



THE UNIVERSITY of TEXAS SYSTEM

Nine Universities. Six Health Institutions. Unlimited Possibilities.

A Framework for Advancing Excellence throughout The University of Texas System

The University of Texas System
Chancellor Francisco G. Cigarroa, M.D.

As presented at the meeting of the Board of Regents, May 12, 2011

In very complex times, when our beloved University of Texas is confronted with a combination of Gordian challenges, it is important to maintain certain tenets in mind that are simple and yet profound. So, here before all of you today, as your Chancellor, I will begin this talk with a few simple tenets our university steadfastly holds "that are both true and sufficient to explain their appearances."

The first is our legacy of not settling for mediocrity, but instead following a continued trajectory towards greatness. While reflecting on this point, I recently pulled from a shelf in Bauer House a book on Ashbel Smith, the first President of the UT Board of Regents. I was particularly struck by his correspondence to a faculty member from Vanderbilt, whom Ashbel Smith wanted to recruit to be the chair of Latin and Greek at the University of Texas. Ashbel Smith wrote that if there was any likelihood that the University of Texas would shrink its ambitions, "*I would not devote my good leisure to any such University of Texas.*" In other words, being average was not acceptable since the very beginning of UT, as it is not acceptable now. I ask each of you to be steadfast to the tenet of holding onto a standard of excellence that speaks directly to our legacy, to our past, and to our future.

A second tenet I hold for you to remember as simple, tried, and true is the timelessness of our rich heritage passed onto our children on our campuses across Texas everyday – the constancy of the teachings of Plato and Shakespeare; the genius of Walt Whitman and Emily Dickinson; the scientific curiosity and discoveries of scientists such as Newton and Einstein. And a more recent example... the work of Nobel laureates Michael Brown and Joe Goldstein, who elucidated the regulation of cholesterol metabolism at UT Southwestern Medical Center, was greatly enriched through the talents and contributions of post-doctorate, graduate, and undergraduate students who are now contributing themselves to the field of science and medicine. I may add that Dr. Brown was my professor of

medicine when I was a third-year medical student and remains the best teacher I have had to date inspiring me to pursue academic medicine.

It is, after all, in the classroom, the laboratory, our hospital wards, and even the McDonald Observatory, where students and teachers learn the lessons of the past, exchange great ideas, recognize the unknown, and create an inspiring community of learning and discovery necessary for our future. Teaching and scholarly research go hand-in-hand in a university of the first class but both demand an unwavering pursuit for excellence. As Chancellor, I will protect this relationship as it is fundamental to a great university but I will also demand an unwavering pursuit for excellence. I ask each of you to hold onto the tenet of our educational heritage of protecting and fostering an environment that facilitates the creation of new knowledge and nurtures our students to be lifelong learners and future leaders of our state, our nation and our world.

A third tenet for guidance is that the health of a university is equal to the measure of its institutional resilience. In the 21st century, our universities and health institutions must be innovative, nimble, and adaptive — because the world we live in is changing at an astonishing pace.

Our *demography* has changed. Twenty years ago, the population of Texas was 17 million, but today it is more than 25 million and Texas is now a majority-minority state. Over the past 20 years, the college-age cohort in Texas has grown 38 percent.

Our *funding model* has changed. Twenty years ago, state funding for higher education accounted for nearly 38 percent of the budget for the UT System academic institutions and nearly 29 percent of the health institutions. Today it represents 20.7 percent and 12.8 percent, respectively.

Our *global competitiveness* has changed. Twenty years ago, American universities were global leaders in STEM areas, but today we cannot take this for granted. Twenty years ago, American universities were the destination points for the brightest graduate students from around the world. Twenty years ago, China had virtually no international students, but today more than 250,000 international students are pursuing graduate education in China. It is undeniable that nations around the world are emulating our nation's great universities but they have not yet been able to fully emulate our universities' greatest strength - the spirit of free expression and inquiry both essential for creating an environment that stimulates discovery and innovation.

