

The background of the left side of the slide features a large, semi-transparent watermark of the University of Texas System seal. The seal includes the text 'UNIVERSITY OF TEXAS SYSTEM' at the top, 'PRÆSIDIUM' in the middle, and 'SIGILLUM' at the bottom. It also depicts an open book and a five-pointed star within a wreath.

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



# UT SYSTEM MISSION STATEMENT

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

The System will use its size, diversity, and quality to advance education, push the bounds of discovery, enhance population health, build stronger communities, and shape public policy for the common good.

Producing high quality human capital with a sense of service and the ability to lead, we will pursue solutions to the problems of our state, our nation and our world.

We are a state university system with global impact.

## OPERATING CONCEPT

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.

## OPERATING CONCEPT

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.

## OPERATING CONCEPT

**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**.

## OPERATING CONCEPT

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

## OPERATING CONCEPT

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**.

## OPERATING CONCEPT

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**



# THE STRATEGIC PLANNING AND 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

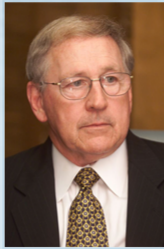
# A CHANCELLOR'S DUTY: CHARTING THE COURSE



DR. HANS M. MARK  
1984-1992



DR. WILLIAM H. CUNNINGHAM  
1992-2000



MR. R. D. BURCK  
2000-2002



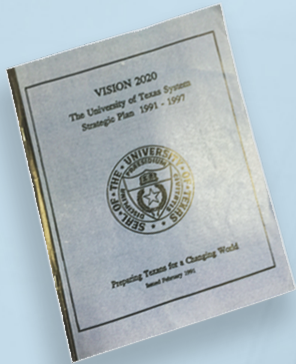
MR. MARK G. YUDOF  
2002-2008



DR. KENNETH I. SHINE  
2008-2009



DR. FRANCISCO G. CIGARROA  
2009-2015



## 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



# OUR POPULATION GROWS IN SIZE AND DIVERSITY

The population of Texas is projected to increase by 13 million residents during the next 20 years (48% growth).

TEXAS POPULATION  
(IN MILLIONS)



# IMPORTANT AGE GROUPS TO NOTE

The number of Texans 65 years or older will be the fastest growing age group, more than doubling in 20 years.

TEXAS POPULATION AGE 65+  
(IN MILLIONS)



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)



Skills and education of this demographic must keep pace with an ever-changing workforce to meet demands.

# IMPORTANT AGE GROUPS TO NOTE

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)



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.

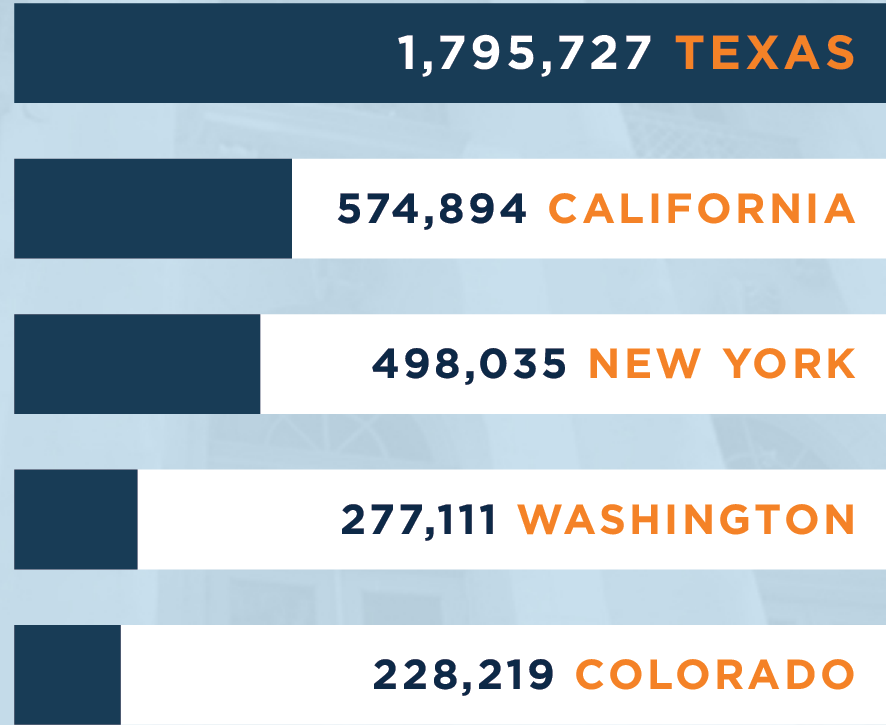
## NON-ANGLO SHARE OF TEXAS POPULATION



**OUR ECONOMY  
CONTINUES  
TO GROW**

**TEXAS CREATES  
MORE JOBS THAN  
ANY OTHER STATE  
IN THE US**

## EMPLOYMENT GROWTH, 2005-2014



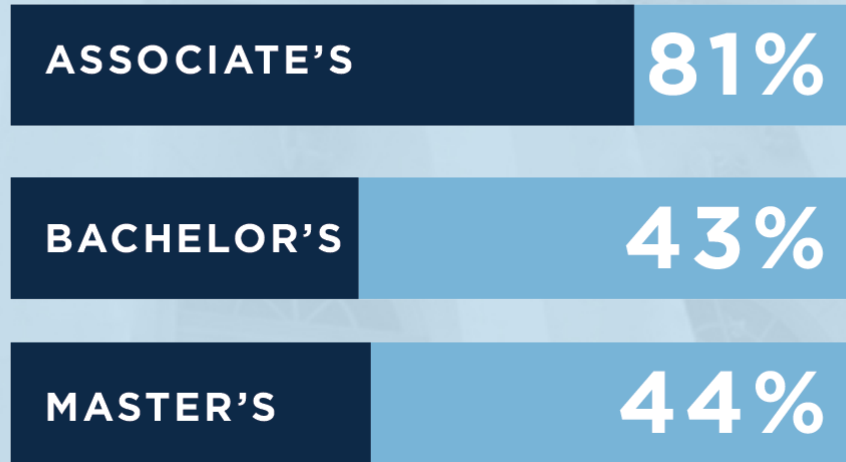
# TEXAS UNEMPLOYMENT RATE



**THE UNEMPLOYMENT RATE CONTINUES TO DECLINE**

# GROWTH IN HIGHER EDUCATION ACHIEVEMENT

TEXAS CONTINUES TO  
INCREASE ITS  
PRODUCTION OF  
TALENT



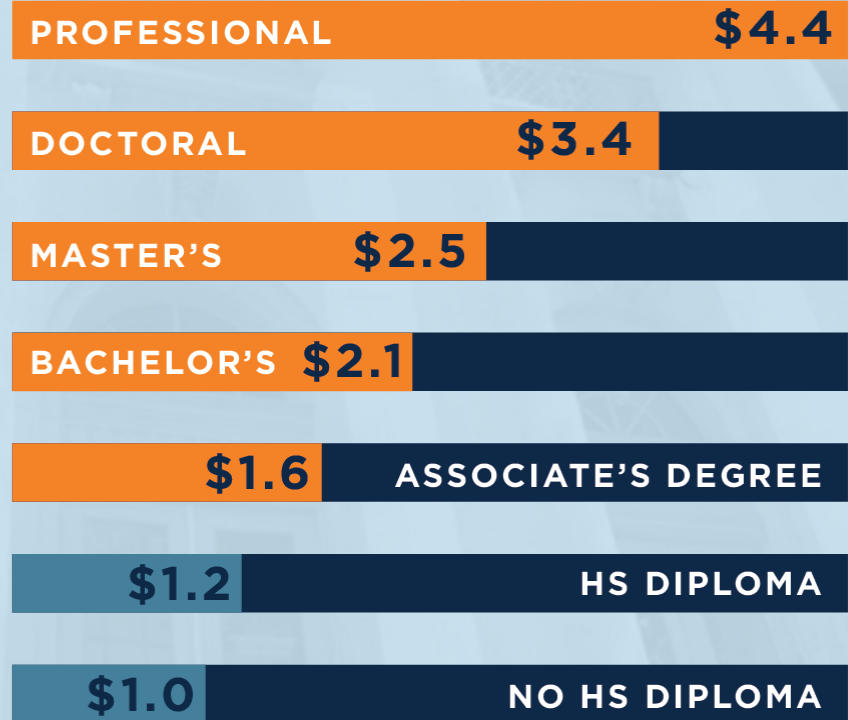
% GROWTH, 2004 - 2014



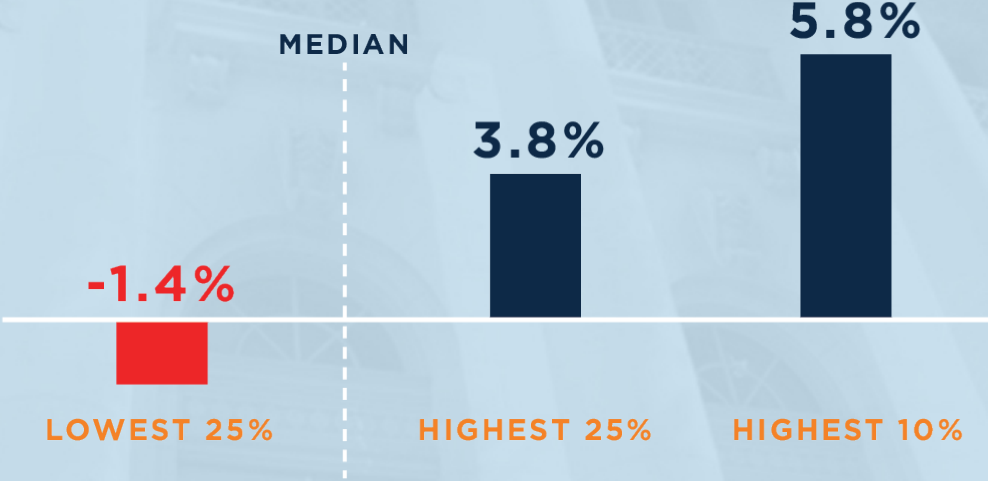
# EDUCATION CONTINUES ITS POSITIVE IMPACT ON THE ECONOMY

HIGHER EDUCATION DELIVERS GREATEST EARNINGS TO THE TEXAS LABOR MARKET

## LIFETIME EARNINGS IN MILLIONS OF DOLLARS



# 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



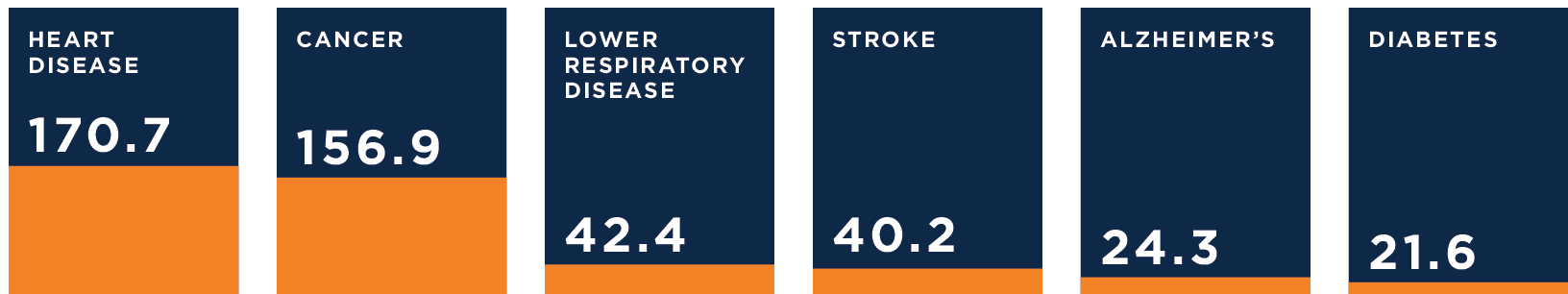
**THE NUMBER OF ENTRY  
LEVEL JOBS REQUIRING  
A MASTER'S DEGREE  
IS ON THE RISE**

# CHALLENGES TO HEALTH AND WELL-BEING

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.

