766	403,149	2,928.6%
Telecommunications	505,914	714,508	(208,594)	-29.2%
Repairs and Maintenance	730,057	572,728	157,329	27.5%
Rentals and Leases	619,006	844,823	(225,817)	-26.7%
Printing and Reproduction	121,397	123,310	(1,913)	-1.6%
Claims and Losses	20,904,336	6,091,041	14,813,295	243.2%
Depreciation and Amortization	3,568,450	3,101,493	466,957	15.1%
Other Operating Expenses	1,814,034	1,171,194	642,840	54.9%
Total Operating Expenses	<u>57,063,994</u>	<u>38,437,578</u>	<u>18,626,416</u>	<u>48.5%</u>
Operating Loss	<u>(22,415,579)</u>	<u>(9,970,229)</u>	<u>(12,445,350)</u>	<u>-124.8%</u>
Other Nonoperating Adjustments				
State Appropriations	535,357	484,161	51,196	10.6%
Gift Contributions for Operations	455,242	371,788	83,454	22.4%
Net Investment Income	147,532,296	154,364,873	(6,832,577)	-4.4%
Long Term Fund Distribution	773,004	3,337,611	(2,564,607)	-76.8%
Interest Expense on Capital Asset Financings	(27,829,085)	(27,831,110)	2,025	0.0%
Net Other Nonoperating Adjustments	<u>121,466,814</u>	<u>130,727,323</u>	<u>(9,260,509)</u>	<u>-7.1%</u>
Adjusted Income (Loss) including Depreciation	99,051,235	120,757,094	(21,705,859)	-18.0%
Adjusted Margin (as a percentage) including Depreciation	53.8%	64.6%		
Available University Fund Transfer	18,667,445	17,322,166	1,345,279	7.8%
Adjusted Income (Loss) with AUF Transfer	117,718,680	138,079,260	(20,360,580)	-14.7%
Adjusted Margin % with AUF Transfer	58.1%	67.6%		
Investment Gains (Losses)	1,436,681,509	967,009,144	469,672,365	48.6%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 1,554,400,189	\$ 1,105,088,404	\$ 449,311,785	40.7%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	94.8%	94.3%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	121,287,130	141,180,753	(19,893,623)	-14.1%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	59.9%	69.1%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas at Arlington Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 96,532,050	\$ 83,265,886	\$ 13,266,164	15.9%
Sponsored Programs	32,533,324	31,128,134	1,405,190	4.5%
Net Sales and Services of Educational Activities	6,970,087	4,678,124	2,291,963	49.0%
Net Auxiliary Enterprises	16,615,590	15,267,320	1,348,270	8.8%
Other Operating Revenues	3,836,050	4,593,889	(757,839)	-16.5%
Total Operating Revenues	<u>156,487,101</u>	<u>138,933,353</u>	<u>17,553,748</u>	<u>12.6%</u>
Operating Expenses				
Salaries and Wages	97,977,609	91,426,009	6,551,600	7.2%
Employee Benefits and Related Costs	21,386,475	20,351,817	1,034,658	5.1%
Professional Fees and Contracted Services	3,301,919	3,107,094	194,825	6.3%
Other Contracted Services	5,935,468	5,077,818	857,650	16.9%
Scholarships and Fellowships	31,482,748	29,092,607	2,390,141	8.2%
Travel	2,394,507	2,219,486	175,021	7.9%
Materials and Supplies	11,109,579	10,883,807	225,772	2.1%
Utilities	6,453,099	6,535,374	(82,275)	-1.3%
Telecommunications	3,502,190	2,972,468	529,722	17.8%
Repairs and Maintenance	3,957,073	4,123,250	(166,177)	-4.0%
Rentals and Leases	1,423,770	1,516,544	(92,774)	-6.1%
Printing and Reproduction	1,299,120	1,220,786	78,334	6.4%
Federal Sponsored Programs Pass-Thrus	1,164,613	836,074	328,539	39.3%
Depreciation and Amortization	11,877,721	11,718,365	159,356	1.4%
Other Operating Expenses	6,490,699	4,261,718	2,228,981	52.3%
Total Operating Expenses	<u>209,756,590</u>	<u>195,343,217</u>	<u>14,413,373</u>	<u>7.4%</u>
Operating Loss	<u>(53,269,489)</u>	<u>(56,409,864)</u>	<u>3,140,375</u>	<u>5.6%</u>
Other Nonoperating Adjustments				
State Appropriations	61,509,663	61,205,884	303,779	0.5%
Gift Contributions for Operations	1,096,948	1,268,942	(171,994)	-13.6%
Net Investment Income	3,489,322	3,078,103	411,219	13.4%
Long Term Fund Distribution	1,301,703	1,213,749	87,954	7.2%
Interest Expense on Capital Asset Financings	(3,984,687)	(4,717,812)	733,125	15.5%
Net Other Nonoperating Adjustments	<u>63,412,949</u>	<u>62,048,866</u>	<u>1,364,083</u>	<u>2.2%</u>
Adjusted Income (Loss) including Depreciation	10,143,460	5,639,002	4,504,458	79.9%
Adjusted Margin (as a percentage) including Depreciation	4.5%	2.7%		
Investment Gains (Losses)	6,299,847	(601,747)	6,901,594	1,146.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 16,443,307	\$ 5,037,255	\$ 11,406,052	226.4%
Adjusted Margin % with Investment Gains (Losses)	7.1%	2.5%		
Adjusted Income (Loss) excluding Depreciation	22,021,181	17,357,367	4,663,814	26.9%
Adjusted Margin (as a percentage) excluding Depreciation	9.8%	8.4%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)
UNAUDITED

The University of Texas at Austin
Comparison of Operating Results and Margin
For the Seven Months Ending March 31, 2007

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 320,476,235	\$ 290,742,903	\$ 29,733,332	10.2%
Sponsored Programs	264,822,574	250,051,083	14,771,491	5.9%
Net Sales and Services of Educational Activities	84,996,576	64,292,385	20,704,191	32.2%
Net Auxiliary Enterprises	112,004,247	100,360,527	11,643,720	11.6%
Other Operating Revenues	8,716,423	4,701,068	4,015,355	85.4%
Total Operating Revenues	791,016,055	710,147,966	80,868,089	11.4%
Operating Expenses				
Salaries and Wages	519,607,681	493,793,813	25,813,868	5.2%
Employee Benefits and Related Costs	118,053,360	111,059,868	6,993,492	6.3%
Professional Fees and Contracted Services	12,782,111	12,510,827	271,284	2.2%
Other Contracted Services	44,400,805	35,973,660	8,427,145	23.4%
Scholarships and Fellowships	122,966,752	102,690,575	20,276,177	19.7%
Travel	19,065,737	18,431,441	634,296	3.4%
Materials and Supplies	62,506,639	58,314,584	4,192,055	7.2%
Utilities	36,265,262	45,625,051	(9,359,789)	-20.5%
Telecommunications	8,166,391	8,379,890	(213,499)	-2.5%
Repairs and Maintenance	13,454,058	14,848,857	(1,394,799)	-9.4%
Rentals and Leases	8,261,152	8,403,283	(142,131)	-1.7%
Printing and Reproduction	5,448,408	5,197,701	250,707	4.8%
Federal Sponsored Programs Pass-Thrus	3,000,993	1,538,678	1,462,315	95.0%
Depreciation and Amortization	69,604,115	63,546,978	6,057,137	9.5%
Other Operating Expenses	45,791,333	37,327,909	8,463,424	22.7%
Total Operating Expenses	1,089,374,797	1,017,643,115	71,731,682	7.0%
Operating Loss	(298,358,742)	(307,495,149)	9,136,407	3.0%
Other Nonoperating Adjustments				
State Appropriations	186,816,522	184,801,521	2,015,001	1.1%
Gift Contributions for Operations	62,204,770	53,187,962	9,016,808	17.0%
Net Investment Income	21,986,650	22,318,553	(331,903)	-1.5%
Long Term Fund Distribution	57,887,450	54,344,567	3,542,883	6.5%
Interest Expense on Capital Asset Financings	(17,600,091)	(15,225,963)	(2,374,128)	-15.6%
Net Other Nonoperating Adjustments	311,295,301	299,426,640	11,868,661	4.0%
Adjusted Income (Loss) including Depreciation	12,936,559	(8,068,509)	21,005,068	260.3%
Adjusted Margin (as a percentage) including Depreciation	1.2%	-0.8%		
Available University Fund Transfer	74,410,000	65,613,333	8,796,667	13.4%
Adjusted Income (Loss) with AUF Transfer	87,346,559	57,544,824	29,801,735	51.8%
Adjusted Margin % with AUF Transfer	7.3%	5.3%		
Investment Gains (Losses)	31,542,045	(81,153)	31,623,198	38,967.4%
Adj. Inc. (Loss) with AUF Transfer & Invest. Gains (Losses)	\$ 118,888,604	\$ 57,463,671	\$ 61,424,933	106.9%
Adj. Margin % with AUF Transfer & Invest. Gains (Losses)	9.7%	5.3%		
Adjusted Income (Loss) with AUF Transfer excluding Depreciation	156,950,674	121,091,802	35,858,872	29.6%
Adjusted Margin (as a percentage) with AUF Transfer excluding Depreciation	13.1%	11.1%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)
UNAUDITED

The University of Texas at Brownsville
Comparison of Operating Results and Margin
For the Seven Months Ending March 31, 2007

