THE UNIVERSITY OF TEXAS SYSTEM

LEADING IN A COMPLEX WORLD

A Strategic Approach, 2015 - 2020

William H. McRaven, Chancellor

U. T. System Board of Regents’ Meeting
November 2015
ACTIONS TAKEN THUS FAR

Established direct lines of reporting

Established the Deputy Chancellor position as Chief Operating Officer

Routine leadership communication; expanded means of collaboration

Policy and rule review underway

Directed organizational assessment to align System Administration

Completed a review of compliance structure

Bridging Academic and Health Affairs

Developed the Central Bank Concept

Applying private sector practices to plan, design and construct institutional facilities
OVERVIEW

1. Mission
2. Operating Concept
3. Decision Process
4. Strategic Assessment
5. Quantum Leaps
MISSION
The mission of The University of Texas System is to improve the human condition in Texas, our nation and our world.

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

We are a state university system with global impact.
We will ensure that our academic and health care enterprises are world leaders in higher education, research and health care.

We will accomplish this task by establishing a mutually supporting system in climate, culture, and practice, where the strengths of one institution help reinforce the quality and competitiveness of the other members.
The System Administration will assist me in providing the **strategic direction** and **policy oversight** for our member institutions while ensuring that **each institution has the maximum latitude** to accomplish its academic, research and health care goals.

System Administration will add value by **focusing on the core competencies** of finance, development, marketing, construction, state and national level coordination, policy advice and security **to help ease the burden on the individual institutions**.
Collectively, we will orchestrate systemwide progress to identify the critical components that encumber student success, high quality research, meaningful discovery, and excellence in patient care. We will then aggressively undertake steps to eliminate these barriers.
To facilitate system collaboration and coordination we will build staffing mechanisms to include rigorous internal communications, dedicated coordination meetings, and robust leadership exchanges.
Additionally, we will work to identify and implement game-changing ideas that will propel the University of Texas System into the national and international discussion on all facets of education, research, health care and leadership. These ideas will be prioritized, funded and then brought to fruition through a deliberate and aggressive process of engagement.
We will be known world-wide for developing leaders in all fields of endeavor, but we will never forget that our responsibility is, first and foremost, to the people of Texas.

We are a state system with global influence.
Adapting the System for Greater Complexity and Increasing Rates of Change:

An Agile Decision Process
1. Identify the areas of interest
2. Prioritize the programs aligned with those areas
3. Develop an implementation plan
4. Ensure the plan is fiscally sound and appropriately constrained
5. Receive approval from the Board of Regents if resources are required
6. Execute the plan
7. Track and measure progress (eliminate or reduce if the initiative is not performing)
8. Communicate and collaborate throughout the process
PLANNING & EXECUTION PROCESS

A Disciplined Process

With Prioritized Resource and Budget Alignment

Actions are Tracked and Measured

Accountable Leadership Responsible for Execution

With a Common Operating Picture Achieved Through a 
*Rhythm of Communication*
STRATEGIC ASSESSMENT
A CHANCELLOR’S DUTY: CHARTING THE COURSE

COMMON THREADS:
Adapting to a changing state and world; enabling Texas to lead the nation in excellence in education, health, and research; being good stewards of resources.

COMMON CHALLENGES:
Global competition; access to growing segments of the population in need; balancing quality and growth; prioritizing resources.
WHAT WE DID

Sought understanding first...of our role as a public university system, of our environment, and of the impact of the environment on our role.
WHAT WE DID

Gathered volumes of data on current and trending conditions...from local to global...interviewed numerous experts and leaders, including each President and Provost in the System.
WHAT WE DID

Identified aspects of the environment relevant to our role and responsibility to Texas; and decided where to focus our effort as a System.
UNDERSTANDING OUR ENVIRONMENT
The population of Texas is projected to increase by 13 million residents during the next 20 years (48% growth).
The number of Texans 65 years or older will be the fastest growing age group, more than doubling in 20 years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.2M</td>
</tr>
<tr>
<td>2035</td>
<td>6.7M</td>
</tr>
</tbody>
</table>

The health care needs of a rapidly growing senior population will increase significantly.
IMPORTANT AGE GROUPS TO NOTE

People aged 25-44 will be the second-fastest growing age group.

**TEXAS POPULATION AGE 25-44 (IN MILLIONS)**

- **2015**: 7.7M
- **2035**: 11.5M

Skills and education of this demographic must keep pace with an ever-changing workforce to meet demands.
Among states with the largest 15-19 population, Texas is the only state with a growing 15-19 population.