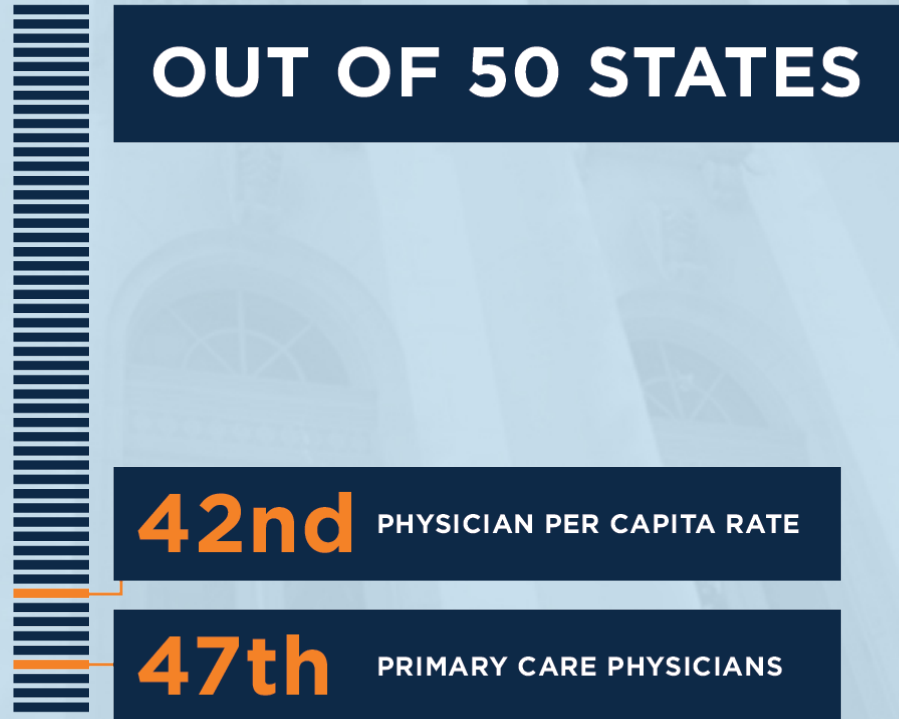


RATE PER 100K POPULATION (AGE ADJUSTED), 2013

# 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)





# 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

**254 TEXAS 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**  
COUNTRIES

HAVE

**5**

OR FEWER PHYSICIANS

**5 OR FEWER PHYSICIANS**



# PHYSICIAN SHORTAGE AND THEIR DISTRIBUTION EXACERBATES CHALLENGES TO HEALTH, WELL-BEING, AND ACCESS TO CARE

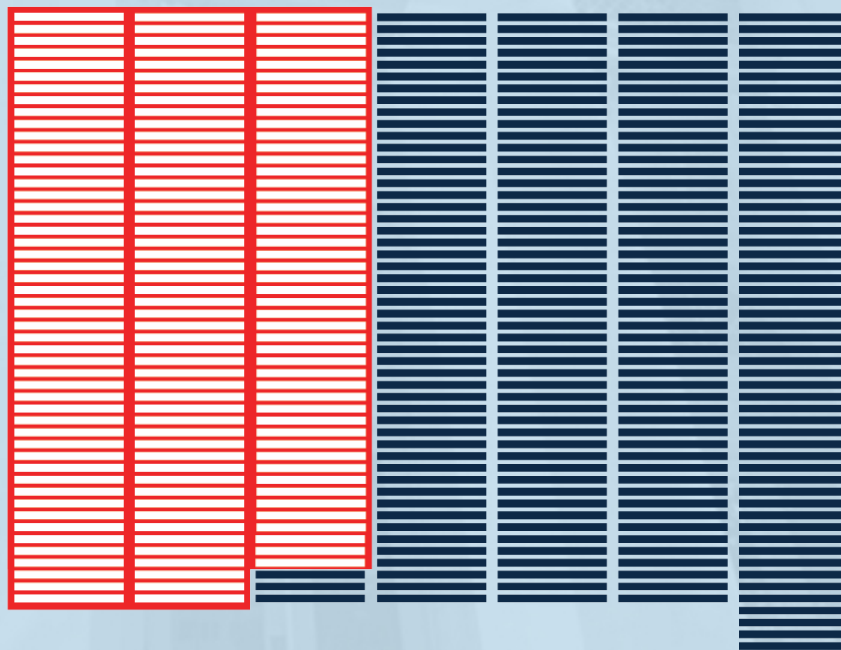
**147**  
COUNTIES

HAVE

**0**

OB/GYN

NO OB/GYN



# OTHER CHALLENGES TO HEALTH AND WELL-BEING

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%**

A horizontal bar chart with a dark blue background. The bar is divided into two segments: an orange segment on the left representing 40% and a dark blue segment on the right representing the remaining 60%.

**HISPANIC SHARE OF PHYSICIAN POPULATION**

**10%**

A horizontal bar chart with a dark blue background. The bar is divided into two segments: a small orange segment on the left representing 10% and a dark blue segment on the right representing the remaining 90%.

# SUMMARY OF THE ASSESSMENT



## POPULATION GROWTH

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RAPID GROWTH  
URBAN FOCUS  
TRENDING DIVERSITY



## ECONOMIC GROWTH

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HIGH GROWTH  
DIVERSE JOB BASE



## ECONOMIC DISPARITY

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RISING WAGE  
INEQUALITY  
EARNINGS DIRECTLY  
RELATED TO  
EDUCATION LEVEL



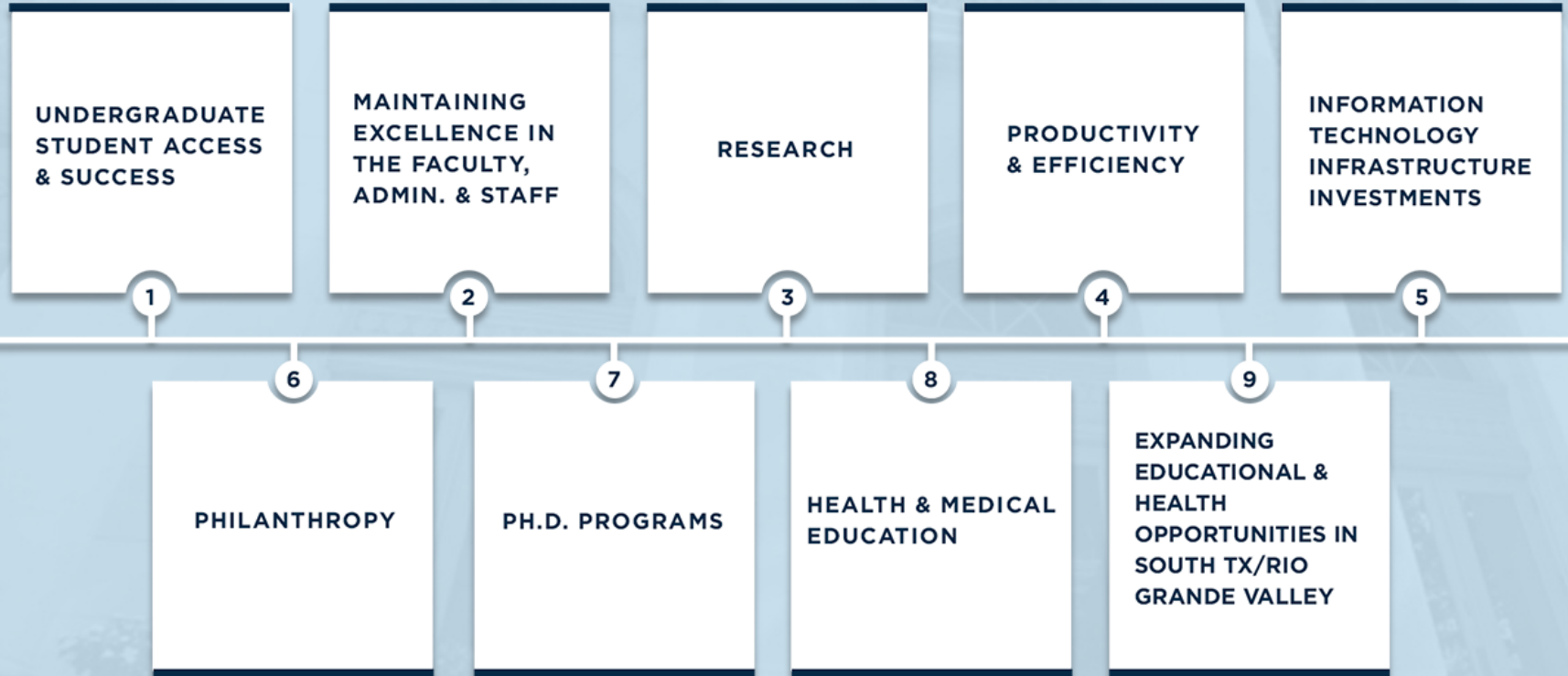
## HEALTH OUTCOMES

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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



# THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

## UNDERGRADUATE STUDENT ACCESS & SUCCESS

Increase 4-year graduation  
rates relative to respective  
peers

UNDERGRADUATE  
STUDENT ACCESS  
& SUCCESS

MAINTAIN  
EXCELLENCE  
THE FACULTY  
ADMIN. &

PRODUCTIVITY  
EFFICIENCY

INFORMATION  
TECHNOLOGY  
INFRASTRUCTURE  
INVESTMENTS

PHILANTHROPY

PH.D. PROGRAMS

HEALTH & MEDICAL  
EDUCATION

EXPANDING  
EDUCATIONAL &  
HEALTH  
OPPORTUNITIES IN  
SOUTH TX/BIG  
GRANDE VALLEY



# THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

## RESEARCH

Technology Transfer and  
Commercialization &  
Augment STARs Funding

UNDERGRADUATE  
STUDENT ACCESS  
& SUCCESS

MAINTAIN  
EXCELLENCE  
THE FACULTY  
ADMIN. &

PRODUCTIVITY  
EFFICIENCY

INFORMATION  
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# THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

## INFORMATION TECHNOLOGY INFRASTRUCTURE INVESTMENTS

Increase in computational  
power; shared services

UNDERGRADUATE  
STUDENT ACCESS  
& SUCCESS

MAINTAIN  
EXCELLENCE  
THE FACULTY  
ADMIN.