	March Year-to-Date FY 2007	March Year-to-Date FY 2006	Variance	Fluctuation Percentage
Operating Revenues				
Student Tuition and Fees	\$ 7,363,791	\$ 6,536,793	\$ 826,998	12.7%
Sponsored Programs	62,865,726	53,014,137	9,851,589	18.6%
Net Sales and Services of Educational Activities	547,178	508,510	38,668	7.6%
Net Auxiliary Enterprises	753,950	639,897	114,053	17.8%
Other Operating Revenues	9,659	84,040	(74,381)	-88.5%
Total Operating Revenues	71,540,304	60,783,377	10,756,927	17.7%
Operating Expenses				
Salaries and Wages	32,409,470	28,241,163	4,168,307	14.8%
Employee Benefits and Related Costs	7,897,155	7,022,403	874,752	12.5%
Professional Fees and Contracted Services	1,192,462	973,489	218,973	22.5%
Scholarships and Fellowships	32,870,493	26,589,006	6,281,487	23.6%
Travel	646,226	559,389	86,837	15.5%
Materials and Supplies	2,577,078	2,861,860	(284,782)	-10.0%
Utilities	2,077,565	2,079,617	(2,052)	-0.1%
Telecommunications	1,055,968	890,506	165,462	18.6%
Repairs and Maintenance	523,025	535,158	(12,133)	-2.3%
Rentals and Leases	1,093,405	1,065,561	27,844	2.6%
Printing and Reproduction	221,802	197,098	24,704	12.5%
Bad Debt Expense	14,990	13,582	1,408	10.4%
Federal Sponsored Programs Pass-Thrus	16,312	17,539	(1,227)	-7.0%
Depreciation and Amortization	3,145,181	2,991,771	153,410	5.1%
Other Operating Expenses	3,596,961	3,531,798	65,163	1.8%
Total Operating Expenses	89,338,093	77,569,940	11,768,153	15.2%
Operating Loss	(17,797,789)	(16,786,563)	(1,011,226)	-6.0%
Other Nonoperating Adjustments				
State Appropriations	16,711,863	16,507,640	204,223	1.2%
Gift Contributions for Operations	247,834	135,022	112,812	83.6%
Net Investment Income	667,256	728,071	(60,815)	-8.4%
Long Term Fund Distribution	169,119	153,502	15,617	10.2%
Interest Expense on Capital Asset Financings	(944,111)	(1,172,908)	228,797	19.5%
Net Other Nonoperating Adjustments	16,851,961	16,351,327	500,634	3.1%
Adjusted Income (Loss) including Depreciation	(945,828)	(435,236)	(510,592)	-117.3%
Adjusted Margin (as a percentage) including Depreciation	-1.1%	-0.6%		
Investment Gains (Losses)	1,205,121	(138,042)	1,343,163	973.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 259,293	\$ (573,278)	\$ 832,571	145.2%
Adjusted Margin % with Investment Gains (Losses)	0.3%	-0.7%		
Adjusted Income (Loss) excluding Depreciation	2,199,353	2,556,535	(357,182)	-14.0%
Adjusted Margin (as a percentage) excluding Depreciation	2.5%	3.3%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas at Dallas Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 73,203,169	\$ 63,028,880	\$ 10,174,289	16.1%
Sponsored Programs	24,651,082	26,370,875	(1,719,793)	-6.5%
Net Sales and Services of Educational Activities	3,458,776	3,308,044	150,732	4.6%
Net Auxiliary Enterprises	3,461,585	3,676,026	(214,441)	-5.8%
Other Operating Revenues	3,409,685	3,779,934	(370,249)	-9.8%
Total Operating Revenues	<u>108,184,297</u>	<u>100,163,759</u>	<u>8,020,538</u>	<u>8.0%</u>
Operating Expenses				
Salaries and Wages	79,907,444	74,187,913	5,719,531	7.7%
Employee Benefits and Related Costs	16,020,436	14,567,887	1,452,549	10.0%
Professional Fees and Contracted Services	1,595,411	2,193,967	(598,556)	-27.3%
Other Contracted Services	4,638,187	5,102,172	(463,985)	-9.1%
Scholarships and Fellowships	28,570,966	26,586,115	1,984,851	7.5%
Travel	1,870,859	1,666,599	204,260	12.3%
Materials and Supplies	8,369,113	9,569,493	(1,200,380)	-12.5%
Utilities	4,245,689	3,710,172	535,517	14.4%
Telecommunications	679,475	1,010,367	(330,892)	-32.7%
Repairs and Maintenance	1,784,153	3,252,766	(1,468,613)	-45.1%
Rentals and Leases	823,870	345,311	478,559	138.6%
Printing and Reproduction	856,020	832,813	23,207	2.8%
Federal Sponsored Programs Pass-Thrus	60,469	144,613	(84,144)	-58.2%
Depreciation and Amortization	11,426,000	8,463,662	2,962,338	35.0%
Other Operating Expenses	5,222,195	4,939,369	282,826	5.7%
Total Operating Expenses	<u>166,070,287</u>	<u>156,573,219</u>	<u>9,497,068</u>	<u>6.1%</u>
Operating Loss	<u>(57,885,990)</u>	<u>(56,409,460)</u>	<u>(1,476,530)</u>	<u>-2.6%</u>
Other Nonoperating Adjustments				
State Appropriations	44,172,520	43,911,403	261,117	0.6%
Gift Contributions for Operations	5,685,594	2,517,974	3,167,620	125.8%
Net Investment Income	2,517,274	2,477,976	39,298	1.6%
Long Term Fund Distribution	4,429,227	4,199,739	229,488	5.5%
Interest Expense on Capital Asset Financings	(3,976,301)	(3,125,132)	(851,169)	-27.2%
Net Other Nonoperating Adjustments	<u>52,828,314</u>	<u>49,981,960</u>	<u>2,846,354</u>	<u>5.7%</u>
Adjusted Income (Loss) including Depreciation	(5,057,676)	(6,427,500)	1,369,824	21.3%
Adjusted Margin (as a percentage) including Depreciation	-3.1%	-4.2%		
Investment Gains (Losses)	5,674,782	(875,399)	6,550,181	748.3%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 617,106	\$ (7,302,899)	\$ 7,920,005	108.5%
Adjusted Margin % with Investment Gains (Losses)	0.4%	-4.8%		
Adjusted Income (Loss) excluding Depreciation	6,368,324	2,036,162	4,332,162	212.8%
Adjusted Margin (as a percentage) excluding Depreciation	3.9%	1.3%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas at El Paso Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 51,731,911	\$ 48,034,609	\$ 3,697,302	7.7%
Sponsored Programs	56,712,617	52,757,673	3,954,944	7.5%
Net Sales and Services of Educational Activities	2,254,123	2,060,810	193,313	9.4%
Net Auxiliary Enterprises	18,880,796	16,305,347	2,575,449	15.8%
Other Operating Revenues	16,334	16,999	(665)	-3.9%
Total Operating Revenues	<u>129,595,781</u>	<u>119,175,438</u>	<u>10,420,343</u>	<u>8.7%</u>
Operating Expenses				
Salaries and Wages	72,617,422	69,930,085	2,687,337	3.8%
Employee Benefits and Related Costs	17,698,032	16,419,747	1,278,285	7.8%
Professional Fees and Contracted Services	5,639,725	2,627,175	3,012,550	114.7%
Other Contracted Services	7,727,245	6,853,689	873,556	12.7%
Scholarships and Fellowships	43,113,768	39,019,719	4,094,049	10.5%
Travel	2,912,117	3,051,713	(139,596)	-4.6%
Materials and Supplies	13,149,741	13,334,814	(185,073)	-1.4%
Utilities	4,306,804	4,232,093	74,711	1.8%
Telecommunications	424,469	384,929	39,540	10.3%
Repairs and Maintenance	2,233,983	2,289,493	(55,510)	-2.4%
Rentals and Leases	1,959,591	1,439,495	520,096	36.1%
Printing and Reproduction	282,099	495,957	(213,858)	-43.1%
Federal Sponsored Programs Pass-Thrus	158,877	926,240	(767,363)	-82.8%
Depreciation and Amortization	7,829,185	6,930,013	899,172	13.0%
Other Operating Expenses	3,184,354	3,250,494	(66,140)	-2.0%
Total Operating Expenses	<u>183,237,412</u>	<u>171,185,656</u>	<u>12,051,756</u>	<u>7.0%</u>
Operating Loss	<u>(53,641,631)</u>	<u>(52,010,218)</u>	<u>(1,631,413)</u>	<u>-3.1%</u>
Other Nonoperating Adjustments				
State Appropriations	47,407,787	47,777,240	(369,453)	-0.8%
Gift Contributions for Operations	4,614,362	3,369,965	1,244,397	36.9%
Net Investment Income	2,896,376	2,444,023	452,353	18.5%
Long Term Fund Distribution	2,649,749	2,534,044	115,705	4.6%
Interest Expense on Capital Asset Financings	(2,424,415)	(2,341,044)	(83,371)	-3.6%
Net Other Nonoperating Adjustments	<u>55,143,859</u>	<u>53,784,228</u>	<u>1,359,631</u>	<u>2.5%</u>
Adjusted Income (Loss) including Depreciation	1,502,228	1,774,010	(271,782)	-15.3%
Adjusted Margin (as a percentage) including Depreciation	0.8%	1.0%		
Investment Gains (Losses)	2,653,790	(363,029)	3,016,819	831.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 4,156,018	\$ 1,410,981	\$ 2,745,037	194.5%
Adjusted Margin % with Investment Gains (Losses)	2.2%	0.8%		
Adjusted Income (Loss) excluding Depreciation	9,331,413	8,704,023	627,390	7.2%
Adjusted Margin (as a percentage) excluding Depreciation	5.0%	5.0%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas-Pan American Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	<u>March January FY 2007</u>	<u>March Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 39,927,489	\$ 34,536,481	\$ 5,391,008	15.6%
Sponsored Programs	58,406,548	49,954,757	8,451,791	16.9%
Net Sales and Services of Educational Activities	3,493,983	3,598,061	(104,078)	-2.9%
Net Auxiliary Enterprises	1,939,556	2,188,690	(249,134)	-11.4%
Other Operating Revenues	416,895	320,061	96,834	30.3%
Total Operating Revenues	<u>104,184,471</u>	<u>90,598,050</u>	<u>13,586,421</u>	<u>15.0%</u>
Operating Expenses				
Salaries and Wages	51,443,562	48,036,636	3,406,926	7.1%
Employee Benefits and Related Costs	11,869,062	11,639,519	229,543	2.0%
Professional Fees and Contracted Services	1,428,271	470,870	957,401	203.3%
Other Contracted Services	3,968,603	2,258,376	1,710,227	75.7%
Scholarships and Fellowships	52,991,233	46,463,150	6,528,083	14.1%
Travel	1,825,716	1,359,676	466,040	34.3%
Materials and Supplies	6,890,385	6,849,843	40,542	0.6%
Utilities	2,706,290	2,825,430	(119,140)	-4.2%
Telecommunications	712,248	450,728	261,520	58.0%
Repairs and Maintenance	1,227,255	651,532	575,723	88.4%
Rentals and Leases	411,108	481,074	(69,966)	-14.5%
Printing and Reproduction	114,378	359,448	(245,070)	-68.2%
Bad Debt Expense	715,638	714,546	1,092	0.2%