Our *technology* has changed. Twenty years ago, email was not yet our primary means of communication, and smart phones, Facebook, Twitter, and other forms of social media did not exist. Today, UT Austin's supercomputer — Lonestar 4 — can provide 200 million processor core hours per year to the national scientific community. High-performance computing is no longer just desirable; it is required for our scientific work and our ability to attract and retain world-class faculty and students.

The truth is, measuring change in even 10-year segments is unproductive and obsolete in higher education. Change is taking place much more rapidly; in fact, we need to look at change on an annual basis. Just two years ago, the national recession had not yet significantly affected the Texas economy.

Today, we find ourselves facing a major historical moment in higher education. The institutions that introduce change – that renew, innovate and adapt to new developments – will become the leaders of the 21st century. The University of Texas has always had these characteristics within its culture and it is in our spirit and make-up to lead!

The impact of the UT System is far reaching and impressive. In fact, when I visit a campus, I am always inspired. I am very proud of what our institutions have accomplished under the leadership of our Regents, Presidents, faculty, staff and students. But in my philosophy of continuous improvement, we must persist in strengthening our value to all the people of Texas. It isn't enough to be good, we must be great. And it isn't enough to say we want to be great. We must track and quantify exactly what that means, and how much work it is going to take. We will need discipline, consistency, and tenacity in our self-evaluation, and a commitment to both excellence and productivity.

That is why last fall we began to create a comprehensive framework for our long-term commitment of renewal and accountability. I asked for the framework to include not just data or metrics, but comprehensive analytics that keep us informed and allow us to make effective and substantive decisions.

Today, I am introducing a plan that will make UT System institutions even more transparent and accountable to the students and families of Texas. It is a framework for advancing excellence across our campuses and it will better position us as a national model for higher education.

This framework will be anchored in our unwavering commitment to four areas of impact: opportunity, economic prosperity, quality of life, and stewardship.

Opportunity: UT System is committed to ensuring that Texas students have access to not only affordable, but also the highest quality undergraduate and graduate education, allowing them to grow and succeed as lifelong learners who adapt to a changing world.

Economic prosperity: UT System is committed to fueling prosperity through producing degrees of great value, world-class research, patents and partnerships with business and industry, community engagement, and the economic impact of employment.

Quality of life: The UT System is committed to improving lives through a more educated population, cutting-edge research, and community service that provides meaningful solutions to everyday problems.

Stewardship: UT System is committed to delivering all of this in the most efficient and productive manner possible.

Under this framework, built upon UT System’s nationally recognized platform of accountability, we will develop new methodologies for defining the most important goals and objectives, and our framework will provide a deeper understanding of our performance and a way to measure progress. It will indicate when we are off track and provide the guidance to set us back on track. And the framework will allow our outcomes to be easy to find, user friendly, and accessible to the public.

We will also evaluate how our performance compares nationally and internationally, what the trends are over time, and how well we are closing the gaps.

Then we will drill down even deeper. We will develop focused and meaningful profiles for each of our universities – and their colleges and various disciplines – to document key indicators in four areas: student success, faculty and research excellence, economic impact, and productivity and efficiency. We will also seek rigorous external peer reviews of our colleges to assure that we are continually improving in our educational and research missions.

Let me give you some specific examples of what I propose the UT System needs to do to strengthen these areas and improve the effectiveness of our universities and health institutions:

In the area of **Student Success:**

One of our highest priorities is to produce greater numbers of high-quality degrees as a System while minimizing the financial impact to our students. And we need to develop comprehensive enrollment management strategies to ensure that our UT System student population mirrors the changing face and growing population of Texas, while always maintaining excellence. We will set aggressive goals for improvement and tie our strategic plans, budgets, and timelines to these goals.