**TEXAS POPULATION AGE 15-19 (IN MILLIONS)**

- **2015**: 2.0M
- **2035**: 2.7M

The demand for higher education will remain high.
GROWTH IN DIVERSITY

We are a Minority-Majority State now. By 2035, Texas will be a 70% Minority-Majority State.

NON-ANGLO SHARE OF TEXAS POPULATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>57.8%</td>
</tr>
<tr>
<td>2035</td>
<td>70.2%</td>
</tr>
</tbody>
</table>
OUR ECONOMY CONTINUES TO GROW

TEXAS CREATES MORE JOBS THAN ANY OTHER STATE IN THE US

EMPLOYMENT GROWTH, 2005-2014

1,795,727 Texas
574,894 California
498,035 New York
277,111 Washington
228,219 Colorado
TEXAS UNEMPLOYMENT RATE

THE UNEMPLOYMENT RATE CONTINUES TO DECLINE
GROWTH IN HIGHER EDUCATION ACHIEVEMENT

TEXAS CONTINUES TO INCREASE ITS PRODUCTION OF TALENT

<table>
<thead>
<tr>
<th>Degree Level</th>
<th>% Growth, 2004 - 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate’s</td>
<td>81%</td>
</tr>
<tr>
<td>Bachelor’s</td>
<td>43%</td>
</tr>
<tr>
<td>Master’s</td>
<td>44%</td>
</tr>
</tbody>
</table>

% GROWTH, 2004 - 2014
EDUCATION CONTINUES ITS POSITIVE IMPACT ON THE ECONOMY

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Lifetime Earnings in Millions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>$4.4</td>
</tr>
<tr>
<td>Doctoral</td>
<td>$3.4</td>
</tr>
<tr>
<td>Master’s</td>
<td>$2.5</td>
</tr>
<tr>
<td>Bachelor’s</td>
<td>$2.1</td>
</tr>
<tr>
<td>Associate’s Degree</td>
<td>$1.6</td>
</tr>
<tr>
<td>HS Diploma</td>
<td>$1.2</td>
</tr>
<tr>
<td>No HS Diploma</td>
<td>$1.0</td>
</tr>
</tbody>
</table>

HIGHER EDUCATION DELIVERS GREATEST EARNINGS TO THE TEXAS LABOR MARKET
YET ECONOMIC DISPARITY IS ON THE RISE

US WAGE GROWTH and DECLINE BY WAGE PERCENTILE, 2004-2014
EDUCATION HAS A DIRECT IMPACT ON THE ECONOMY AND ECONOMIC DISPARITY

THE EARNINGS GAP BETWEEN HIGH SCHOOL-ONLY AND COLLEGE GRADUATES IS ACCELERATING
EDUCATION’S IMPACT ON THE ECONOMY

HIGH SCHOOL-ONLY GRADUATES ARE 2X MORE LIKELY TO BE UNEMPLOYED
EDUCATION’S IMPACT ON THE ECONOMY

THE TEXAS WORKFORCE COMMISSION SHOWS THE STRONGEST GROWTH IN JOBS AT HIGHER EDUCATION LEVELS
EDUCATION'S IMPACT ON THE ECONOMY

THE NUMBER OF ENTRY LEVEL JOBS REQUIRING A MASTER’S DEGREE IS ON THE RISE
Texas’ human capital is at risk from challenges to our population health.

6 OF THE 7 LEADING CAUSES OF DEATH IN TEXAS ARE CHRONIC DISEASES.

CHALLENGES TO HEALTH AND WELL-BEING

HEART DISEASE
170.7

CANCER
156.9

LOWER RESPIRATORY DISEASE
42.4

STROKE
40.2

ALZHEIMER’S
24.3

DIABETES
21.6

RATE PER 100K POPULATION (AGE ADJUSTED), 2013
PHYSICIAN SHORTAGE AND THEIR DISTRIBUTION EXACERBATES CHALLENGES TO HEALTH, WELL-BEING, AND ACCESS TO CARE

LOW PHYSICIAN PER CAPITA RATE

(PER 100,000 MEMBERS OF THE POPULATION)

OUT OF 50 STATES

42nd PHYSICIAN PER CAPITA RATE

47th PRIMARY CARE PHYSICIANS
PHYSICIAN SHORTAGE AND THEIR DISTRIBUTION EXACERBATES CHALLENGES TO HEALTH, WELL-BEING, AND ACCESS TO CARE

SHORTAGE OF RESIDENCY SLOTS

OUT OF 50 STATES

37th PRIMARY CARE PHYSICIAN IN GRADUATE MEDICAL EDUCATION
PHYSICIAN SHORTAGE AND THEIR DISTRIBUTION EXACERBATES CHALLENGES TO HEALTH, WELL-BEING, AND ACCESS TO CARE

57% of physicians practice in only 5 counties.