Federal Sponsored Programs Pass-Thrus	72	50,748	(50,676)	-99.9%
Depreciation and Amortization	9,153,564	8,353,689	799,875	9.6%
Other Operating Expenses	2,965,624	2,757,191	208,433	7.6%
Total Operating Expenses	<u>148,423,009</u>	<u>133,722,456</u>	<u>14,700,553</u>	<u>11.0%</u>
Operating Loss	<u>(44,238,538)</u>	<u>(43,124,406)</u>	<u>(1,114,132)</u>	<u>-2.6%</u>
Other Nonoperating Adjustments				
State Appropriations	41,279,603	40,231,845	1,047,758	2.6%
Gift Contributions for Operations	1,405,949	1,111,324	294,625	26.5%
Net Investment Income	1,351,436	1,177,291	174,145	14.8%
Long Term Fund Distribution	615,313	585,331	29,982	5.1%
Interest Expense on Capital Asset Financings	(2,164,176)	(1,386,416)	(777,760)	-56.1%
Net Other Nonoperating Adjustments	<u>42,488,125</u>	<u>41,719,375</u>	<u>768,750</u>	<u>1.8%</u>
Adjusted Income (Loss) including Depreciation	(1,750,413)	(1,405,031)	(345,382)	-24.6%
Adjusted Margin (as a percentage) including Depreciation	-1.2%	-1.1%		
Investment Gains (Losses)	2,260,369	(148,518)	2,408,887	1,621.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 509,956	\$ (1,553,549)	\$ 2,063,505	132.8%
Adjusted Margin % with Investment Gains (Losses)	0.3%	-1.2%		
Adjusted Income (Loss) excluding Depreciation	7,403,151	6,948,658	454,493	6.5%
Adjusted Margin (as a percentage) excluding Depreciation	5.0%	5.2%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas of the Permian Basin Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 8,080,371	\$ 7,138,214	\$ 942,157	13.2%
Sponsored Programs	3,979,756	3,308,402	671,354	20.3%
Net Sales and Services of Educational Activities	135,809	124,171	11,638	9.4%
Net Auxiliary Enterprises	1,482,027	1,344,535	137,492	10.2%
Other Operating Revenues	109,423	170,502	(61,079)	-35.8%
Total Operating Revenues	<u>13,787,386</u>	<u>12,085,824</u>	<u>1,701,562</u>	<u>14.1%</u>
Operating Expenses				
Salaries and Wages	9,702,548	9,239,891	462,657	5.0%
Employee Benefits and Related Costs	2,288,005	2,134,048	153,957	7.2%
Professional Fees and Contracted Services	953,908	500,094	453,814	90.7%
Other Contracted Services	580,733	446,617	134,116	30.0%
Scholarships and Fellowships	4,449,002	4,298,552	150,450	3.5%
Travel	391,849	443,010	(51,161)	-11.5%
Materials and Supplies	1,288,770	1,413,406	(124,636)	-8.8%
Utilities	1,170,213	1,096,663	73,550	6.7%
Telecommunications	269,014	324,154	(55,140)	-17.0%
Repairs and Maintenance	360,593	326,888	33,705	10.3%
Rentals and Leases	191,006	164,514	26,492	16.1%
Printing and Reproduction	128,112	170,766	(42,654)	-25.0%
Depreciation and Amortization	2,012,191	1,952,845	59,346	3.0%
Other Operating Expenses	444,658	495,657	(50,999)	-10.3%
Total Operating Expenses	<u>24,230,602</u>	<u>23,007,105</u>	<u>1,223,497</u>	<u>5.3%</u>
Operating Loss	<u>(10,443,216)</u>	<u>(10,921,281)</u>	<u>478,065</u>	<u>4.4%</u>
Other Nonoperating Adjustments				
State Appropriations	10,038,301	9,999,745	38,556	0.4%
Gift Contributions for Operations	1,020,219	2,697,167	(1,676,948)	-62.2%
Net Investment Income	247,331	141,366	105,965	75.0%
Long Term Fund Distribution	389,885	370,650	19,235	5.2%
Interest Expense on Capital Asset Financings	(919,737)	(1,020,118)	100,381	9.8%
Net Other Nonoperating Adjustments	<u>10,775,999</u>	<u>12,188,810</u>	<u>(1,412,811)</u>	<u>-11.6%</u>
Adjusted Income (Loss) including Depreciation	332,783	1,267,529	(934,746)	-73.7%
Adjusted Margin (as a percentage) including Depreciation	1.3%	5.0%		
Investment Gains (Losses)	266,576	30,309	236,267	779.5%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 599,359	\$ 1,297,838	\$ (698,479)	-53.8%
Adjusted Margin % with Investment Gains (Losses)	2.3%	5.1%		
Adjusted Income (Loss) excluding Depreciation	2,344,974	3,220,374	(875,400)	-27.2%
Adjusted Margin (as a percentage) excluding Depreciation	9.2%	12.7%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas at San Antonio
Comparison of Operating Results and Margin
For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 104,359,220	\$ 90,931,697	\$ 13,427,523	14.8%
Sponsored Programs	52,213,372	49,889,493	2,323,879	4.7%
Net Sales and Services of Educational Activities	2,808,517	2,856,450	(47,933)	-1.7%
Net Auxiliary Enterprises	8,701,384	9,057,604	(356,220)	-3.9%
Other Operating Revenues	1,050,826	1,759,027	(708,201)	-40.3%
Total Operating Revenues	<u>169,133,319</u>	<u>154,494,271</u>	<u>14,639,048</u>	<u>9.5%</u>
Operating Expenses				
Salaries and Wages	90,412,002	83,797,182	6,614,820	7.9%
Employee Benefits and Related Costs	22,158,452	20,113,284	2,045,168	10.2%
Professional Fees and Contracted Services	1,685,533	1,836,163	(150,630)	-8.2%
Other Contracted Services	2,391,222	1,413,805	977,417	69.1%
Scholarships and Fellowships	46,749,088	43,979,149	2,769,939	6.3%
Travel	2,893,115	3,115,936	(222,821)	-7.2%
Materials and Supplies	9,695,099	13,610,673	(3,915,574)	-28.8%
Utilities	4,821,250	6,143,744	(1,322,494)	-21.5%
Telecommunications	1,648,082	1,525,961	122,121	8.0%
Repairs and Maintenance	3,597,993	3,505,562	92,431	2.6%
Rentals and Leases	1,321,074	1,289,357	31,717	2.5%
Printing and Reproduction	628,823	536,424	92,399	17.2%
Federal Sponsored Programs Pass-Thrus	1,550,970	1,607,265	(56,295)	-3.5%
Depreciation and Amortization	13,733,780	12,017,003	1,716,777	14.3%
Other Operating Expenses	3,203,984	3,085,862	118,122	3.8%
Total Operating Expenses	<u>206,490,467</u>	<u>197,577,370</u>	<u>8,913,097</u>	<u>4.5%</u>
Operating Loss	<u>(37,357,148)</u>	<u>(43,083,099)</u>	<u>5,725,951</u>	<u>13.3%</u>
Other Nonoperating Adjustments				
State Appropriations	57,507,895	57,154,241	353,654	0.6%
Gift Contributions for Operations	2,629,166	2,212,882	416,284	18.8%
Net Investment Income	3,816,545	3,209,441	607,104	18.9%
Long Term Fund Distribution	1,100,166	941,260	158,906	16.9%
Interest Expense on Capital Asset Financings	(5,691,833)	(5,939,424)	247,591	4.2%
Net Other Nonoperating Adjustments	<u>59,361,939</u>	<u>57,578,400</u>	<u>1,783,539</u>	<u>3.1%</u>
Adjusted Income (Loss) including Depreciation	22,004,791	14,495,301	7,509,490	51.8%
Adjusted Margin (as a percentage) including Depreciation	9.4%	6.6%		
Investment Gains (Losses)	9,260,075	(102,592)	9,362,667	9,126.1%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 31,264,866	\$ 14,392,709	\$ 16,872,157	117.2%
Adjusted Margin % with Investment Gains (Losses)	12.8%	6.6%		
Adjusted Income (Loss) excluding Depreciation	35,738,571	26,512,304	9,226,267	34.8%
Adjusted Margin (as a percentage) excluding Depreciation	15.3%	12.2%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas at Tyler Comparison of Operating Results and Margin For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 15,896,286	\$ 13,123,810	\$ 2,772,476	21.1%
Sponsored Programs	7,078,771	6,021,455	1,057,316	17.6%
Net Sales and Services of Educational Activities	490,393	516,651	(26,258)	-5.1%
Net Auxiliary Enterprises	2,774,943	2,070,874	704,069	34.0%
Other Operating Revenues	40,462	79,722	(39,260)	-49.2%
Total Operating Revenues	<u>26,280,855</u>	<u>21,812,512</u>	<u>4,468,343</u>	<u>20.5%</u>
Operating Expenses				
Salaries and Wages	17,956,057	16,961,998	994,059	5.9%
Employee Benefits and Related Costs	4,536,321	4,074,140	462,181	11.3%
Professional Fees and Contracted Services	706,988	823,207	(116,219)	-14.1%
Other Contracted Services	1,743,554	1,412,344	331,210	23.5%
Scholarships and Fellowships	7,959,701	7,534,030	425,671	5.6%
Travel	674,638	599,122	75,516	12.6%
Materials and Supplies	2,825,220	2,002,928	822,292	41.1%
Utilities	833,133	867,239	(34,106)	-3.9%
Telecommunications	326,003	279,979	46,024	16.4%
Repairs and Maintenance	575,970	897,985	(322,015)	-35.9%
Rentals and Leases	201,096	144,085	57,011	39.6%
Printing and Reproduction	391,179	330,050	61,129	18.5%
Depreciation and Amortization	3,758,038	3,558,913	199,125	5.6%
Other Operating Expenses	636,487	577,412	59,075	10.2%
Total Operating Expenses	<u>43,124,385</u>	<u>40,063,432</u>	<u>3,060,953</u>	<u>7.6%</u>
Operating Loss	<u>(16,843,530)</u>	<u>(18,250,920)</u>	<u>1,407,390</u>	<u>7.7%</u>
Other Nonoperating Adjustments				
State Appropriations	17,696,530	17,473,416	223,114	1.3%
Gift Contributions for Operations	479,162	471,391	7,771	1.6%
Net Investment Income	609,220	587,081	22,139	3.8%
Long Term Fund Distribution	1,434,929	1,362,194	72,735	5.3%
Interest Expense on Capital Asset Financings	(1,324,876)	(1,334,525)	9,649	0.7%
Net Other Nonoperating Adjustments	<u>18,894,965</u>	<u>18,559,557</u>	<u>335,408</u>	<u>1.8%</u>
Adjusted Income (Loss) including Depreciation	2,051,435	308,637	1,742,798	564.7%
Adjusted Margin (as a percentage) including Depreciation	4.4%	0.7%		
Investment Gains (Losses)	1,314,744	(13,361)	1,328,105	9,940.2%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,366,179	\$ 295,276	\$ 3,070,903	1040.0%
Adjusted Margin % with Investment Gains (Losses)	7.0%	0.7%		
Adjusted Income (Loss) excluding Depreciation	5,809,473	3,867,550	1,941,923	50.2%
Adjusted Margin (as a percentage) excluding Depreciation	12.5%	9.3%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas Southwestern Medical Center at Dallas