ACTIVITY  
EFFICIENCY

INFORMATION  
TECHNOLOGY  
INFRASTRUCTURE  
INVESTMENTS

PHILANTHROPY

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HEALTH & MEDICAL  
EDUCATION

EXPANDING  
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OPPORTUNITIES IN  
SOUTH TX/BIG  
GRANDE VALLEY

# THE DRIVE FOR EXCELLENCE REMAINS A CONSTANT

## EXPANDING EDUCATION & HEALTH OPPORTUNITIES IN SOUTH TEXAS

New University in South  
Texas, including a medical  
school

UNDERGRADUATE  
STUDENT ACCESS  
& SUCCESS

MAINTAIN  
EXCELLENCE  
THE FACULTY  
ADMIN. &

PRODUCTIVITY  
EFFICIENCY

INFORMATION  
TECHNOLOGY  
INFRASTRUCTURE  
INVESTMENTS

PHILANTHROPY

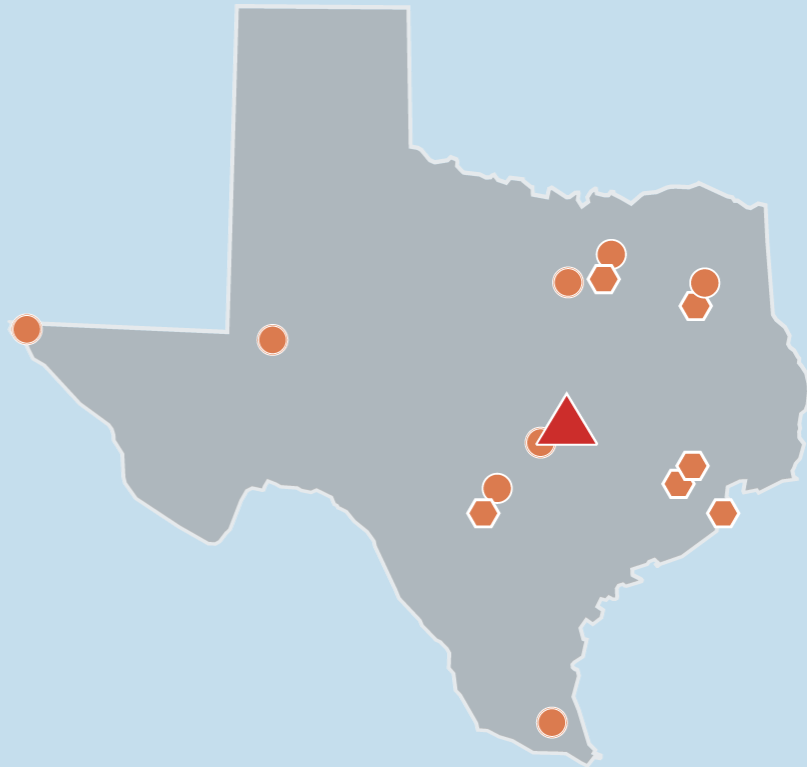
PH.D. PROGRAMS

HEALTH & MEDICAL  
EDUCATION

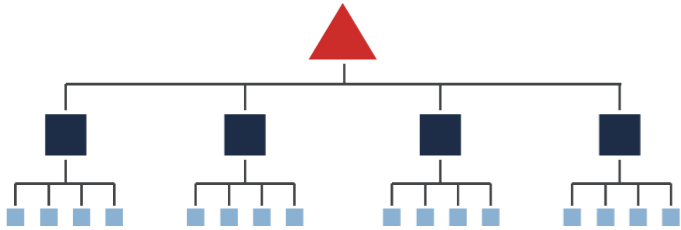
EXPANDING  
EDUCATIONAL &  
HEALTH  
OPPORTUNITIES IN  
SOUTH TX/BIG  
GRANDE VALLEY



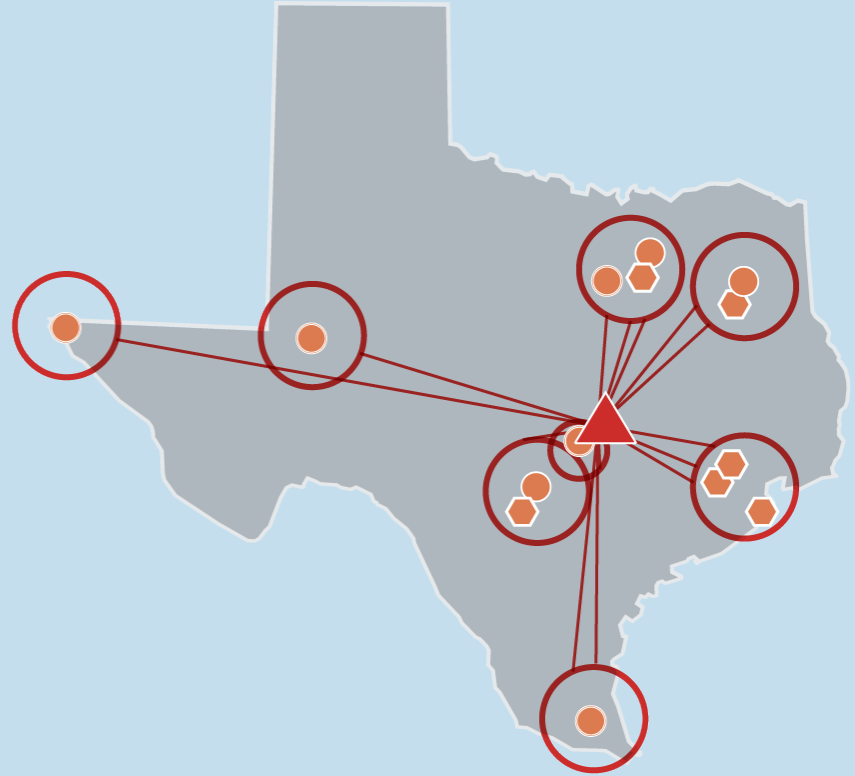
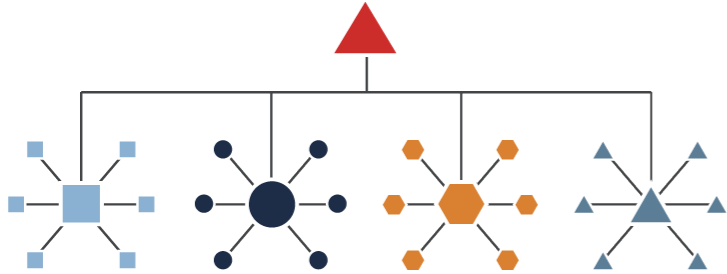
**TEAMS THAT SERVE TEXAS WITH  
EXCELLENCE**



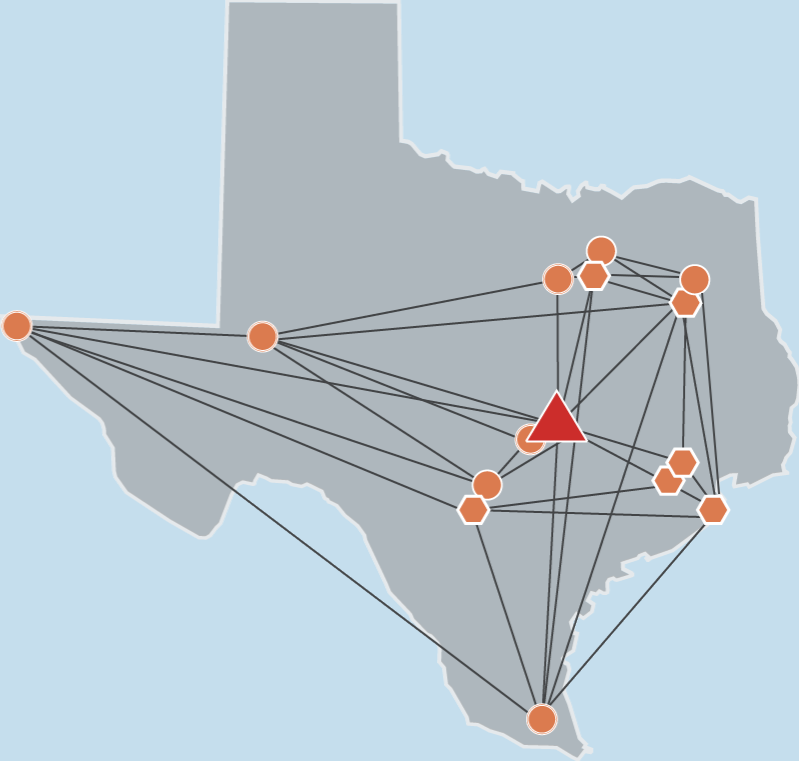
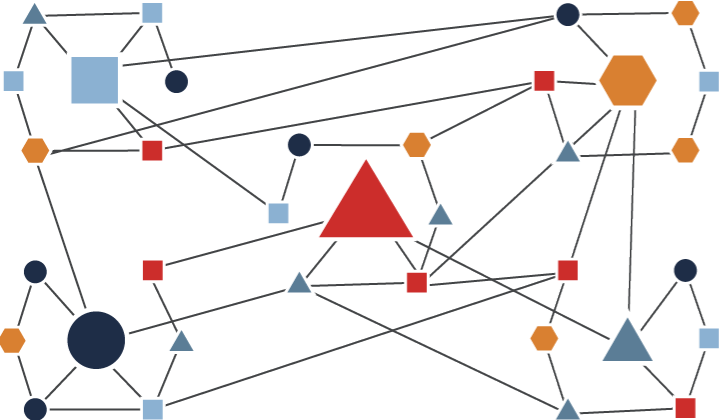
# COMMAND