These 5 Counties account for 44% of the Texas population.
PHYSICIAN SHORTAGE AND THEIR DISTRIBUTION EXACERBATES CHALLENGES TO HEALTH, WELL-BEING, AND ACCESS TO CARE

115 COUNTIES HAVE 5 OR FEWER PHYSICIANS

5 OR FEWER PHYSICIANS
PHYSICIAN SHORTAGE AND THEIR DISTRIBUTION EXACERBATES CHALLENGES TO HEALTH, WELL-BEING, AND ACCESS TO CARE

147 COUNTRIES

NO OB/GYN

HAVE 0 OB/GYN
The health care profession in Texas does not generally reflect the population for which it cares.

Physicians are one example:

**HISPANIC SHARE OF POPULATION**

- 40%

**HISPANIC SHARE OF PHYSICIAN POPULATION**

- 10%
SUMMARY OF THE ASSESSMENT

POPULATION GROWTH
- RAPID GROWTH
- URBAN FOCUS
- TRENDING DIVERSITY

ECONOMIC GROWTH
- HIGH GROWTH
- DIVERSE JOB BASE

ECONOMIC DISPARITY
- RISING WAGE INEQUALITY
- EARNINGS DIRECTLY RELATED TO EDUCATION LEVEL

HEALTH OUTCOMES
- RISING RATES OF CHRONIC DISEASE
- ACCESS IMPACTED BY SHORTAGE AND DISTRIBUTION OF PROFESSIONALS
THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

ORIGINAL NINE POINTS OF THE FRAMEWORK FOR EXCELLENCE

1. UNDERGRADUATE STUDENT ACCESS & SUCCESS
2. MAINTAINING EXCELLENCE IN THE FACULTY, ADMIN. & STAFF
3. RESEARCH
4. PRODUCTIVITY & EFFICIENCY
5. INFORMATION TECHNOLOGY INFRASTRUCTURE INVESTMENTS
6. PHILANTHROPY
7. PH.D. PROGRAMS
8. HEALTH & MEDICAL EDUCATION
9. EXPANDING EDUCATIONAL & HEALTH OPPORTUNITIES IN SOUTH TX/RIO GRANDE VALLEY
THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

UNDERGRADUATE STUDENT ACCESS & SUCCESS

Increase 4-year graduation rates relative to respective peers
THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

RESEARCH

Technology Transfer and Commercialization & Augment STARs Funding
THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

INFORMATION TECHNOLOGY INFRASTRUCTURE INVESTMENTS

Increase in computational power; shared services
EXPANDING EDUCATION & HEALTH OPPORTUNITIES IN SOUTH TEXAS

New University in South Texas, including a medical school
TEAMS THAT SERVE TEXAS WITH EXCELLENCE
COMMAND OF TEAMS
SCALING OUR STRENGTHS TO MAKE QUANTUM LEAPS
CHALLENGES TO THE STUDENT POPULATION
FOR THE CHALLENGES IN THE STUDENT POPULATION

There are issues in the student population. Attrition rates en route to a degree are concerning.

OUT OF 100 8TH GRADERS...
OUT OF
100
8TH GRADERS

68 WILL RECEIVE HIGH SCHOOL DIPLOMAS
OUT OF
100
8TH GRADERS

50
WILL ENROLL
IN COLLEGE
Out of 100 8th graders, 20 will graduate from college.
4TH GRADE READING LEVELS

HISPANIC
- Below Basic: 49%

ANGLO
- Below Basic: 19%
We will change higher education’s relationship with pre-K through 12 education and engage in a way never done before to maximize opportunities and outcomes.
THE TEXAS PROSPECT INITIATIVE

We will change higher education’s relationship with pre-K through 12 education and engage in a way never done before to maximize opportunities and outcomes.
THE TEXAS PROSPECT INITIATIVE

We will change higher education’s relationship with pre-K through 12 education and engage in a way never done before to maximize opportunities and outcomes.
TO ADDRESS THE NEED FOR LEADERSHIP
86% of global corporate leaders surveyed consider the world and business in a “leadership crisis.”
THE AMERICAN LEADERSHIP PROGRAM

We will implement a core curriculum of leadership on every campus in the UT System to build men and women of character and integrity who can lead our state, our nation and our world.
TO RECRUIT, DEVELOP, AND RETAIN THE BEST FACULTY
Outstanding faculty come to places that have outstanding students and outstanding students come to places that have outstanding faculty.
WIN THE TALENT WAR