Comparison of Operating Results and Margin

For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 12,170,632	\$ 11,096,530	\$ 1,074,102	9.7%
Sponsored Programs	231,383,689	222,889,022	8,494,667	3.8%
Net Sales and Services of Educational Activities	3,867,369	8,474,333	(4,606,964)	-54.4%
Net Sales and Services of Hospitals	167,906,189	163,240,270	4,665,919	2.9%
Net Professional Fees	205,746,676	141,409,435	64,337,241	45.5%
Net Auxiliary Enterprises	10,215,724	10,118,337	97,387	1.0%
Other Operating Revenues	3,533,059	3,706,590	(173,531)	-4.7%
Total Operating Revenues	<u>634,823,338</u>	<u>560,934,517</u>	<u>73,888,821</u>	<u>13.2%</u>
Operating Expenses				
Salaries and Wages	364,020,239	339,705,833	24,314,406	7.2%
Employee Benefits and Related Costs	98,709,968	92,109,482	6,600,486	7.2%
Professional Fees and Contracted Services	10,523,233	9,674,494	848,739	8.8%
Other Contracted Services	40,745,762	39,663,173	1,082,589	2.7%
Scholarships and Fellowships	5,361,497	5,231,927	129,570	2.5%
Travel	4,712,130	4,410,894	301,236	6.8%
Materials and Supplies	100,809,980	96,327,181	4,482,799	4.7%
Utilities	15,162,274	14,236,342	925,932	6.5%
Telecommunications	3,920,026	3,859,291	60,735	1.6%
Repairs and Maintenance	7,291,681	6,947,639	344,042	5.0%
Rentals and Leases	7,214,670	6,956,286	258,384	3.7%
Printing and Reproduction	1,328,583	1,537,806	(209,223)	-13.6%
Federal Sponsored Programs Pass-Thrus	209,470	293,724	(84,254)	-28.7%
Depreciation and Amortization	36,237,276	33,222,103	3,015,173	9.1%
Other Operating Expenses	25,842,913	29,387,880	(3,544,967)	-12.1%
Total Operating Expenses	<u>722,089,702</u>	<u>683,564,055</u>	<u>38,525,647</u>	<u>5.6%</u>
Operating Loss	<u>(87,266,364)</u>	<u>(122,629,538)</u>	<u>35,363,174</u>	<u>28.8%</u>
Other Nonoperating Adjustments				
State Appropriations	87,823,728	85,644,113	2,179,615	2.5%
Gift Contributions for Operations	16,905,150	16,620,994	284,156	1.7%
Net Investment Income	19,492,869	20,633,381	(1,140,512)	-5.5%
Long Term Fund Distribution	17,318,257	16,037,055	1,281,202	8.0%
Interest Expense on Capital Asset Financings	(10,804,924)	(12,241,996)	1,437,072	11.7%
Net Other Nonoperating Adjustments	<u>130,735,080</u>	<u>126,693,547</u>	<u>4,041,533</u>	<u>3.2%</u>
Adjusted Income (Loss) including Depreciation	43,468,716	4,064,009	39,404,707	969.6%
Adjusted Margin (as a percentage) including Depreciation	5.6%	0.6%		
Investment Gains (Losses)	26,876,714	(965,438)	27,842,152	2,883.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 70,345,430	\$ 3,098,571	\$ 67,246,859	2170.3%
Adjusted Margin % with Investment Gains (Losses)	8.8%	0.4%		
Adjusted Income (Loss) excluding Depreciation	79,705,992	37,286,112	42,419,880	113.8%
Adjusted Margin (as a percentage) excluding Depreciation	10.3%	5.3%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas Medical Branch at Galveston

Comparison of Operating Results and Margin

For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 9,932,481	\$ 7,840,365	\$ 2,092,116	26.7%
Sponsored Programs	119,851,428	123,741,341	(3,889,913)	-3.1%
Net Sales and Services of Hospitals	392,862,860	397,239,610	(4,376,750)	-1.1%
Net Professional Fees	86,906,415	66,917,887	19,988,528	29.9%
Net Auxiliary Enterprises	5,276,825	5,202,741	74,084	1.4%
Other Operating Revenues	21,221,009	14,833,219	6,387,790	43.1%
Total Operating Revenues	<u>636,051,018</u>	<u>615,775,163</u>	<u>20,275,855</u>	<u>3.3%</u>
Operating Expenses				
Salaries and Wages	435,016,358	437,042,027	(2,025,669)	-0.5%
Employee Benefits and Related Costs	103,509,221	105,917,559	(2,408,338)	-2.3%
Professional Fees and Contracted Services	21,726,814	25,472,123	(3,745,309)	-14.7%
Other Contracted Services	27,625,609	36,061,711	(8,436,102)	-23.4%
Scholarships and Fellowships	3,883,582	4,059,347	(175,765)	-4.3%
Travel	3,656,881	3,652,429	4,452	0.1%
Materials and Supplies	102,102,410	98,439,588	3,662,822	3.7%
Utilities	15,644,446	17,795,855	(2,151,409)	-12.1%
Telecommunications	7,929,212	7,891,087	38,125	0.5%
Repairs and Maintenance	17,112,161	18,494,283	(1,382,122)	-7.5%
Rentals and Leases	8,542,786	7,435,832	1,106,954	14.9%
Printing and Reproduction	1,206,385	1,207,950	(1,565)	-0.1%
Federal Sponsored Programs Pass-Thrus	5,374,259	2,906,995	2,467,264	84.9%
Depreciation and Amortization	30,984,446	29,548,917	1,435,529	4.9%
Other Operating Expenses	40,012,665	41,728,704	(1,716,039)	-4.1%
Total Operating Expenses	<u>824,327,235</u>	<u>837,654,407</u>	<u>(13,327,172)</u>	<u>-1.6%</u>
Operating Loss	<u>(188,276,217)</u>	<u>(221,879,244)</u>	<u>33,603,027</u>	<u>15.1%</u>
Other Nonoperating Adjustments				
State Appropriations	169,642,285	168,079,622	1,562,663	0.9%
Gift Contributions for Operations	4,558,049	3,575,253	982,796	27.5%
Net Investment Income	9,445,309	11,090,450	(1,645,141)	-14.8%
Long Term Fund Distribution	9,607,104	7,624,574	1,982,530	26.0%
Interest Expense on Capital Asset Financings	(2,438,777)	(3,436,697)	997,920	29.0%
Net Other Nonoperating Adjustments	<u>190,813,970</u>	<u>186,933,202</u>	<u>3,880,768</u>	<u>2.1%</u>
Adjusted Income (Loss) including Depreciation	2,537,753	(34,946,042)	37,483,795	107.3%
Adjusted Margin (as a percentage) including Depreciation	0.3%	-4.3%		
Investment Gains (Losses)	37,194,220	13,261,119	23,933,101	180.5%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 39,731,973	\$ (21,684,923)	\$ 61,416,896	283.2%
Adjusted Margin % with Investment Gains (Losses)	4.6%	-2.6%		
Adjusted Income (Loss) excluding Depreciation	33,522,199	(5,397,125)	38,919,324	721.1%
Adjusted Margin (as a percentage) excluding Depreciation	4.0%	-0.7%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas Health Science Center at Houston

Comparison of Operating Results and Margin

For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,933,424	\$ 11,908,518	\$ 2,024,906	17.0%
Sponsored Programs	168,931,026	156,964,515	11,966,511	7.6%
Net Sales and Services of Educational Activities	20,309,622	19,441,605	868,017	4.5%
Net Sales and Services of Hospitals	16,624,151	15,767,324	856,827	5.4%
Net Professional Fees	73,179,698	63,084,396	10,095,302	16.0%
Net Auxiliary Enterprises	13,207,183	12,729,559	477,624	3.8%
Other Operating Revenues	16,694,906	18,364,575	(1,669,669)	-9.1%
Total Operating Revenues	<u>322,880,010</u>	<u>298,260,492</u>	<u>24,619,518</u>	<u>8.3%</u>
Operating Expenses				
Salaries and Wages	191,986,926	187,216,052	4,770,874	2.5%
Employee Benefits and Related Costs	43,089,756	41,406,340	1,683,416	4.1%
Professional Fees and Contracted Services	32,206,990	31,541,654	665,336	2.1%
Other Contracted Services	24,841,875	22,282,929	2,558,946	11.5%
Scholarships and Fellowships	1,922,494	1,587,978	334,516	21.1%
Travel	3,218,568	2,949,395	269,173	9.1%
Materials and Supplies	32,833,677	29,740,319	3,093,358	10.4%
Utilities	9,061,129	6,183,774	2,877,355	46.5%
Telecommunications	1,625,377	1,701,675	(76,298)	-4.5%
Repairs and Maintenance	3,486,380	2,491,450	994,930	39.9%
Rentals and Leases	8,152,075	8,091,438	60,637	0.7%
Printing and Reproduction	2,102,936	2,290,225	(187,289)	-8.2%
Bad Debt Expense	-	1,400	(1,400)	-100.0%
Federal Sponsored Programs Pass-Thrus	3,073,375	3,013,113	60,262	2.0%
Depreciation and Amortization	18,365,424	16,026,154	2,339,270	14.6%
Other Operating Expenses	30,592,772	28,711,868	1,880,904	6.6%
Total Operating Expenses	<u>406,559,754</u>	<u>385,235,764</u>	<u>21,323,990</u>	<u>5.5%</u>
Operating Loss	<u>(83,679,744)</u>	<u>(86,975,272)</u>	<u>3,295,528</u>	<u>3.8%</u>
Other Nonoperating Adjustments				
State Appropriations	89,712,965	88,643,587	1,069,378	1.2%
Gift Contributions for Operations	6,182,522	16,024,817	(9,842,295)	-61.4%
Net Investment Income	10,715,480	7,646,938	3,068,542	40.1%
Long Term Fund Distribution	2,862,827	2,613,141	249,686	9.6%
Interest Expense on Capital Asset Financings	(4,362,267)	(5,160,467)	798,200	15.5%
Net Other Nonoperating Adjustments	<u>105,111,527</u>	<u>109,768,016</u>	<u>(4,656,489)</u>	<u>-4.2%</u>
Adjusted Income (Loss) including Depreciation	21,431,783	22,792,744	(1,360,961)	-6.0%
Adjusted Margin (as a percentage) including Depreciation	5.0%	5.5%		
Investment Gains (Losses)	10,586,863	(1,649,421)	12,236,284	741.9%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 32,018,646	\$ 21,143,323	\$ 10,875,323	51.4%
Adjusted Margin % with Investment Gains (Losses)	7.2%	5.1%		
Adjusted Income (Loss) excluding Depreciation	39,797,207	38,818,898	978,309	2.5%
Adjusted Margin (as a percentage) excluding Depreciation	9.2%	9.4%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas Health Science Center at San Antonio

Comparison of Operating Results and Margin

For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 13,533,333	\$ 13,217,919	\$ 315,414	2.4%
Sponsored Programs	112,329,796	109,121,013	3,208,783	2.9%
Net Sales and Services of Educational Activities	13,261,979	12,758,583	503,396	3.9%
Net Professional Fees	56,712,877	46,861,233	9,851,644	21.0%
Net Auxiliary Enterprises	1,760,291	2,192,625	(432,334)	-19.7%
Other Operating Revenues	15,838,886	16,550,391	(711,505)	-4.3%
Total Operating Revenues	<u>213,437,162</u>	<u>200,701,764</u>	<u>12,735,398</u>	<u>6.3%</u>
Operating Expenses				
Salaries and Wages	167,692,782	161,007,239	6,685,543	4.2%
Employee Benefits and Related Costs	41,769,887	39,522,797	2,247,090	5.7%
Professional Fees and Contracted Services	6,347,570	6,159,161	188,409	3.1%
Other Contracted Services	9,314,489	9,197,359	117,130	1.3%
Scholarships and Fellowships	1,952,629	963,877	988,752	102.6%
Travel	2,349,640	2,774,698	(425,058)	-15.3%
Materials and Supplies	18,591,069	19,676,640	(1,085,571)	-5.5%
Utilities	7,583,333	6,945,000	638,333	9.2%
Telecommunications	3,586,184	3,123,584	462,600	14.8%
Repairs and Maintenance	1,792,201	1,396,450	395,751	28.3%
Rentals and Leases	1,219,432	1,508,779	(289,347)	-19.2%
Printing and Reproduction	930,028	1,068,201	(138,173)	-12.9%
Federal Sponsored Programs Pass-Thrus	364,583	306,567	58,016	18.9%
Depreciation and Amortization	14,583,333	13,484,024	1,099,309	8.2%
Other Operating Expenses	37,281,603	41,021,113	(3,739,510)	-9.1%
Total Operating Expenses	<u>315,358,763</u>	<u>308,155,489</u>	<u>7,203,274</u>	<u>2.3%</u>
Operating Loss	<u>(101,921,601)</u>	<u>(107,453,725)</u>	<u>5,532,124</u>	<u>5.1%</u>
Other Nonoperating Adjustments				
State Appropriations	88,656,744	88,283,442	373,302	0.4%
Gift Contributions for Operations	16,629,128	1,637,521	14,991,607	915.5%
Net Investment Income	13,628,380	13,516,792	111,588	0.8%
Long Term Fund Distribution	2,619,367	2,392,936	226,431	9.5%
Interest Expense on Capital Asset Financings	(2,810,626)	(3,496,552)	685,926	19.6%
Net Other Nonoperating Adjustments	<u>118,722,993</u>	<u>102,334,139</u>	<u>16,388,854</u>	<u>16.0%</u>
Adjusted Income (Loss) including Depreciation	16,801,392	(5,119,586)	21,920,978	428.2%
Adjusted Margin (as a percentage) including Depreciation	5.0%	-1.7%		
Investment Gains (Losses)	8,720,732	(992,339)	9,713,071	978.8%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 25,522,124	\$ (6,111,925)	\$ 31,634,049	517.6%
Adjusted Margin % with Investment Gains (Losses)	7.4%	-2.0%		
Adjusted Income (Loss) excluding Depreciation	31,384,725	8,364,438	23,020,287	275.2%
Adjusted Margin (as a percentage) excluding Depreciation	9.4%	2.7%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