# COMMAND OF TEAMS



# TEAM 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**

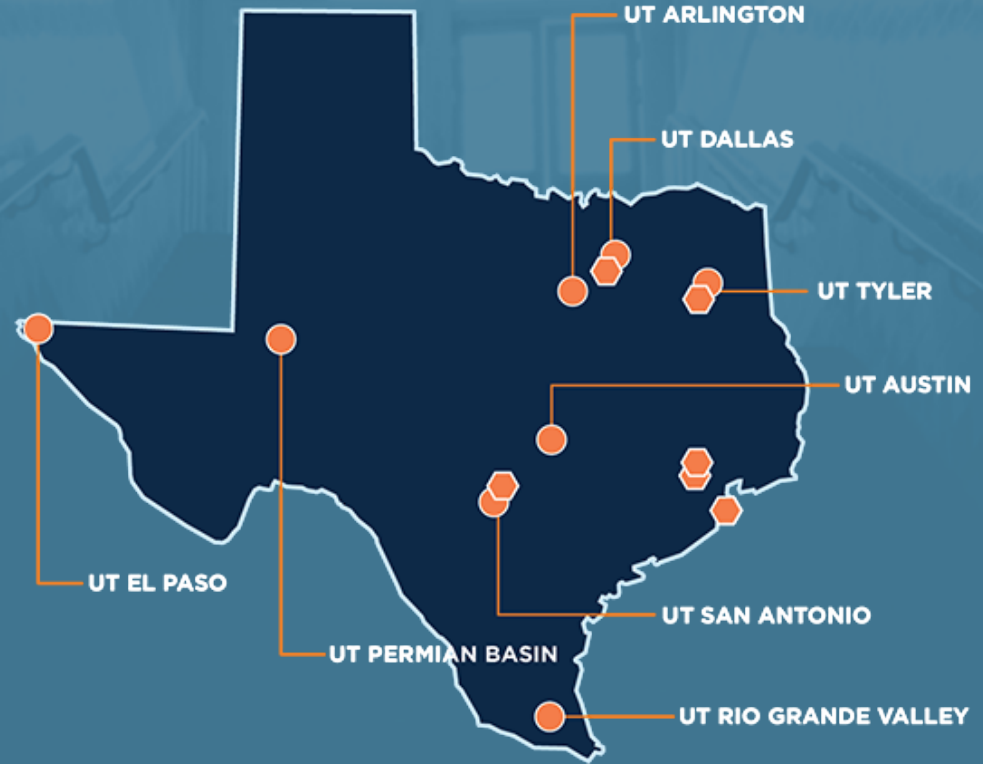


**ANGLO**



# 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.

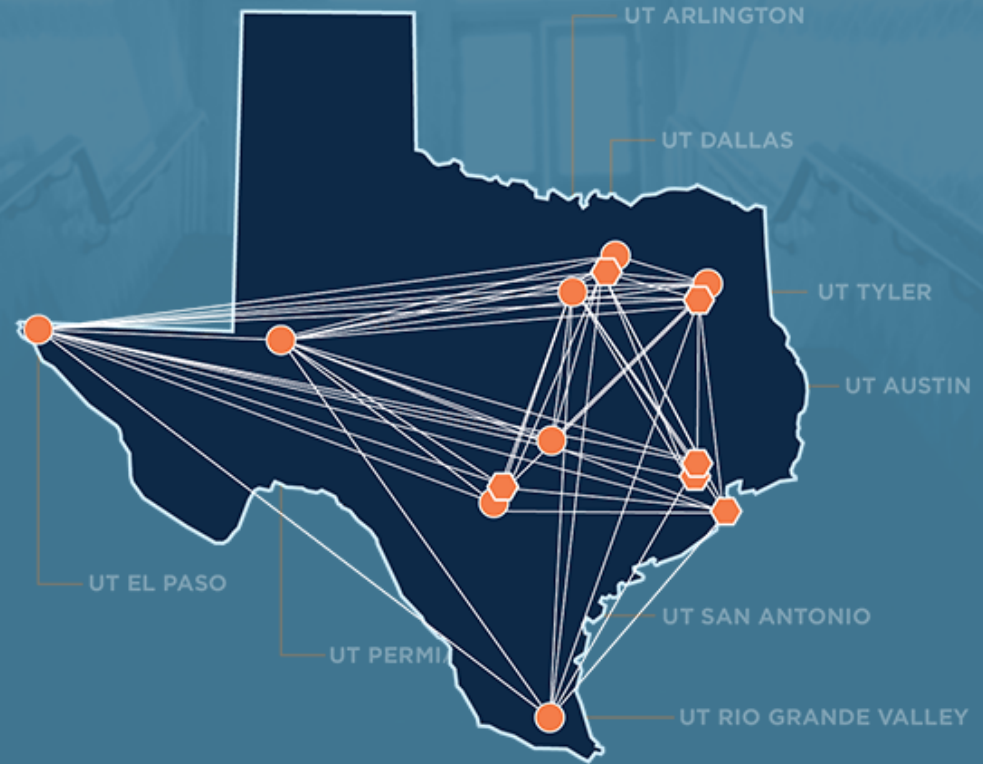






# THE TEXAS PROSPECT INITIATIVE

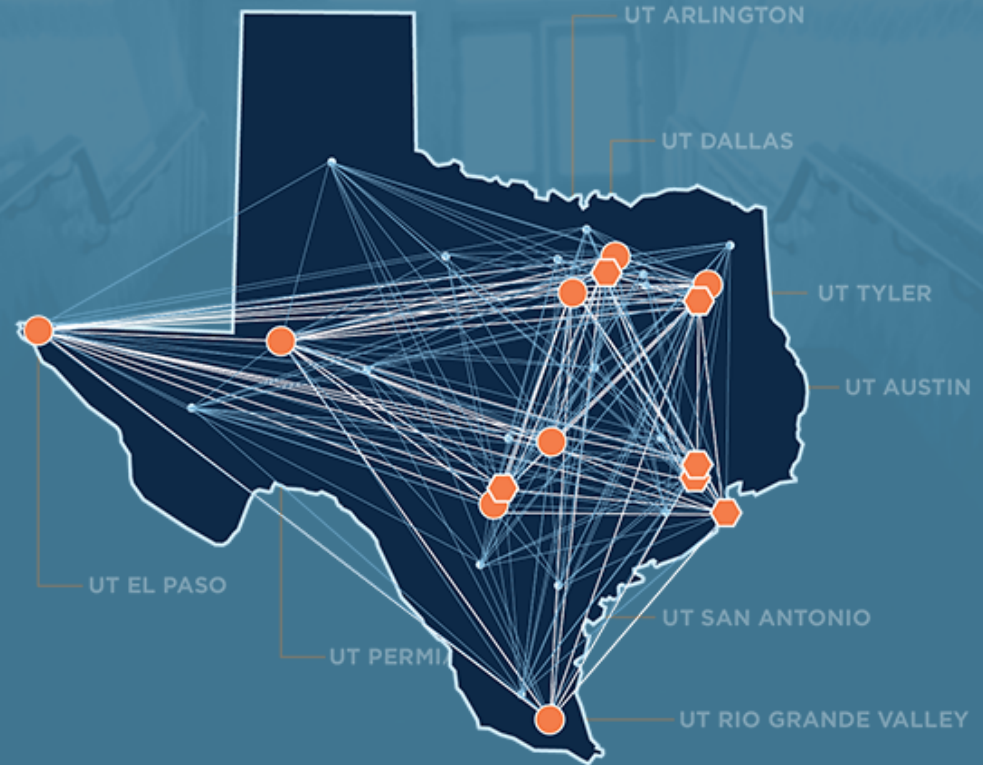
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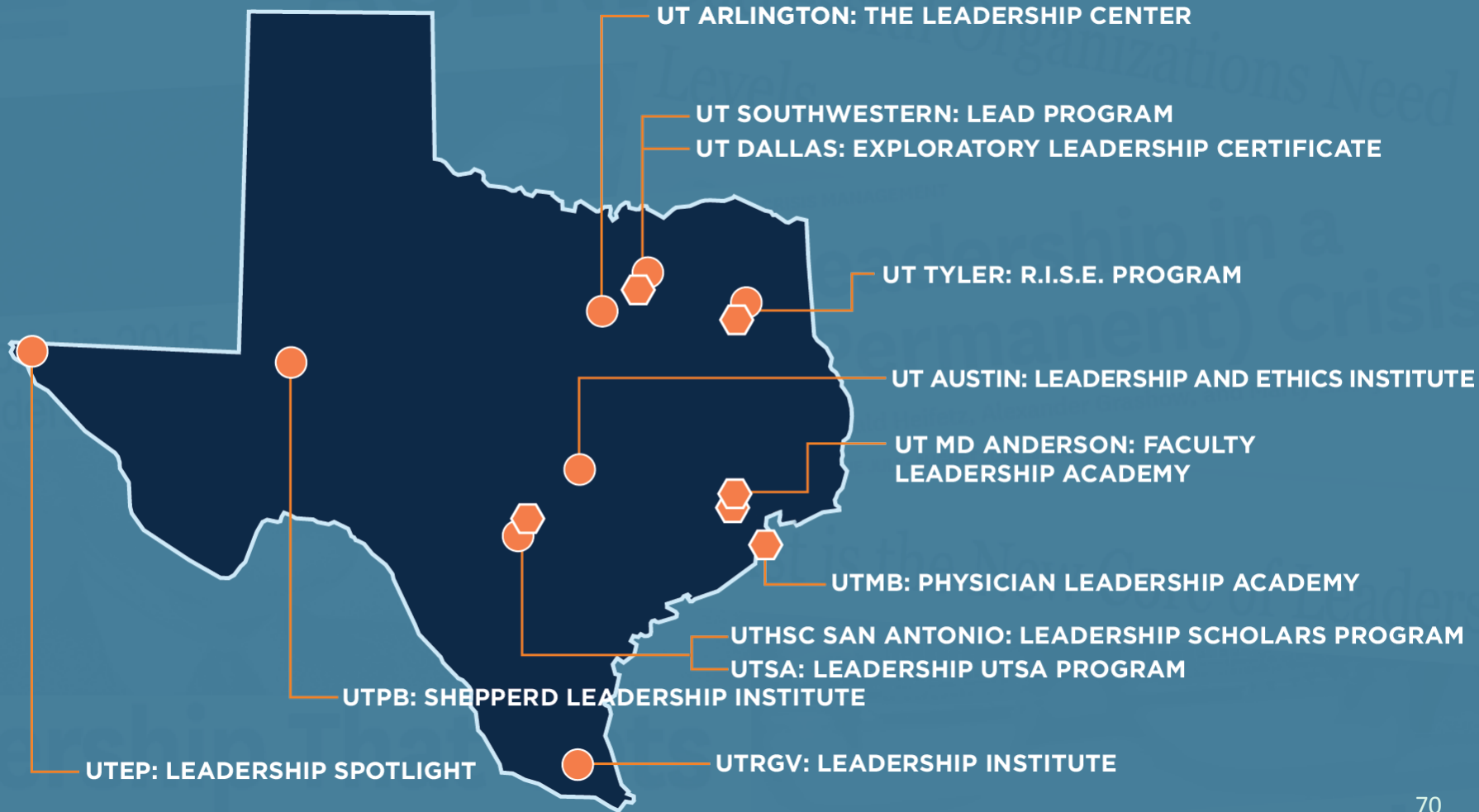
**TO ADDRESS THE NEED  
FOR LEADERSHIP**

# TO ADDRESS THE NEED FOR LEADERSHIP



86%

consider the world and business in a  
“leadership crisis.”