We will make an unparalleled investment in pursuit of the next generation of outstanding faculty to ensure all our campuses have the world class scholars they need to meet the growing demands of our student population.
FOR THE CHALLENGES WE FACE IN DIVERSITY
THE POPULATION WE TEACH

UT SYSTEM DIVERSITY

32% WHITE STUDENT BODY
62% WHITE FACULTY
39% HISPANIC STUDENT BODY
11% HISPANIC FACULTY
7% AFRICAN AMERICAN STUDENT BODY
4% AFRICAN AMERICAN FACULTY
53% FEMALE STUDENT BODY
42% FEMALE FACULTY
THE DRIVE FOR DIVERSITY AND FAIRNESS

We will ensure qualified women and minorities will be considered for senior administrator positions.
FOR THE HEALTH OF TEXAS
TEXAS RANKS POORLY ACROSS MANY DISEASE CONDITIONS WHERE RISK FACTORS ARE MODIFIABLE.

TEXAS MUST BE HEALTHIER

TEXAS IS AMONG THE

20 WORST STATES FOR

% DIABETES
OBESITY
FLU VACCINATIONS
PRE-TERM BIRTHS
YOUTH TOBACCO USE

10 WORST STATES FOR

% ADULT INACTIVITY
OBESITY IN YOUTH
UNINSURED
THE UT HEALTH CARE ENTERPRISE

We will develop a collaborative health care enterprise that will leverage our size, our expertise, and connect our regional capabilities to ensure we provide Texas, the nation and the world with the finest health care possible.
THE UT HEALTH CARE ENTERPRISE

We will develop a collaborative health care enterprise that will leverage our size, our expertise, and connect our regional capabilities to ensure we provide Texas, the nation and the world with the finest health care possible.
THE UT HEALTH CARE ENTERPRISE

We will develop a collaborative health care enterprise that will leverage our size, our expertise, and connect our regional capabilities to ensure we provide Texas, the nation and the world with the finest health care possible.
THE UT HEALTH CARE ENTERPRISE

We will develop a collaborative health care enterprise that will leverage our size, our expertise, and connect our regional capabilities to ensure we provide Texas, the nation and the world with the finest health care possible.
FOR THE CHALLENGES IN BRAIN HEALTH
HUMAN COST

In America, neurological illnesses and mental disorders inflict inordinate human suffering every year.
A REVOLUTION IN BRAIN HEALTH

We will undertake an effort similar to the scale of the Manhattan Project to understand, prevent, treat, and cure the diseases of the brain.
SECURITY CHALLENGES FACING THE NATION
THE UT NETWORK FOR NATIONAL SECURITY

We will establish a Systemwide alliance of national security experts drawn from more than 40 centers and institutes to elevate Texas to a national authority on issues of critical importance facing the world today.
UT SOUTHWESTERN: BIO CONTAINMENT

UT AUSTIN: CLEMENTS & STRAUSS CENTERS

UTHSC HOUSTON: INFECTIOUS DISEASES

UTMB: BIO DEFENSE/INFECTIOUS DISEASES

UTSA: INSTITUTE FOR CYBER SECURITY

UTPB: COASTAL STUDIES CENTER

UTEP: INTER-AMERICAN BORDE

UTRGV: COASTAL STUDIES LAB
TO MEET THE NEEDS OF TEXAS
EXPAND THE SCALE OF OUR STRENGTH

We will broaden our footprint in the city of Houston to take advantage of its size, strength of institutions, and talent of the professionals in science, business, health care and the arts.
AERIAL IMAGES WITH DISTANCES TO TEXAS MEDICAL CENTER

AERIAL IMAGE WITH DISTANCES

THE GALLERIA

RICE

TEXAS MEDICAL CENTER

8.5 MILES
13 MIN
FROM CBD

OLD SPANISH TRAIL

UH

LO X 610

SOUTH MAIN

KIRBY

NRG PARK

SITE

BELLFORT

HOLMES

REED

Extension of Buffalo Speedway
SUMMARY
ETHOS
We build and sustain Texas’ finest institutions of higher education and health care.

Our priority is to the students and the patients in our care.
We are unyielding in our drive to advance student success, innovation and the well-being of the citizens of Texas.

We communicate in all directions and with the utmost transparency, so that the members of the System and those outside the organization see and understand all that we are doing.
We build trust through our actions — personal and professional; our credibility is our greatest asset.

Our actions are moral, legal and ethical and we hold ourselves accountable when we fail to achieve this standard.
We will be known as the most innovative, responsive and dedicated public university system in the nation.
LEADING IN A COMPLEX WORLD

A Strategic Approach, 2015 - 2020

William H. McRaven, Chancellor

U. T. System Board of Regents’ Meeting
November 2015