The University of Texas M. D. Anderson Cancer Center

Comparison of Operating Results and Margin

For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Student Tuition and Fees	\$ 227,874	\$ 222,844	\$ 5,030	2.3%
Sponsored Programs	132,440,153	130,941,622	1,498,531	1.1%
Net Sales and Services of Educational Activities	1,663,653	1,310,345	353,308	27.0%
Net Sales and Services of Hospitals	952,657,713	847,186,763	105,470,950	12.4%
Net Professional Fees	156,776,642	133,956,622	22,820,020	17.0%
Net Auxiliary Enterprises	14,646,975	13,481,570	1,165,405	8.6%
Other Operating Revenues	16,844,995	11,200,922	5,644,073	50.4%
Total Operating Revenues	<u>1,275,258,005</u>	<u>1,138,300,688</u>	<u>136,957,317</u>	<u>12.0%</u>
Operating Expenses				
Salaries and Wages	640,520,067	587,338,650	53,181,417	9.1%
Employee Benefits and Related Costs	169,661,969	155,418,463	14,243,506	9.2%
Professional Fees and Contracted Services	51,279,717	45,574,678	5,705,039	12.5%
Other Contracted Services	38,928,991	36,059,122	2,869,869	8.0%
Travel	11,114,453	8,837,012	2,277,441	25.8%
Materials and Supplies	240,150,926	231,219,741	8,931,185	3.9%
Utilities	27,786,394	33,311,170	(5,524,776)	-16.6%
Telecommunications	3,531,331	4,654,296	(1,122,965)	-24.1%
Repairs and Maintenance	28,067,381	22,988,026	5,079,355	22.1%
Rentals and Leases	17,780,184	17,315,116	465,068	2.7%
Federal Sponsored Programs Pass-Thrus	137,233	443,733	(306,500)	-69.1%
Depreciation and Amortization	107,000,815	104,339,286	2,661,529	2.6%
Other Operating Expenses	1,922,348	1,614,632	307,716	19.1%
Total Operating Expenses	<u>1,337,881,809</u>	<u>1,249,113,925</u>	<u>88,767,884</u>	<u>7.1%</u>
Operating Loss	<u>(62,623,804)</u>	<u>(110,813,237)</u>	<u>48,189,433</u>	<u>43.5%</u>
Other Nonoperating Adjustments				
State Appropriations	93,364,636	92,308,049	1,056,587	1.1%
Gift Contributions for Operations	44,953,513	36,637,588	8,315,925	22.7%
Net Investment Income	23,532,671	20,508,129	3,024,542	14.7%
Long Term Fund Distribution	8,191,714	7,714,848	476,866	6.2%
Interest Expense on Capital Asset Financings	(15,135,386)	(17,126,906)	1,991,520	11.6%
Net Other Nonoperating Adjustments	<u>154,907,148</u>	<u>140,041,708</u>	<u>14,865,440</u>	<u>10.6%</u>
Adjusted Income (Loss) including Depreciation	92,283,344	29,228,471	63,054,873	215.7%
Adjusted Margin (as a percentage) including Depreciation	6.4%	2.3%		
Investment Gains (Losses)	58,705,664	23,619,126	35,086,538	148.6%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 150,989,008	\$ 52,847,597	\$ 98,141,411	185.7%
Adjusted Margin % with Investment Gains (Losses)	10.0%	4.0%		
Adjusted Income (Loss) excluding Depreciation	199,284,159	133,567,757	65,716,402	49.2%
Adjusted Margin (as a percentage) excluding Depreciation	13.8%	10.3%		

3. U. T. System: Key Financial Indicators Report and Monthly Financial Report (cont.)

UNAUDITED

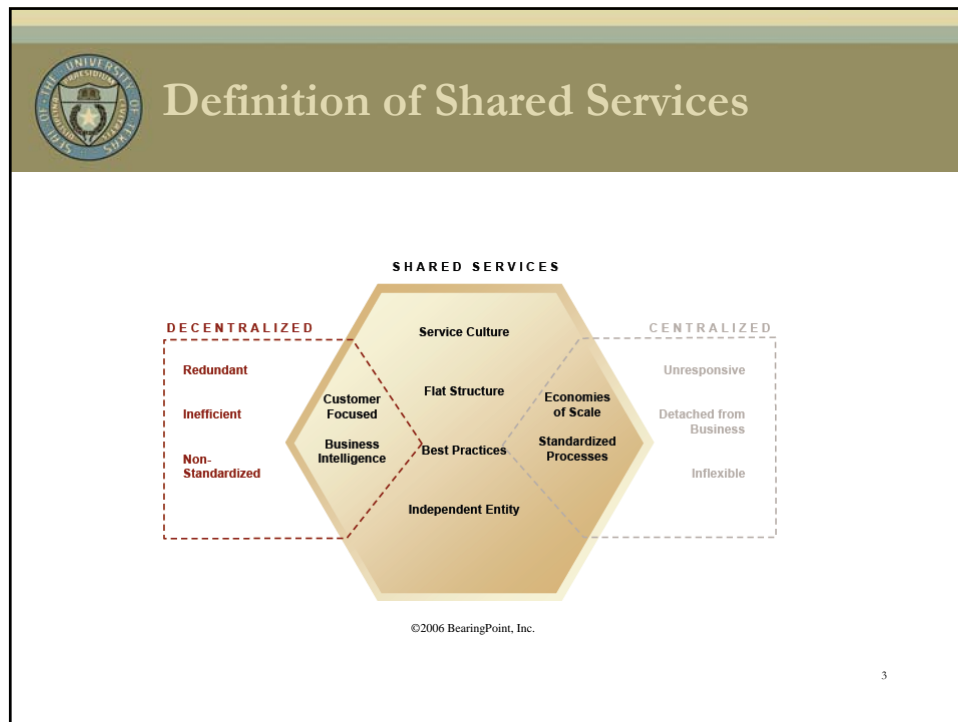
The University of Texas Health Center at Tyler
 Comparison of Operating Results and Margin
 For the Seven Months Ending March 31, 2007

	March Year-to-Date <u>FY 2007</u>	March Year-to-Date <u>FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues				
Sponsored Programs	\$ 8,291,228	\$ 8,215,964	\$ 75,264	0.9%
Net Sales and Services of Educational Activities	557,024	620,690	(63,666)	-10.3%
Net Sales and Services of Hospitals	25,352,282	26,731,587	(1,379,305)	-5.2%
Net Professional Fees	9,359,203	7,136,898	2,222,305	31.1%
Net Auxiliary Enterprises	111,893	151,089	(39,196)	-25.9%
Other Operating Revenues	915,929	1,537,135	(621,206)	-40.4%
Total Operating Revenues	<u>44,587,559</u>	<u>44,393,363</u>	<u>194,196</u>	<u>0.4%</u>
Operating Expenses				
Salaries and Wages	30,233,309	34,755,766	(4,522,457)	-13.0%
Employee Benefits and Related Costs	8,200,257	8,658,148	(457,891)	-5.3%
Professional Fees and Contracted Services	3,205,562	2,900,543	305,019	10.5%
Other Contracted Services	4,174,319	4,284,491	(110,172)	-2.6%
Travel	281,883	288,801	(6,918)	-2.4%
Materials and Supplies	7,686,758	9,068,045	(1,381,287)	-15.2%
Utilities	1,905,390	1,757,935	147,455	8.4%
Telecommunications	382,241	351,729	30,512	8.7%
Repairs and Maintenance	1,919,717	1,462,179	457,538	31.3%
Rentals and Leases	689,975	763,091	(73,116)	-9.6%
Printing and Reproduction	13,307	96,880	(83,573)	-86.3%
Federal Sponsored Programs Pass-Thrus	270,933	335,485	(64,552)	-19.2%
Depreciation and Amortization	5,070,672	4,933,040	137,632	2.8%
Other Operating Expenses	1,569,749	1,756,744	(186,995)	-10.6%
Total Operating Expenses	<u>65,604,072</u>	<u>71,412,877</u>	<u>(5,808,805)</u>	<u>-8.1%</u>
Operating Loss	<u>(21,016,513)</u>	<u>(27,019,514)</u>	<u>6,003,001</u>	<u>22.2%</u>
Other Nonoperating Adjustments				
State Appropriations	21,838,424	22,643,898	(805,474)	-3.6%
Gift Contributions for Operations	408,619	460,430	(51,811)	-11.3%
Net Investment Income	2,089,065	1,878,673	210,392	11.2%
Long Term Fund Distribution	227,445	212,886	14,559	6.8%
Interest Expense on Capital Asset Financings	(365,554)	(509,554)	144,000	28.3%
Net Other Nonoperating Adjustments	<u>24,197,999</u>	<u>24,686,333</u>	<u>(488,334)</u>	<u>-2.0%</u>
Adjusted Income (Loss) including Depreciation	3,181,486	(2,333,181)	5,514,667	236.4%
Adjusted Margin (as a percentage) including Depreciation	4.6%	-3.4%		
Investment Gains (Losses)	-	(8,724)	8,724	100.0%
Adjusted Income (Loss) with Investment Gains (Losses)	\$ 3,181,486	\$ (2,341,905)	\$ 5,523,391	235.9%
Adjusted Margin % with Investment Gains (Losses)	4.6%	-3.4%		
Adjusted Income (Loss) excluding Depreciation	8,252,158	2,599,859	5,652,299	217.4%
Adjusted Margin (as a percentage) excluding Depreciation	11.9%	3.7%		