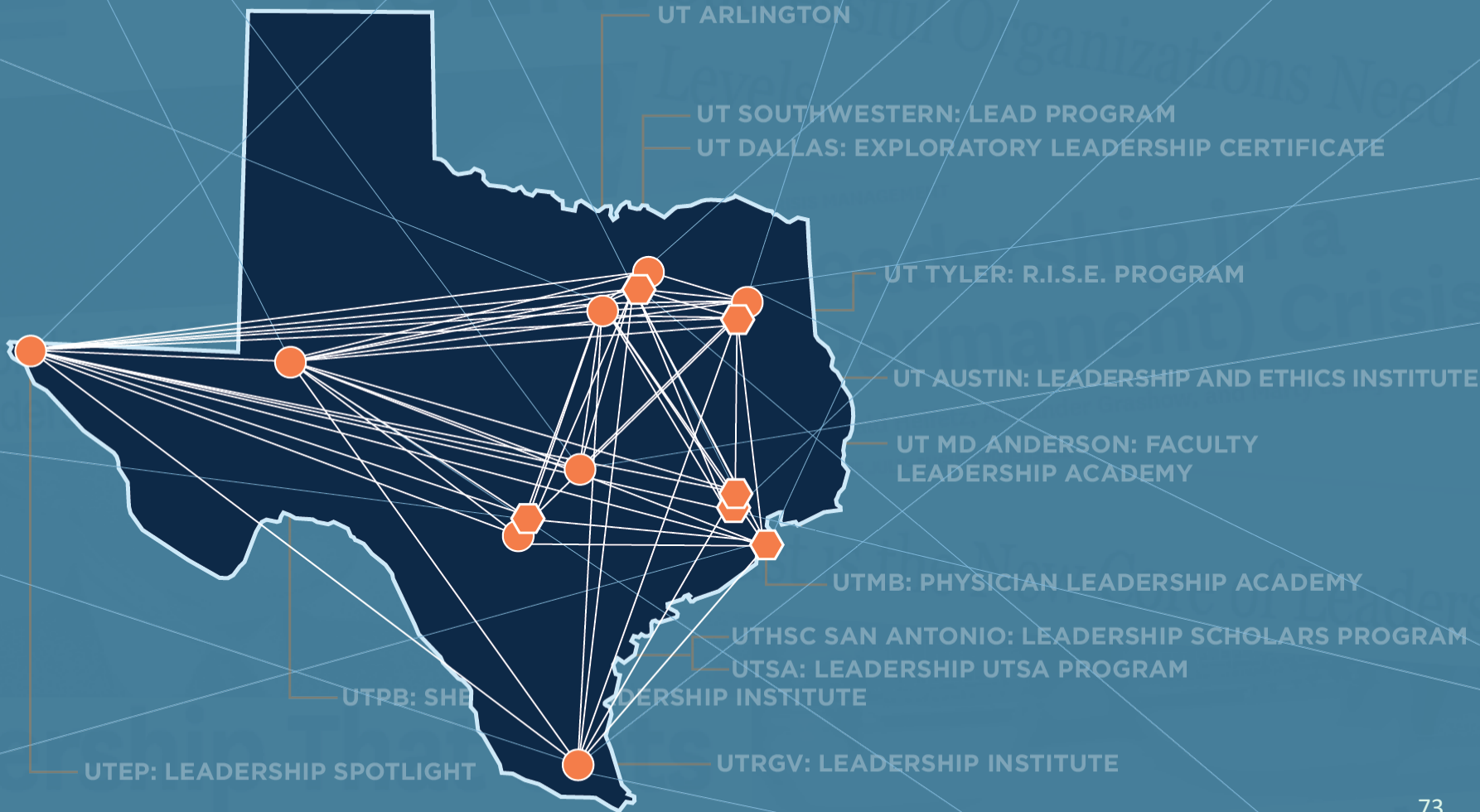




# **THE AMERICAN LEADERSHIP PROGRAM**

**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.**





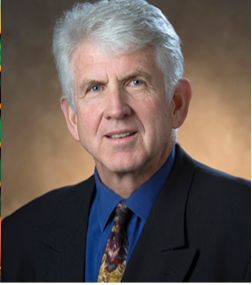




**TO RECRUIT, DEVELOP, AND  
RETAIN THE BEST FACULTY**



Dr. David Nygren  
UT Arlington



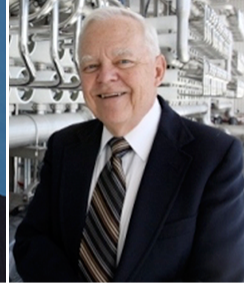
Dr. Bob Metcalfe  
UT Austin



Dr. Denise Park  
UT Dallas



Dr. Ravi Sandhu  
UT San Antonio



Dr. Thomas Davis  
UT El Paso



Dr. Rena Bizios  
UT San Antonio



Dr. James P. Allison  
UT MD Anderson



Dr. Bruce Beutler  
UT Southwestern

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



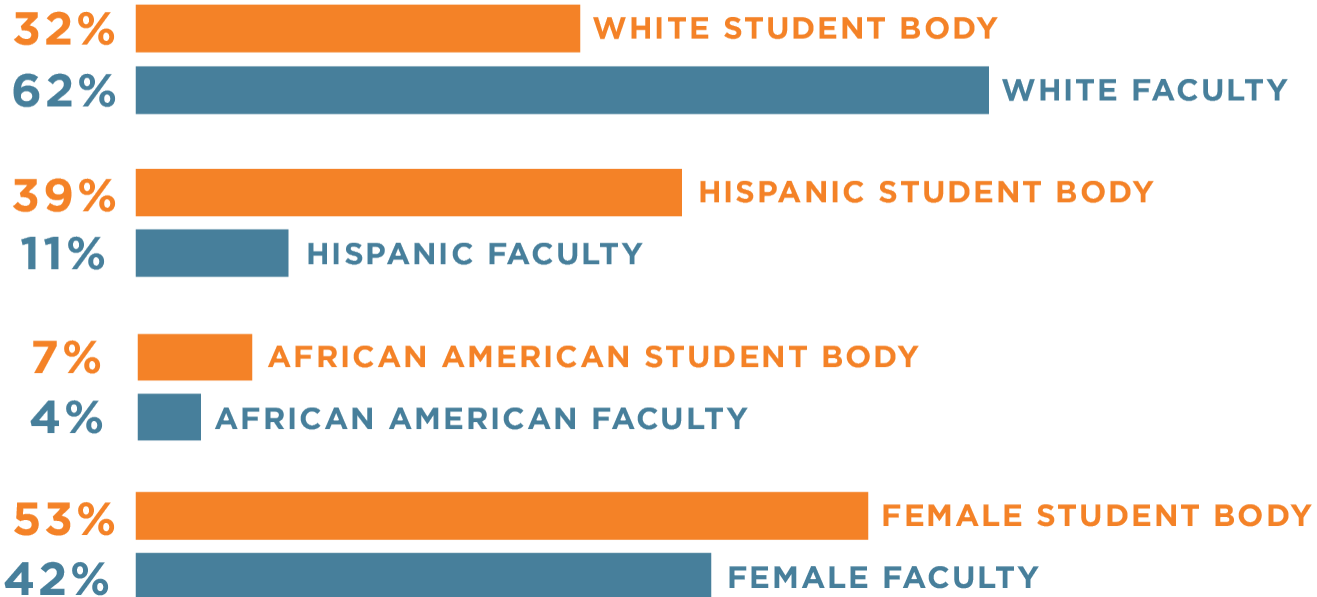
## **WIN THE TALENT WAR**

**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





# **THE DRIVE FOR DIVERSITY AND FAIRNESS**

**We will ensure qualified women and minorities will be considered for senior administrator positions.**

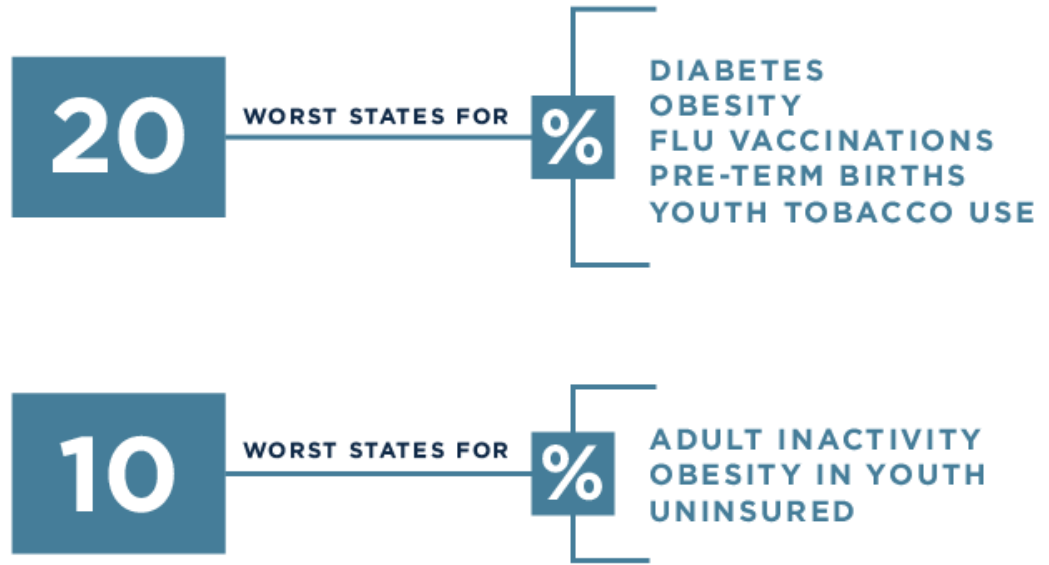
**FOR THE HEALTH OF TEXAS**



TEXAS RANKS POORLY ACROSS MANY DISEASE  
CONDITIONS WHERE RISK FACTORS ARE MODIFIABLE.