Specifically, we should measure our graduation success in the multi-faceted way that was presented to the Board of Regents last year in the Graduation Success Research Brief. We should create action plans to surpass the national averages in four-year graduation rates, with aspirations – and more importantly a commitment – to become the top performer nationally in each of our respective peer groups. UT Austin, under the leadership of President Bill Powers, is already focusing on improving its undergraduate curriculum, enhancing student advising, and emphasizing freshmen immersion research programs to better position our flagship to be among the top 5 U.S. public research universities with 4 year graduate rates exceeding 70 percent. It is our responsibility to further improve graduation rates, persistence rates, and total number of degrees conferred. This will allow us to enroll more freshmen, eliminate bottlenecks, and complete degrees in a more timely and effective manner which will enhance

access to our flagship and other campuses while protecting student/faculty ratios and mitigating increased costs.

Our universities must provide their students with outstanding teachers and undergraduate curricula and develop unique centers of excellence for the regions they serve. We must recruit, recognize, and reward great teachers, as our students deserve the very best faculty in the classroom.

The Council of Graduate Schools' PhD Completion Project shows that nationally, only about 45 percent of doctoral students complete their degrees in seven years. As Chancellor, I find this figure unacceptable. The University of Texas needs to provide leadership in compressing the time to receive a PhD. And because doctoral students can no longer be assured of a faculty position in the job market, we must do a better job of advising and mentoring them and helping them pursue multiple career opportunities whether in academia, business, or other arenas. We have the responsibility to and we must demand greater accountability at all levels in our doctoral degree programs, including a thoughtful review of how we fund graduate education, so that UT can successfully compete for the very best graduate students from around the world. This is linked to great faculty and stellar doctorate programs that garner a national and international reputation.

Our academic health institutions are also examining ways to improve medical education. Last year, the Board authorized a new initiative called TIME – the Transformation in Medical Education – which is developing pilot projects to increase the effectiveness, efficiency, and impact of medical education on modern medical health care. I would like to see these pilot projects move from conception to implementation as soon as possible, and realize a more seamless progression of our undergraduate students into our medical schools and dental schools. We must also expand medical education, graduate medical education, and biomedical research in Austin and in South Texas. Biomedical research, and the intellectual property and the commercialization that are derived thereof, are catalysts for the development of innovation hubs which are the seeds that give harvest to success in the biotechnology sector such as occurred in Boston, the Research Triangle, and the Silicon Valley.

In the area of **Faculty and Research Excellence:**

We must enhance our annual performance evaluations for both faculty and staff, including administration and myself, in the spirit of advancing excellence towards our mission. The awarding of tenure – and our post-tenure reviews– must be linked to the quality of teaching, scholarly advancement of disciplines and to service.

Rewarding great teaching at the undergraduate and graduate level is essential to the academic enterprise. Teacher evaluations must be a combination of peer review and student evaluations.

It is important to continue to fund the teaching excellence awards and the STARS program. The Regents' Outstanding Teaching Awards are the best in the nation to honor excellence in the classroom, and STARS funding is an outstanding tool for recruiting and retaining exceptional faculty. We must ensure that rising and gifted faculty can advance at our universities in both teaching and research.

In the areas of **Economic Impact, and Productivity and Efficiency:**

First and foremost, we must continue to demonstrate fiscal responsibility. And one of the most important productivity measures is the cost of producing degrees. On average, while our cost per degree – which includes undergraduate and graduate degrees across the System – is 37 percent more efficient than the national average, we can do even better such that we can bend the rising cost curve in higher education. To achieve the top national position in degree efficiency, we must maximize quality and minimize cost, but be absolutely unyielding in protecting the value of a UT degree and the UT brand.

Over the past five years, the System can document \$1.4 billion in savings, avoided costs, and new revenue generated which has served us well in addressing the current economic challenge. Our institutions have also cut their budgets as a result of declining revenue streams. With the cuts we have confronted and the additional cuts that will be made by the 82nd Legislature, our institutions could have reductions exceeding \$600 million.

In these lean times, it is critically important for UT System institutions to continue to share services and to maximize natural synergies. Organizational structures must be examined, administrative costs reduced and ineffective programs must be eliminated. Our resources must be used only for the advancement of excellence at our great university.