4. U. T. System: Shared Services Initiative Report

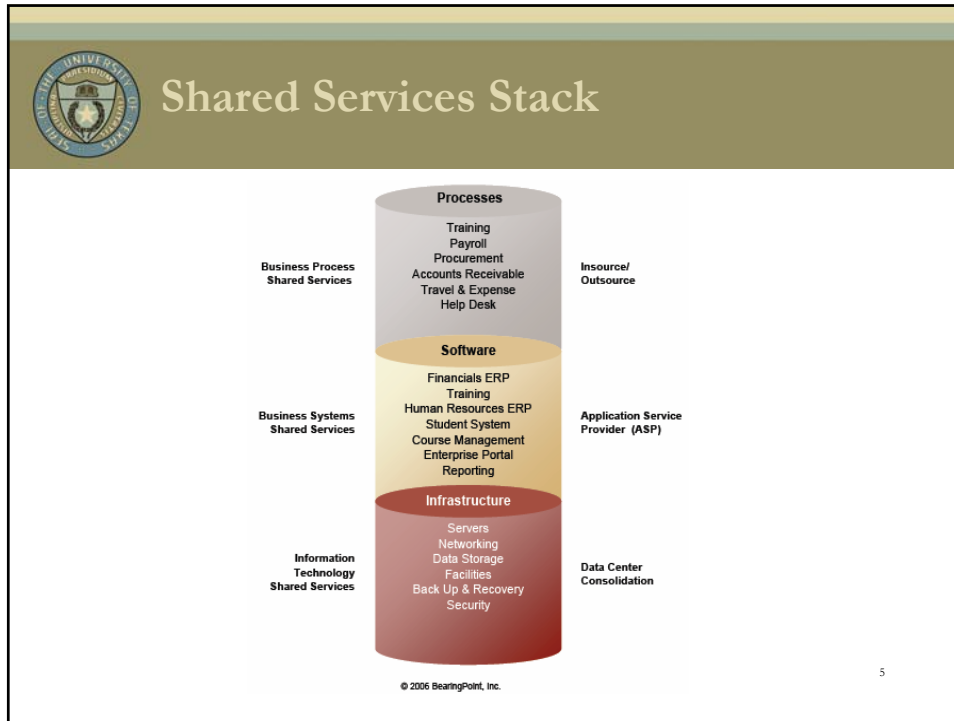


4. U. T. System: Shared Services Initiative Report (cont.)



-
- The slide, titled "Objectives", features the University of Texas logo in the top left corner. It contains a bulleted list of three objectives. At the bottom right corner of the slide, there is a small number "4".
- Cost savings realized through economies of scale (25% to 33%)
 - Process improvements attained through standardization
 - Universal application of institutionally preferred practices

4. U. T. System: Shared Services Initiative Report (cont.)



-
- The slide, titled 'Shared Services Initiative - Projects', lists the following projects:
- **Information Technology Shared Services**
 - Regional Data Centers
 - Arlington Regional Data Center
 - Houston Regional Data Center
 - Austin Regional Data Center
 - **Business Systems Shared Services**
 - Student Information System Pilot Project
 - Joint Finance Systems and Chart of Accounts Consolidation
 - Online Effort Reporting
 - **Business Processes Shared Services**
 - Joint Purchasing – Supply Chain Alliance
 - Regional Technology Transfer Alliance
- The slide includes the UT System logo and a small number '6' in the bottom right corner.

4. U. T. System: Shared Services Initiative Report (cont.)




Information Technology Shared Services

Regional Data Centers

- Oversight Structure Defined
 - Executive Committee formed and meeting regularly
 - Operations Oversight Committees formed and meeting
- Interagency Service Level Agreements have been created
- Fee Schedules have been developed

7




Information Technology Shared Services

Arlington Regional Data Center

- U. T. Southwestern Medical Center – Dallas occupies 1,777 square feet
- Hardware and Software for the Student Information System project at U. T. Arlington, U. T. Dallas, and U. T. Tyler is located at the Regional Center utilizing 360 square feet
- U. T. Health Science Center – Tyler is in negotiations to, over the next 18 months, move its primary data center to Arlington occupying 200 square feet
- U. T. Medical Branch – Galveston is negotiating to occupy 1,400 square feet beginning Summer 2007

8

4. U. T. System: Shared Services Initiative Report (cont.)




Information Technology Shared Services

Houston Regional Data Center

- Build-out of 3,600 square feet in Houston will be completed and ready for occupancy by April 2008
- U. T. San Antonio, U. T. Health Science Center - Houston, U. T. Austin, and U. T. Pan American have all expressed interest in utilizing the Houston Regional Data Center

9



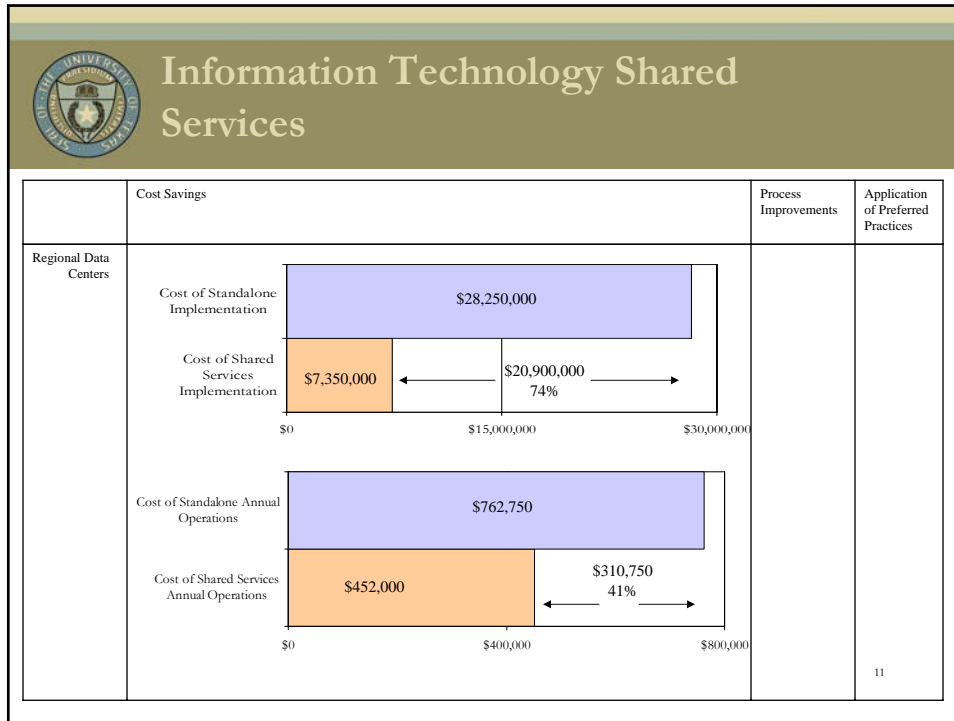
Information Technology Shared Services

Austin Regional Data Center

- U. T. Austin is conducting feasibility planning for movement or replacement of its primary data center. The plans include providing space for the Austin Regional Data Center.


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4. U. T. System: Shared Services Initiative Report (cont.)



 Information Technology Shared Services	
<ul style="list-style-type: none"> • Challenges • Next Steps 	

4. U. T. System: Shared Services Initiative Report (cont.)




Business Systems Shared Services

Student Information System Pilot Project

- Oversight Structure Defined
 - Executive Committee formed and meeting regularly
 - Operations Oversight Committees formed and meeting
 - Bylaws have been approved
- Project Timeline has been approved
- Software purchased
- Hardware purchased
- Implementation Services Contract being negotiated

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Business Systems Shared Services

Joint Finance Systems and Chart of Accounts Consolidation

- Functional Review of DEFINE completed
- Consolidated Chart of Accounts Initiative underway
- Enterprise Resource Program Reviews underway at U. T. Southwestern Medical Center – Dallas and M. D. Anderson Cancer Center
- PeopleSoft site license discussions underway

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4. U. T. System: Shared Services Initiative Report (cont.)




Business Systems Shared Services

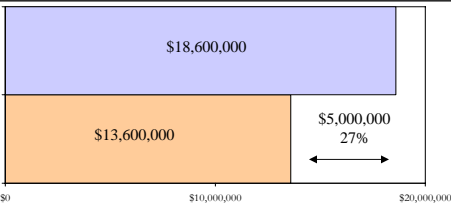
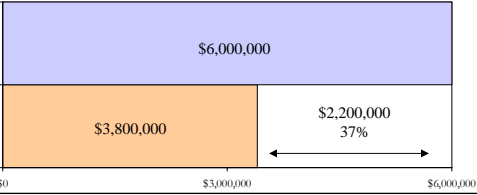
Online Effort Reporting

- Workgroup formed and led by Richard St. Onge
- Policy Guidance developed and implemented
- Education Program developed and implemented
- Online Effort Reporting System identified through competitive process
- Implementation proposal developed

15



Business Systems Shared Services

	Cost Savings	Process Improvements	Application of Preferred Practices
Student Information System (SIS) Pilot Program	 <p>Cost of Standalone Implementation: \$18,600,000</p> <p>Cost of Shared Services Implementation: \$13,600,000</p> <p>Savings: \$5,000,000 (27%)</p>		
Joint Finance Systems/Chart of Accounts Consolidation			
Online Effort Reporting	 <p>Cost of Standalone Implementation: \$6,000,000</p> <p>Cost of Shared Services Implementation: \$3,800,000</p> <p>Savings: \$2,200,000 (37%)</p>		16

4. U. T. System: Shared Services Initiative Report (cont.)



Business Systems Shared Services

- **Challenges**
- **Next Steps**

17



Business Processes Shared Services

Joint Purchasing – Supply Chain Alliance

- Oversight Structure Defined
 - Executive Committee formed and meeting regularly
 - Project Committee formed and meeting
 - Bylaws have been approved
- A Pilot Project was completed
- A detailed Financial Pro-forma has been created and approved
- Implementation plan and timeline have been created

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4. U. T. System: Shared Services Initiative Report (cont.)




Business Processes Shared Services

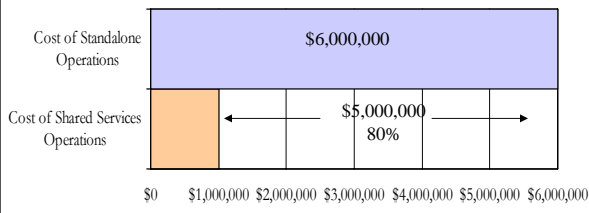
Regional Technology Transfer Alliance

- Reported to the Board on February 8, 2007
- Alliance has been created and a Memorandum of Understanding has been signed
- Two Technology Transfer Offices have been combined
- A Director has been hired

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Business Processes Shared Services

	Cost Savings	Process Improvements	Application of Preferred Practices
Joint Purchasing – Supply Chain Alliance	 <p style="font-size: small; margin-top: 5px;"> Cost of Standalone Operations: \$6,000,000 Cost of Shared Services Operations: \$1,500,000 Savings: \$5,000,000 (80%) </p>		
Regional Technology Transfer Alliance			

20


4. U. T. System: Shared Services Initiative Report (cont.)



Business Processes Shared Services

- **Challenges**
- **Next Steps**

21



Other Shared Services Results

- Electronic Data Base – Libraries
- Centralized Investment of Operating Funds
- Property Insurance Coverage – U. T. Brownsville

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2. U. T. System: Report on State Auditor's Office recommendations regarding correctional managed health care funding requirements at U. T. Medical Branch - Galveston

An Audit Report on

Correctional Managed Health Care Funding Requirements

SAO Report No. 07-017
March 2007

Overall Conclusion

The Correctional Managed Health Care Committee's projected deficit for fiscal year 2006—as reported by the University of Texas Medical Branch at Galveston (UT Medical Branch) and the Texas Tech University Health Sciences Center (Texas Tech Health Sciences Center)—did not accurately reflect correctional managed health care costs for fiscal year 2006.