TEXAS  
MUST BE  
HEALTHIER

## TEXAS IS AMONG THE

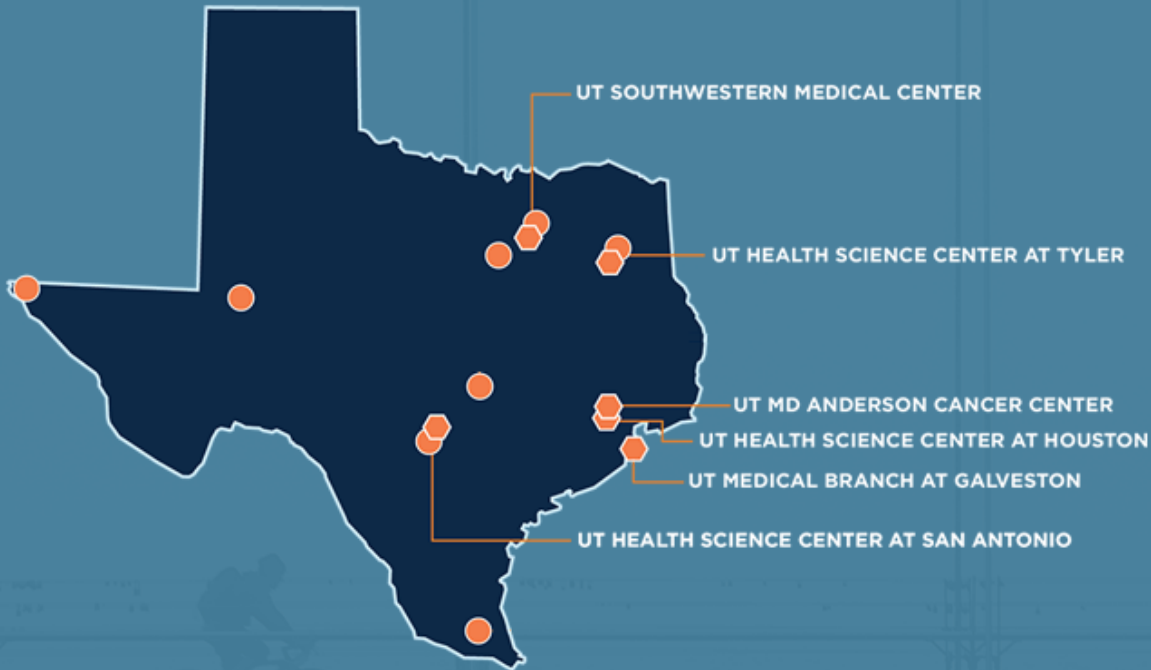






# THE UT HEALTH CARE ENTERPRISE

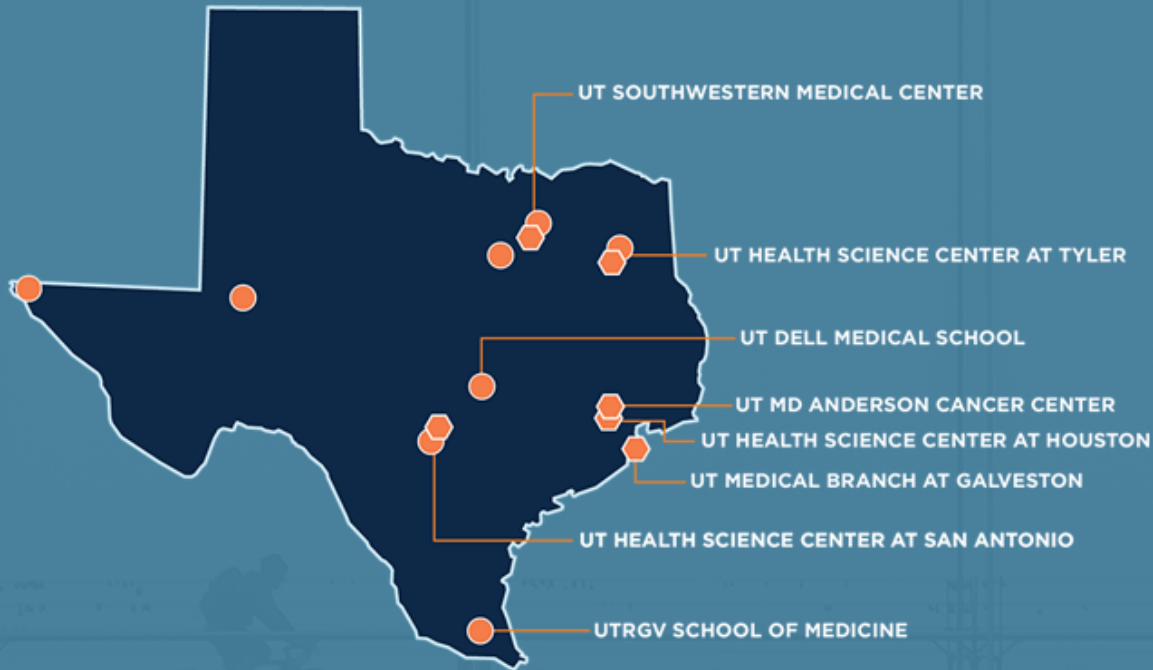
We will develop a collaborative health care enterprise that will leverage our size, our expertise, and connect our regional capabilities to ensure we provide Texas, the nation and the world with the finest health care possible.