Our System presidents have been deeply involved in this process. Each of them has developed a plan, and each of them has worked very hard to minimize the negative effects of budget reductions on their campuses. And each of them knows that more reductions are coming and likely to be permanent. These are difficult times. Our presidents are working diligently to mitigate the adverse effects on students, and at the same time, recruit and retain outstanding faculty for the benefit of our students. The presidents are also looking at alternate revenue streams, including cultivating more private philanthropy and increasing technology transfer and the commercialization of research. The Board of Regents standing committee for Technology Transfer and Research Committee will help us succeed in this endeavor.

To all of the System presidents I offer my sincerest gratitude. I admire your courage, ingenuity, and fiscal discipline. You have shown incredible and remarkable grace under pressure. We could not have made these savings – and retained our excellence – without your support, your commitment, your creativity, and your leadership.

With declining financial resources, we have a responsibility to better utilize space. We must optimize time and space throughout the academic year. Classrooms must be used effectively all week, with little down time. And we must critically examine the productivity of our research space by developing productivity indices such as research revenue linked to space allocation and comparing our numbers to peer institutions. In fact, we should not build new buildings unless we are using our current space effectively, or our buildings become outdated and inefficient like our own homes.

We must utilize technology to enhance student learning and success. One crucial area where technology can improve performance is in our large gateway classes, where interactions between faculty and students can be improved. UT Austin, for example, is already partnering with researchers at Harvard and Carnegie Mellon University in a project that uses advanced instructional strategies and new technologies for large enrollment general education courses. The project includes interactive instructional materials, tutoring, and feedback mechanisms to give students stronger support and prepare them for tomorrow's workplace.

Blended and online courses will be critical to enhancing student access in courses and to providing greater flexibility in scheduling, so that more students can graduate on time. Online courses also help us to increase enrollment at campuses serving rural areas, as well as for non-traditional students who are completing their baccalaureate degrees.

The Board of Regents should strongly consider authorizing a merit-based grant program to foster leading innovations in blended and online courses being used by our faculty across the UT System. This should be a major emphasis of the UT System, bearing in mind that technology enriches rather than substitutes for great teaching.

All six UT System health institutions are using technology and the Internet to implement systems that will advance medicine in the 21st century. We cannot stand idle with our past accomplishments in this regard, and it will be essential to define a five-year plan for System-wide computing necessary to enhance education and research. Engineering, drug development, personalized health care linked to the understanding of genomics and proteomics and even enhancing how we deliver courses to our students, are all dependent on computational power.

As leaders in health care, our health institutions have also developed national models for clinical safety and effectiveness, health information technology, and patient-centered "health homes," but we need to do more to enhance patient safety and outcomes and lead in public health. Again, the presidents of our health institutions have shown exceptional leadership during these challenging times of cuts in General Revenue, even while health care reform is under way, which also will likely reduce medical reimbursement rates that will adversely impact

their budgets. These reductions are significant, given that the health enterprise is approximately two-thirds of the UT System's budget.

Improvements in the areas that I have mentioned will no doubt have a significant beneficial impact on the successful development of the five strategic initiatives I set forth last year, which are:

Supporting UT Austin in its quest to become the best public university in our nation. In this regard I am personally grateful and supportive of the findings and recommendations of UT Austin's Commission of 125. The distinguished members of the Commission of 125 contributed the gift of time, inspiration and ideas to advance excellence at UT Austin, and we owe them our gratitude and respect.

Expanding our health institutions to improve health and biomedical research. The State of Texas deserves an academic health center that is recognized in the top 5 in the nation, in addition to MD Anderson being the best cancer hospital in our nation, if not the world.

Enhancing academic and health professional education programs in South Texas and identifying synergies between UT Brownsville, UT Pan American and the Regional Academic Health Center and our regional campus in Laredo.