The Correctional Managed Health Care Committee initially reported an \$8.3 million projected deficit for fiscal year 2006. It subsequently revised that projected deficit amount to \$2.8 million. Based on auditors' test of expenditures, the State Auditor's Office estimated that the fiscal year 2006 deficit was \$1,140,619. This estimated deficit was derived from:

- The UT Medical Branch's \$859,381 surplus.
- The Texas Tech Health Sciences Center's \$2 million deficit.

The difference between the reported deficit amount and the deficit amount that auditors calculated was attributable to adjustments auditors identified in UT Medical Branch expenditures in the following categories:

- Hospital direct expenditures.
- Capital expenditures.
- Expenditures for torts and other judgments.
- Moving and relocation expenditures.

Background Information

In October 2006, the State Auditor's Office issued *An Audit Report on the Cost of the State's Correctional Managed Health Care* (State Auditor's Office Report No. 07-003), which focused on the university providers' methodologies surrounding the compilation of costs incurred in providing services under their contracts with the Correctional Managed Health Care Committee. The methodologies audited were for costs university providers reported they incurred from September 2004 through February 2006.

This follow up audit was conducted to verify the appropriateness, accuracy, and reasonableness of the financial transactions that supported the university providers' reported correctional managed health care deficit amounts for the 2006-2007 biennium.

The Department of Criminal Justice contracts with the Correctional Managed Health Care Committee to provide inmate health care for \$375.8 million.

The Correctional Managed Health Care Committee then contracts with the University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center.

This audit was conducted in accordance with Texas Government Code, Section 321.0131.

For more information regarding this report, please contact Nicole Guerrero, Audit Manager, or John Keel, State Auditor, at (512) 936-9500.

2. U. T. System: Report on State Auditor's Office recommendations regarding correctional managed health care funding requirements at U. T. Medical Branch - Galveston (cont.)

*An Audit Report on
Correctional Managed Health Care Funding Requirements
SAO Report No. 07-017*

Key Points

The Correctional Managed Health Care Committee reduced its reported fiscal year 2006 deficit from a projection of \$8.3 million to a projection of \$2.8 million.

The reduction was made because (1) the UT Medical Branch decreased its projected deficit amount for fiscal year 2006 from \$6.5 million¹ to \$793,788 and (2) the Texas Tech Health Sciences Center's projected deficit for fiscal year 2006 increased from \$1.8 million to \$2 million.

The State Auditor's Office estimated the deficit for fiscal year 2006 was \$1,140,619.

Since October 2006, the UT Medical Branch provided auditors revised fiscal year 2006 deficit calculations that ranged from a \$6.5 million deficit to a \$1.3 million surplus. Based on tests of financial transactions, auditors determined that the UT Medical Branch did not have a deficit in fiscal year 2006 for correctional managed health care and, instead, it had a surplus of \$859,381 (see Appendix 2 of this report for detailed calculations).

The State Auditor's Office verified that the Texas Tech Health Sciences Center's fiscal year \$2 million deficit calculation was supported by documentation.

When combined, the UT Medical Branch's \$859,381 surplus and the Texas Tech Health Sciences Center's \$2 million deficit result in an overall deficit of \$1,140,619 for correctional managed health care in fiscal year 2006.

Both the UT Medical Branch and the Texas Tech Health Sciences Center project correctional managed health care deficits for fiscal year 2007.

The UT Medical Branch has revised its projected deficit for fiscal year 2007 from \$17.5 million to \$12.5 million.

The Texas Tech Health Sciences Center has revised its projected deficit for fiscal year 2007 from \$6 million to \$5.75 million.

The Correctional Managed Health Care Committee complied with two riders auditors reviewed.

The Correctional Managed Health Care Committee correctly identified an available balance of \$1.3 million for fiscal year 2006 and returned those funds to the General Revenue Fund as required by Rider 69, page V-23, the General Appropriations Act (79th Legislature).

¹ This projection was based on financial data from the first two quarters of fiscal year 2006.

2. U. T. System: Report on State Auditor's Office recommendations regarding correctional managed health care funding requirements at U. T. Medical Branch - Galveston (cont.)

*An Audit Report on
Correctional Managed Health Care Funding Requirements
SAO Report No. 07-017*

The Correctional Managed Health Care Committee also has complied with the reporting requirements outlined in Rider 46, page V-20, the General Appropriations Act (79th Legislature).

Summary of Management's Response

The UT Medical Branch generally agrees with the recommendations; however, it disagrees with the adjustments made by the State Auditor's Office for \$311,220 in torts and other judgments and \$36,615 in moving and relocation expenditures.

The Texas Tech Health Sciences Center agrees with its recommendation.

The Correctional Managed Health Care Committee also provided responses to this report. Those responses are presented in Appendix 4.

Summary of Information Technology Review

UT Medical Branch. Auditors identified information technology weaknesses at the UT Medical Branch in the operations and security of certain financial systems. The UT Medical Branch was unable to provide documentation that could be tested to ensure the accuracy and completeness in the cost accounting system of approximately \$90 million in correctional managed health care expenditures processed from the financial accounting system. The UT Medical Branch's employees also share user accounts for some system components, which prevents the UT Medical Branch from identifying who accesses the systems.

The UT Medical Branch uses multiple systems to maintain correctional managed health care financial information, including a detailed financial system, a summary level financial reporting system, and a cost accounting system.

Auditors did not review the detailed transaction processing in the UT Medical Branch's financial system or its cost accounting system. However, we reviewed the inputs and outputs of the UT Medical Branch's financial reporting system.

Texas Tech University and the Texas Tech Health Sciences Center. Texas Tech has worked to correct many of the information technology issues the State Auditors Office previously identified, and it is implementing a new financial system that should address the other issues that have not yet been corrected. Texas Tech performed a complete review of the access for its purchasing section and revised access to eliminate issues related to segregation of duties.

The Texas Tech Health Sciences Center uses multiple systems to provide correctional managed health care financial information, including a financial system to process expenditure and revenue transactions and a reporting

2. U. T. System: Report on State Auditor's Office recommendations regarding correctional managed health care funding requirements at U. T. Medical Branch - Galveston (cont.)

*An Audit Report on
Correctional Managed Health Care Funding Requirements
SAD Report No. 07-017*

database for users to extract correctional managed health care data. Auditors did not review the processing of transactions through the financial system.

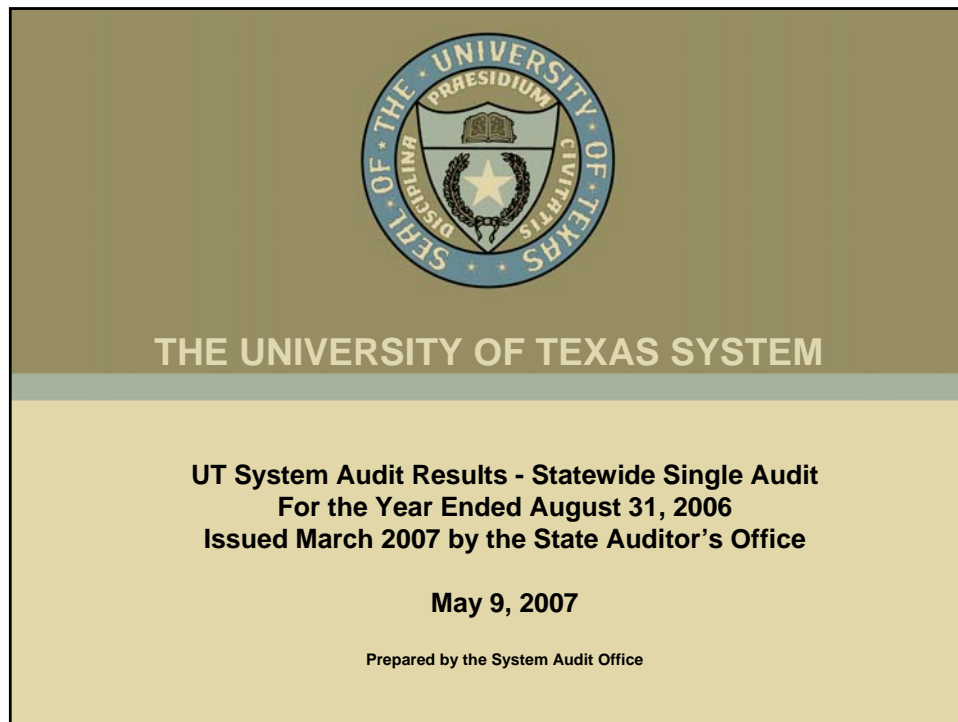
Summary of Objectives, Scope, and Methodology

The audit objectives were to examine the deficit for the 2006-2007 biennium that was reported and projected by the Correctional Managed Health Care Committee and to follow up on recommendations in prior State Auditor's Office reports.

The audit scope covered projected and actual deficit calculations for the 2006-2007 biennium.

The audit methodology included testing revenues and expenditures for allowability and accuracy; reviewing the reasonableness of the budgeting process; and reviewing and testing the available balances and unobligated funds reported by the Correctional Managed Health Care Committee.

3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006



The slide features the University of Texas seal in the top left corner. The word "Overview" is written in a large, light green font. Below this, the text "OMB Circular A-133 requirements:" is followed by a bulleted list of three items. The second item has two sub-bullets. A small number "2" is located in the bottom right corner of the slide.


Overview

OMB Circular A-133 requirements:

- Annual audits of expenditures of federal awards
- Assessment of internal controls over federal programs deemed to be major
 - *Research and Development (R&D)*
 - *Student Financial Aid (SFA)*
- Assessment of compliance with major program requirements

2

3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)




Overview (con't.)

State of Texas report:

- Includes most agencies in Texas including UT institutions
- Issued in March of 2007 for year ending August 31, 2006
- Includes an opinion from KPMG
- References R&D and SFA work performed by State Auditor's Office (SAO)
- Includes status of open prior period findings
- Submitted to Federal Audit Clearinghouse and to Federal Agencies receiving findings

3




Overview (con't.)

UT institutions selected for testing in 2006 include:

- UT Austin (R&D, SFA)
- UT Health Science Center – San Antonio (R&D)
- UT Permian Basin (SFA)
- UT San Antonio (SFA)
- UT Southwestern (R&D)
- UT Tyler (SFA)

4

3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)




Overview (con't.)

Any exception deemed to result in an error of \$10,000 or more is required to be reported. Errors found are not extrapolated. Types of findings include:

- Internal control
 - *Material weakness*
 - *Reportable Condition*
- Compliance
 - *Material noncompliance*
 - *Noncompliance*

5




Results – New Findings

UT institutions received 22 findings in total:

➤ Internal control	
➤ <i>Material weakness</i>	1
➤ <i>Reportable condition</i>	<u>21</u>
	22
➤ Compliance	
➤ <i>Material noncompliance</i>	1
➤ <i>Noncompliance</i>	17
➤ <i>None</i>	<u>4</u>
	22

6

3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)




Results – New Findings (con't.)

Material weakness and material noncompliance finding:

- *Received by Permian Basin*
- *Student Financial Aid Disbursements for Federal Family Loan Education Program (FFELP)*
- *Questioned costs - \$0*
- *Based on expanded procedures by auditors, no fictitious students or inappropriate disbursements were identified.*

7




Results – New Findings (con't.)