# THE UT HEALTH CARE ENTERPRISE

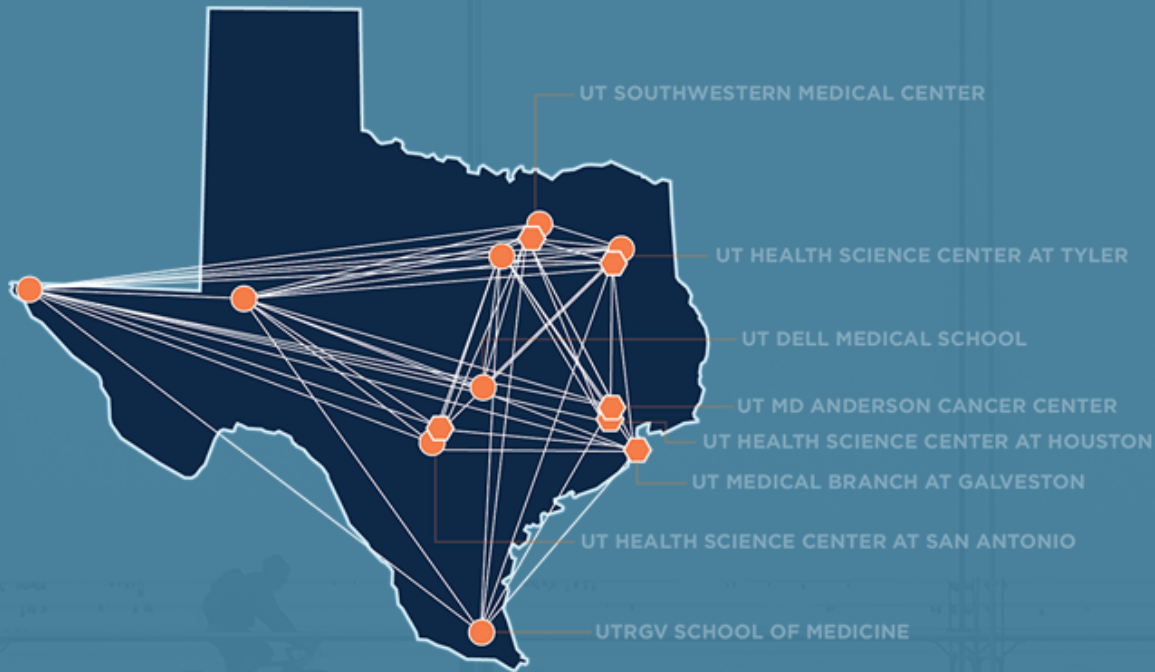
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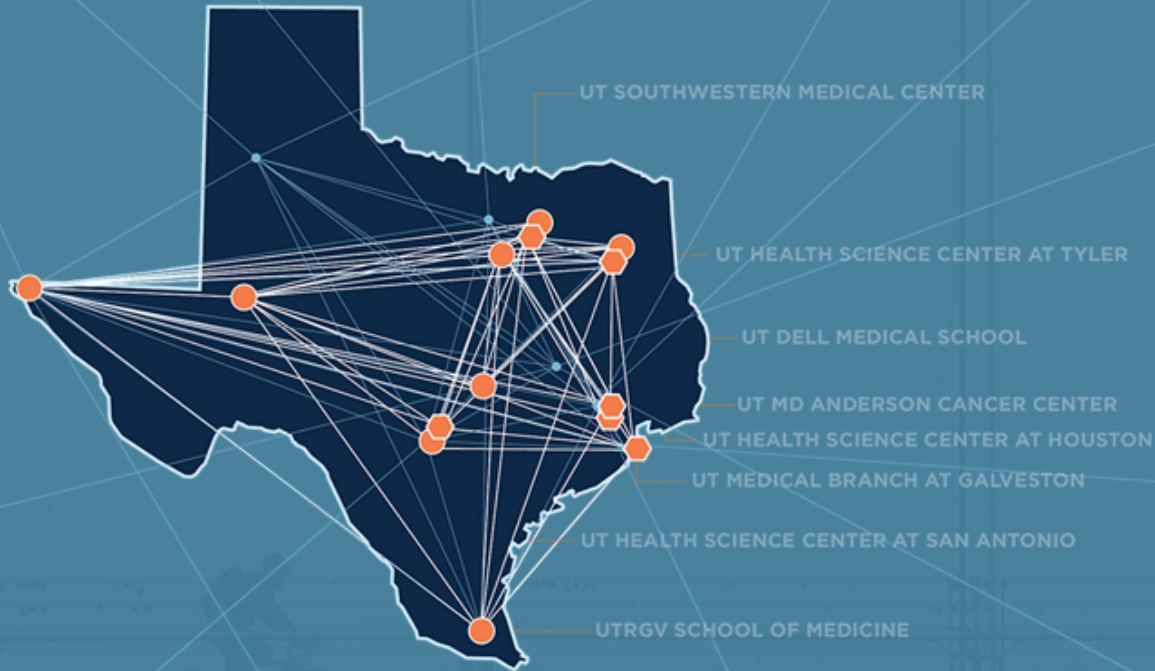
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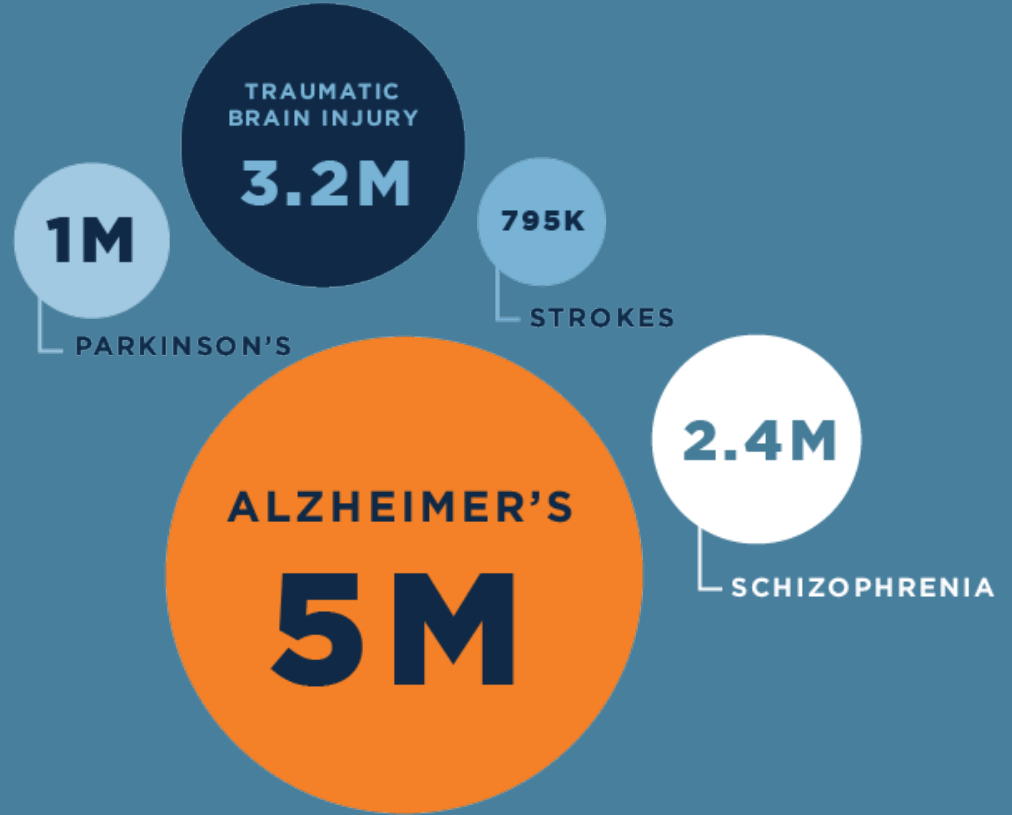
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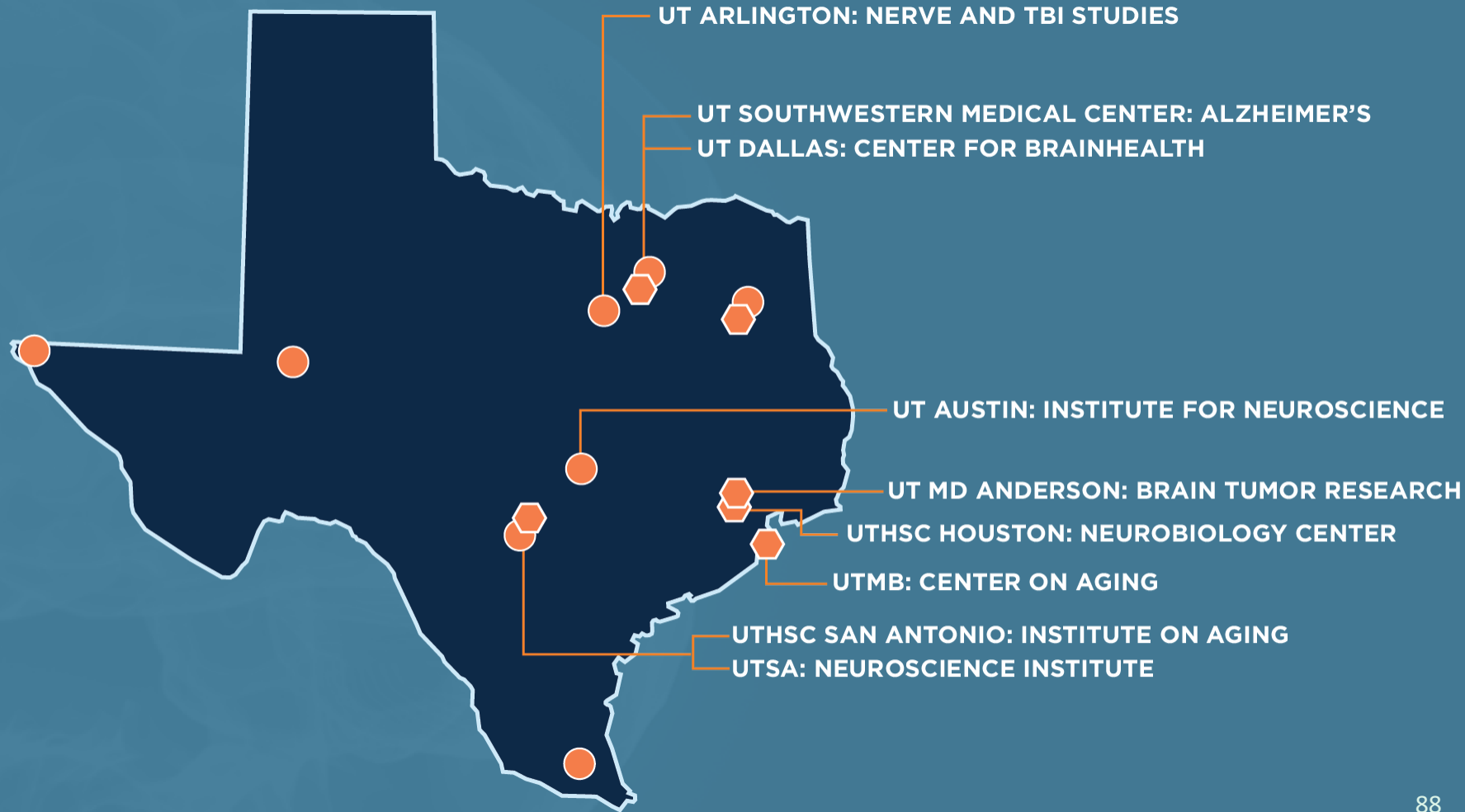


**FOR THE CHALLENGES IN  
BRAIN HEALTH**

## HUMAN COST

In America, neurological illnesses and mental disorders inflict inordinate human suffering every year.