Helping our emerging research institutions to advance in their desire to become research intensive universities. Texas has only three members in the Association of American Universities, foremost among them, our flagship university. Texas deserves more, but becoming a member is extremely difficult and must be rigorously earned. It is a product of the excellent work derived from nationally recognized faculty, resulting in the creation of outstanding departments, which in turn attract outstanding undergraduate, graduate, and post-doctorate students. I submit to you that you cannot become a research intensive university without having highly successful undergraduate and graduate programs with stellar student outcomes. We will always strive for the most rigorous standards of excellence for our universities.

And we will continue to develop our research expertise as a global leader in energy.

To achieve these goals, philanthropy is a key component and continues to emerge as one of our most important revenue streams. Last year, the 15 UT institutions realized more than \$1 billion in gifts, new pledges, and testamentary commitments. Philanthropy is critical to our path toward achieving excellence and in reducing student debt through scholarships. We cannot advance our institutions without the support of friends, alumni, industry, communities, and foundations. We must do everything possible to engender trust and engagement from our philanthropic community which requires clear direction on our part and visible results that enhance our mission.

We will track philanthropy as a percentage of an institution’s expenditures, and we will work to increase it, reporting this information publicly, as well. The System and the Regents are committed to assisting the institutions that need our help at becoming exceptional in their philanthropic efforts.

So, the new framework I am proposing will serve two purposes: first, a systematic, focused, rigorous, and honest evaluation of our institutions’ performances, with the goal of improving operations and reaching the highest national levels of success; and second, a method to show our work to the world in a transparent, open, and easily accessible way.

* * *

“The University of Texas” holds a special meaning to all of us. It stands for excellence, integrity, pride, tradition, and personal achievement. Our alumni have forged a strong, lifelong bond with the outstanding universities in our System. The people of Texas look up to us, and we have a responsibility to meet their highest expectations.

Our greatest endowment is the public trust. We have a moral duty and responsibility to maintain that trust. But as we work to earn the trust of the people of Texas, we must first trust one another.

Each of us plays an integral role in the future of the UT System – the Regents as our governing board, amongst whose greatest responsibility is the selection of the University of Texas System leadership, as you did yesterday with the selection of a sole finalist for the presidency of UT MD Anderson; the Chancellor as the Chief Executive Officer of the University of Texas; and the Presidents. The input from our faculty, students, and staff advisory councils is also very important to assist us in making the best decisions as they are representative of the most important asset we have, our human capital. We are also greatly aided by the wisdom and support of our legislature and the involvement of the many committees and commissions of alumni and supporters who have offered their wise counsel at crucial times in our history. The University of Texas family is large and diverse, and we grow stronger when we listen to their voice.

Over the years, the Board of Regents has never deviated from enacting policies to protect the pillars of our University: education, research, and service. Since 1979, I have been exposed to some of America’s finest universities, and I do not exaggerate when I say that I have seen no stronger group than the UT System leadership and the 15 institution presidents. We will work together with the Board to advance excellence across the entire UT System, and we need your confidence such that we can effectively lead and manage our universities and health institutions.

We must move forward today with a shared common goal – to make each UT institution the best it can be among its national peers, in a spirit of transparency and full accountability. In doing so, the Board will develop policies based on inclusive input that advance excellence, and then UT System will ask the leadership and intellect of our campuses to determine how best to achieve the stated goals

for their own campuses, understanding that one size does not fit all. Universities simply cannot be micromanaged. I trust my presidents and I will hold them and myself accountable.

Chairman and members of the Board, I respectfully request that today you adopt this framework and its associated strategies as the path toward advancing our mission and enhancing our stewardship of The University of Texas System. It integrates seamlessly with the important work of the Task Forces on Blended and Online Learning and Productivity and Excellence. It will provide the System presidents and the public with clarity in direction on the UT System's next steps for continuous improvement. As your Chancellor, I will ensure, to the very best of my God-given abilities, that our University's best days are in our reach, and I need your support and confidence and the authority to accomplish the important work ahead.