Material weakness and material noncompliance finding (con't.):

- *Required notifications not sent to loan recipients*
- *Funds held longer than allowed prior to disbursement*
- *Evidence not maintained verifying students were not in default on prior loans and other required information*
- *Segregation of duties within financial aid should be improved – managers can award and disburse funds without approval*
- *Financial aid workers, including students, have inappropriate access to student systems and general ledger and can view sensitive information and create checks*

8

3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)




Results – New Findings (con't.)

Themes for research and development include:

- Allowable costs
 - *Incorrect NIH salary cap used at mid-year*
 - *Hourly employees working on federal grants not submitting monthly time and effort reports*
 - *Effort reports not submitted timely*
- Matching
 - *Certain matching requirements incorrectly labeled “mandatory” versus “voluntary”*
- Equipment
 - *Equipment tags missing; incorrect location*

9




Results – New Findings (con't.)

Themes for research and development include (con't.):

- Procurement, suspension, and debarment
 - *Certifications not obtained regarding suspensions and debarment*
 - *Documentation not maintained indicating compliance with procurement rules regarding bidding process or rationale to limit competition*
- Special tests – key personnel
 - *No policies or procedures in place to ensure changes in key personnel are approved and appropriate notifications are made to awarding agency*

10

3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)




Results – New Findings (con't.)

Themes for student financial aid include:

- Eligibility
 - *Annual loan limits not checked consistently*
 - *Students with low grades continued to receive aid*
 - *Students received Federal Supplemental Educational Opportunity Grant prior to receiving Pell*
 - *Inaccurate cost of attendance used to determine eligibility for student aid*
- Reporting
 - *Inaccurate cost of attendance reported by institution for Pell determination*

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Results – New Findings (con't.)

Themes for student financial aid include (con't.):

- Special tests and provisions
 - *Verification*
 - *Not verifying information submitted by student on financial aid application when requested*
 - *Disbursements*
 - *Disbursement notifications not sent or not sent timely*
 - *Funds held too long by institution prior to disbursement*
 - *Disbursements made too early to students*
 - *Undisbursed funds not returned to lender timely*
 - *Status changes*
 - *Student status change reports not submitted timely*

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3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)




Results – Prior Findings

The status of prior findings were reported as follows:

- 13 of 28 were deemed to be fully implemented
- 15 of 28 were partially implemented
- 9 findings reported as material weaknesses in internal control or material non compliance

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Results – Prior Findings (con't.)

Satisfactory progress had been made on the 9 findings relating to material weaknesses in controls and compliance:

- Implemented per SAO – 4
- Partially implemented per SAO and subsequently implemented by the institution – 3
- Partially implemented with full implementation expected in 2007 – 1
- Downgraded to reportable condition - 1

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3. U. T. System: Report on the Statewide Single Audit Report for the Fiscal Year ended August 31, 2006 (cont.)



Tracking

All SAO findings deemed significant by the institution will be tracked and reported upon quarterly to ACMR through the System-wide Significant Findings tracking report.

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5. U. T. System: Report on System-wide Institutional Compliance Activities

The University of Texas System Institutional Compliance Program 2nd Quarter Report Summary Fiscal Year 2007

The University of Texas System Institutional Compliance Program (Program) was established in 1998 to ensure that the entire U. T. System, including its 15 institutions, operates in compliance with all applicable laws, policies, and regulations governing higher education institutions. The responsibilities for the Program are outlined in the *Action Plan to Ensure Institutional Compliance* (Action Plan) approved by the Board of Regents in 1998 and updated in 2003. The Action Plan provides that the System-wide Compliance Officer is responsible for "apprising the Chancellor and the Board of Regents of the compliance programs and activities at System Administration and at each of the component institutions". The Action Plan also provides that the Compliance Officers at System Administration and at each institution are responsible and will be held accountable for a risk-based process that builds compliance consciousness into daily business processes, monitors the effectiveness of those processes and communicates instances of noncompliance to appropriate administrative officers for corrective, restorative and/or disciplinary action.

As outlined in the Action Plan, the System-wide Compliance Officer since 2000, Mr. Charles G. Chaffin, provides support to the institutional compliance officers by:

- Identifying emerging issues
- Facilitating best practice identification
- Providing training and support to each institution on those practices
- Working with institutions on reported instances of noncompliance
- Reporting System-wide compliance activities
- Coordinating System-wide compliance efforts (e.g. negotiating System-wide contracts)
- Advancing the discipline of compliance in higher education/health care.

System-wide Program Activity

During the 2nd quarter of FY 2007, System-wide program efforts included:

- Providing System-wide Compliance Program overview, historical perspective, and consolidated documentation in support of the upcoming compliance program independent assessment (peer review)
- Establishing an Information Security Roadmap identifying strategies for implementation of the *Action Plan to Enhance Information Security*
- Coordinating an Institutional Compliance Advisory Council meeting of the institutional compliance officers
- Revising the *Incident Reporting Policy and Procedures*
- Investigating several reported instances of institutional noncompliance
- Participating in Endowment Compliance Committee meetings
- Identifying and highlighting emerging compliance issues through the "In the News" email publication
- Promoting the U. T. System Compliance Program at a national level through hosting a compliance conference and coordinating track for the Association of College and University Auditors (ACUA) annual conference.

5. U. T. System: Report on System-wide Institutional Compliance Activities (cont.)

As the System-wide Compliance Officer is responsible for apprising the Chancellor and the Board of Regents on the status and activities of the Program, the following is an overall assessment of the Program:

The U. T. System has compliance programs in place, including active compliance officers and established executive compliance committees at each institution and System Administration. These programs include appropriate general compliance training taught to each new employee and continuing employee at least every two years. Using the *Model Standards of Conduct Guide* developed by the System-wide Compliance Office, each institution has developed its own guide to use as a basis for its compliance training. In addition, each institution has developed the following:

- Campus newsletters,
- Confidential reporting mechanisms,
- Risk assessments which identify key issues to be monitored and mitigated, and
- Training and monitoring plans at most of the institutions in a majority of the high-risk areas.

Opportunities for enhancement of monitoring plans exist in many areas, including research, clinical research billing and information technology (IT) security. Still other opportunities exist to improve compliance officer-driven monitoring and assurance activities, such as certifications, inspections, audits, and peer reviews. Additionally, a key opportunity for improvement exists in ensuring that each institutional Executive Compliance Committee (ECC):

- (1) Prioritizes and monitors the high-risk areas;
- (2) Ascertain that risk assessments have been conducted for all high-risk areas;
- (3) Ensures that monitoring plans exist for all high-risk areas and are reviewed for robustness; and
- (4) Ensures reports include the appropriate level of information.

Institutional Program Activity¹

Per the *Action Plan*, the compliance officers at System Administration and each institution are charged with the following responsibilities:

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

The following is a summary of the progress that the institutions have made in implementing these elements:

Compliance Committees:

Each institution has an ECC that meets at least quarterly to oversee the institutional compliance program. Quarterly meetings were held at each institution (excluding U. T. M. D. Anderson Cancer Center, which

¹ Details regarding activities at the institutional level are published in the *Institutional Compliance Program Quarterly Report for Q2 FY 2007*.

5. U. T. System: Report on System-wide Institutional Compliance Activities (cont.)

has rescheduled their meeting for May 1). In addition, U. T. Austin and U. T. Health Science Center – Houston, continue to hold monthly meetings. During FY 2007, the System-wide Compliance Office liaisons will attend ECC meetings and work with the compliance officers to ensure that each ECC improves in the four areas identified above.

Training and Awareness:

General compliance training is conducted using a variety of formats including online, classroom, and written materials. Employees are typically scheduled to receive general compliance training during orientation with refreshers on an annual or biannual basis. Compliance Officers have been effective at ensuring that General Compliance Training and Codes of Conduct guides are delivered to the appropriate personnel in a timely manner.

Risk Assessment:

Many ECCs review identified risks and approve the identification of "institutionally significant" compliance risks – risks that, if realized, would have a significant impact on the ability to achieve the goals and objectives of the institution.

Most institutions have identified between eight and 15 institutionally significant areas of high-risk, with multiple high-risk exposures within those areas. Common risk areas of focus during Q2 of FY 2007 include Asset Management, Clinical Billing, Endowments, Environmental Health & Safety, Human Resources, Information Resources/Security, Intercollegiate Athletics, Research, and Privacy (HIPAA, FERPA, Gramm-Leach-Bliley)

Specialized Training:

During the quarter, institutions conducted specialized training in many of the areas identified as high-risk, including: IT Security, Social Security Number (SSN) Confidentiality, Human Subjects Research, Laboratory Safety, Student Financial Aid, Animal Research, Medical Billing/Coding, NCAA, Hazardous Waste, Case Management, Research Administration, Technology Transfer, Post-award Administration, Sponsored Programs, Human Resources, Endowment/Development, Fire Inspection/Protection, Risk Management, Purchasing, Payroll, Patient Privacy, Medical Residents, and Records Management. Time & Effort training was developed by U. T. Medical Branch – Galveston, and shared with the other institutions.

Monitoring:

Designated responsible parties verified that monitoring activities are being appropriately performed for many of the high-risk areas. Numerous internal and external inspections and reviews were conducted on many of the risk items in Q2 FY2007. Identified instances of noncompliance typically resulted in corrective action being taken and monitoring plans being revised, when appropriate. New policies and procedures are being developed at most institutions for The University of Texas System Administration Policy UTS163, Guidance on Effort Reporting Policies.

Confidential Reporting:

Each institution has a confidential reporting mechanism with standardized review, resolution, and reporting procedures.

Reporting:

Reporting has been an area of emphasis the past two quarters. The standardized reporting format developed by the System-wide Compliance Office is being utilized by all programs to report to the institutional ECCs, the System-wide Compliance Officer and the Board of Regents.

5. U. T. System: Report on System-wide Institutional Compliance Activities (cont.)

Institutional Organizational Matters:

The new Compliance Officer at U. T. Austin began on March 1, and U. T. Tyler, U. T. Pan American, U. T. Health Center – Tyler, and U. T. Southwestern Medical Center – Dallas have hired new compliance staff members. U. T. Health Science Center – Houston and U. T. Health Science Center – San Antonio are in the process of hiring compliance staff members, and U. T. Southwestern Medical Center – Dallas is in the process of hiring additional compliance staff members. The Compliance Officer position at U. T. Dallas, which has been vacant since October 2006, has been re-scoped to a Compliance Manager.

Institutional Action Plan Activities:

Many of the Annual Action Plan deliverables established by each institution for FY 2007 are underway and focused on activities including: SSN confidentiality, IT security, enhancement of general compliance and specialized training, updating compliance risk assessments to include new risks, revisions to the Standards of Conduct Guide and Management Responsibilities Handbook, publishing compliance newsletters, conducting and/or facilitating inspections, audits, and peer reviews, driving certification processes, Enterprise Risk Management, facilitating control self-assessments, Macromedia Breeze implementations, hiring compliance staff and updating compliance websites.

Compliance Program Assessment

During the quarter, the Office of the Board of Regents coordinated the signing of a contract with Strategic Management Systems, Inc. to perform an independent assessment of the effectiveness and structure of the System-wide Compliance Program and the institutional compliance programs. Reviews of the System-wide Compliance Office and the System Administration Compliance Office will commence in the third quarter.