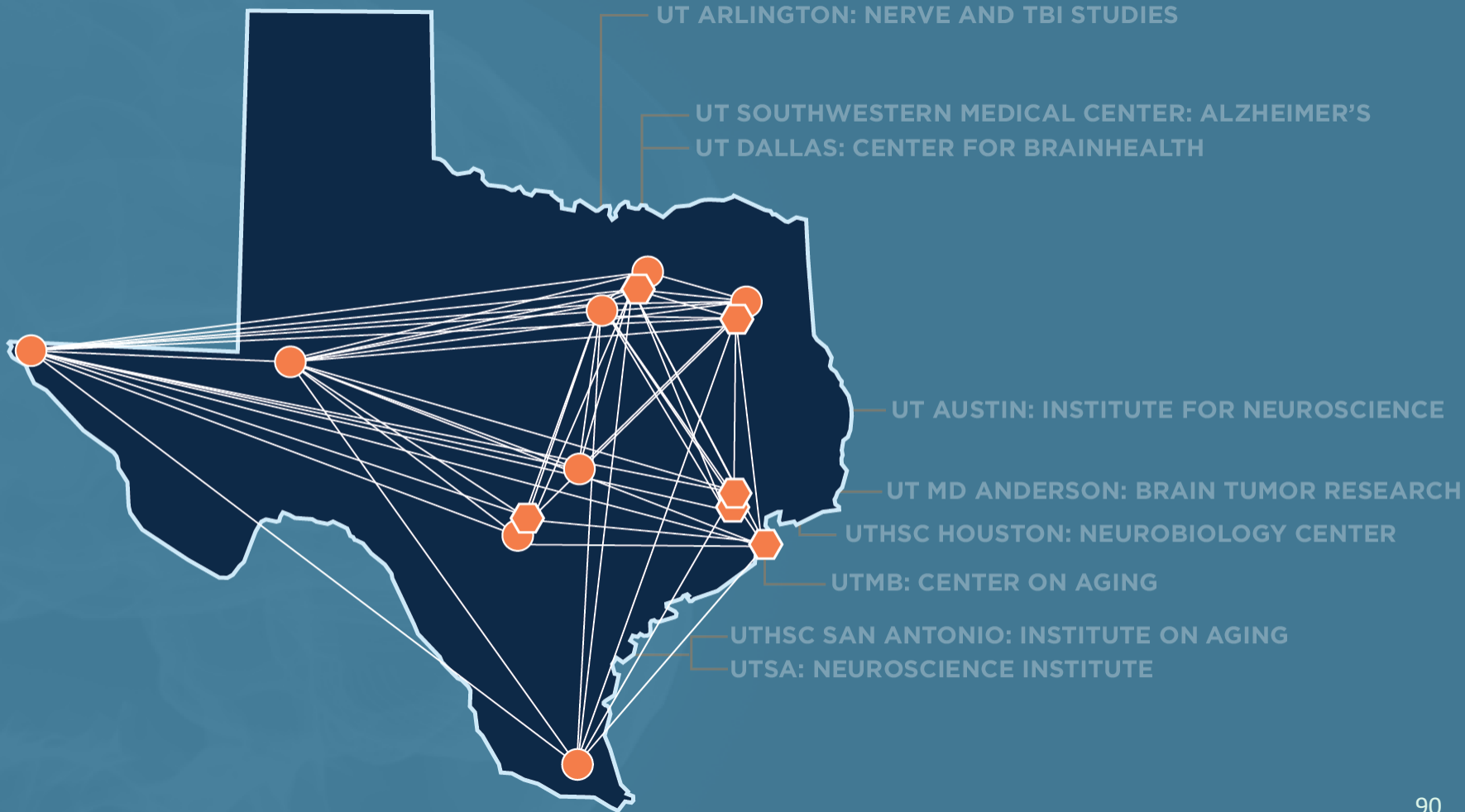


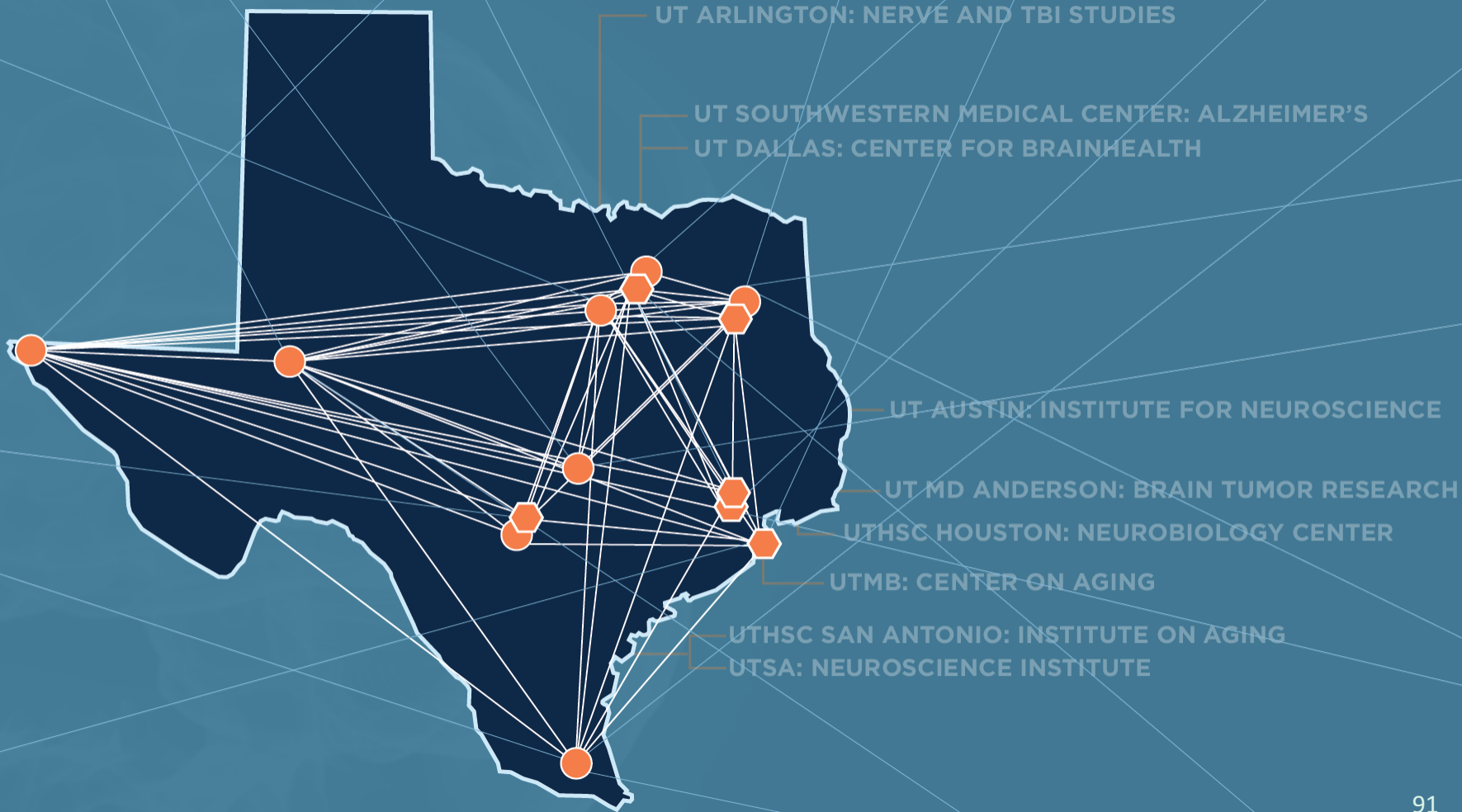


# **A REVOLUTION IN BRAIN HEALTH**

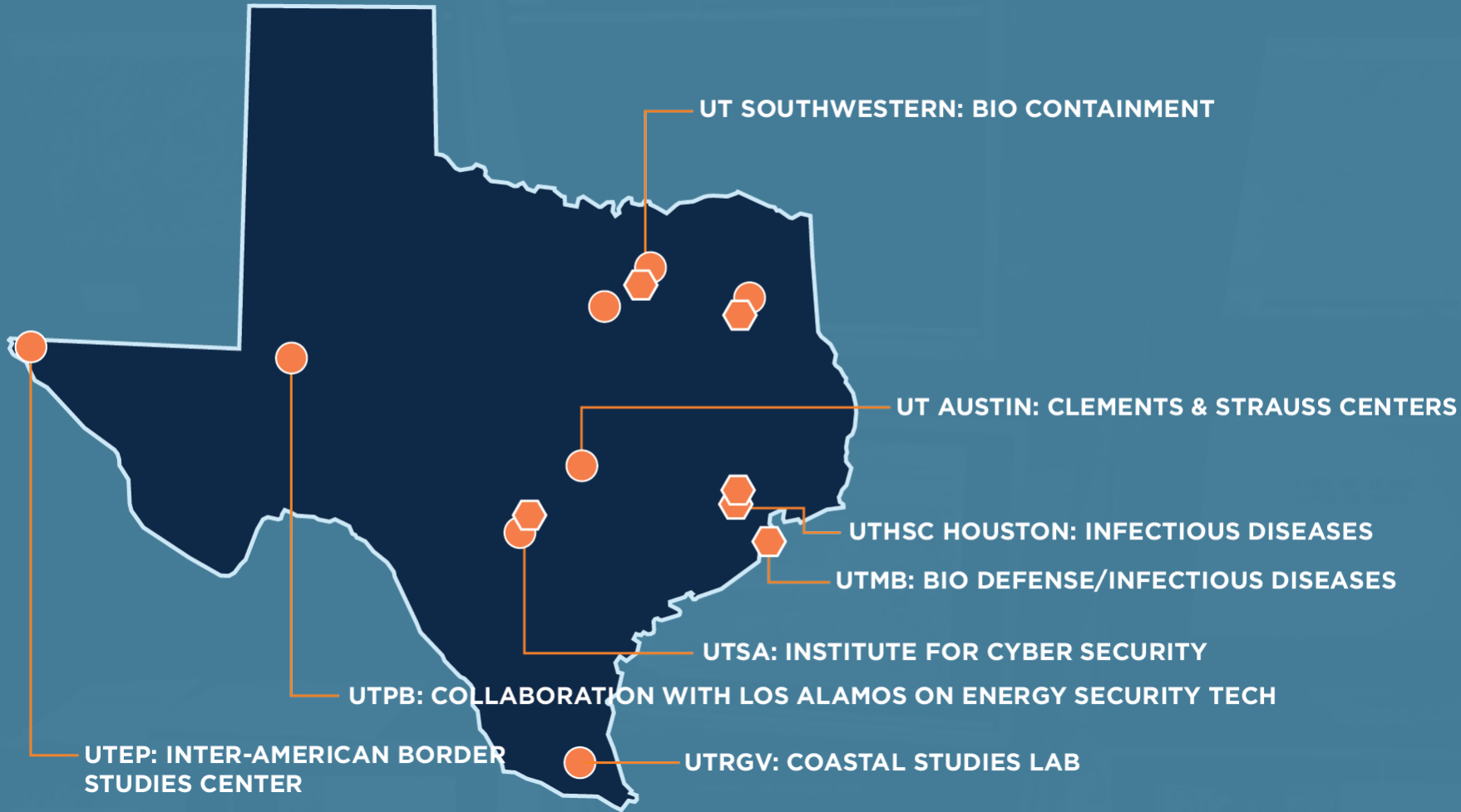
**We will undertake an effort similar to the scale of the Manhattan Project to understand, prevent, treat, and cure the diseases of the brain.**







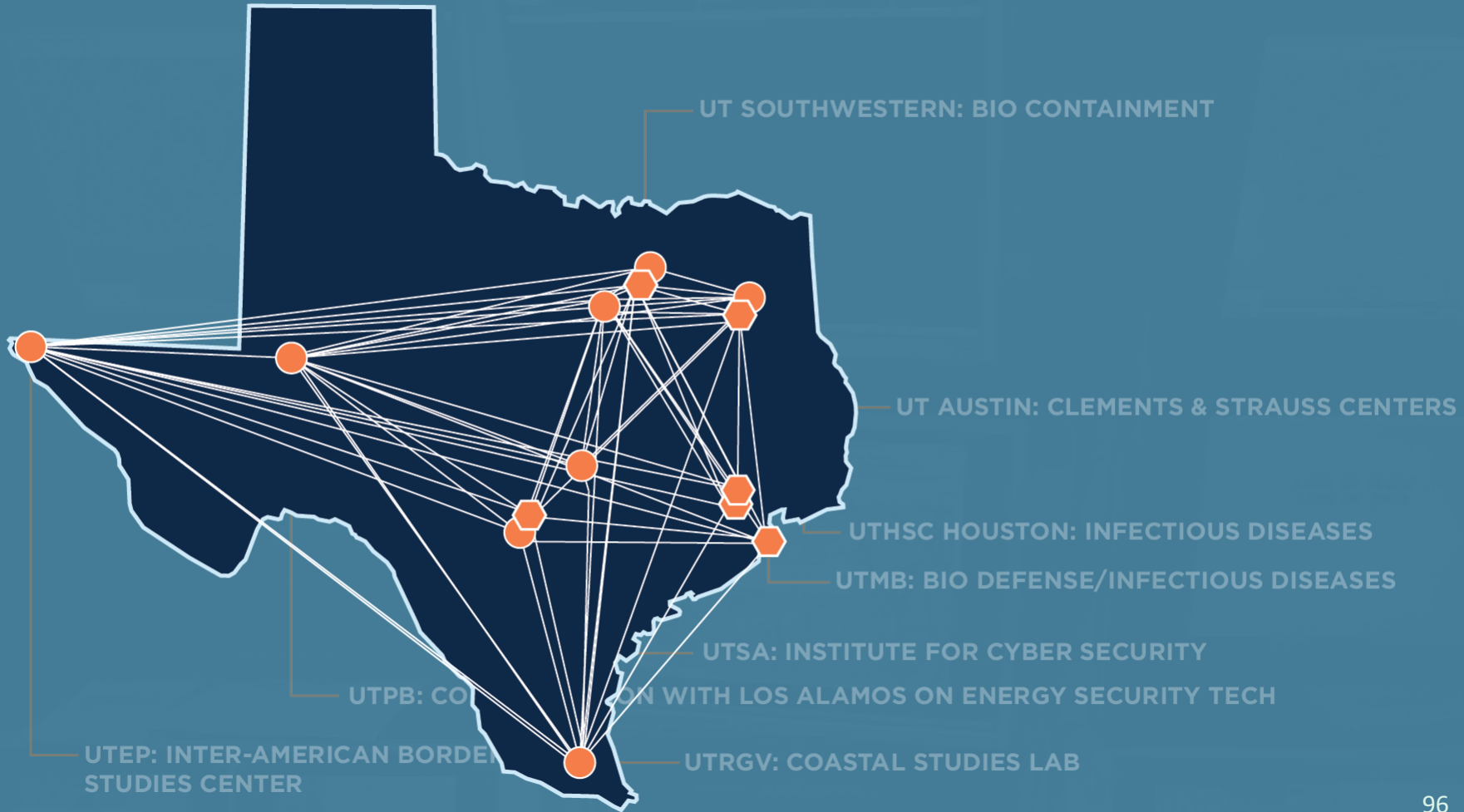
# SECURITY CHALLENGES FACING THE NATION

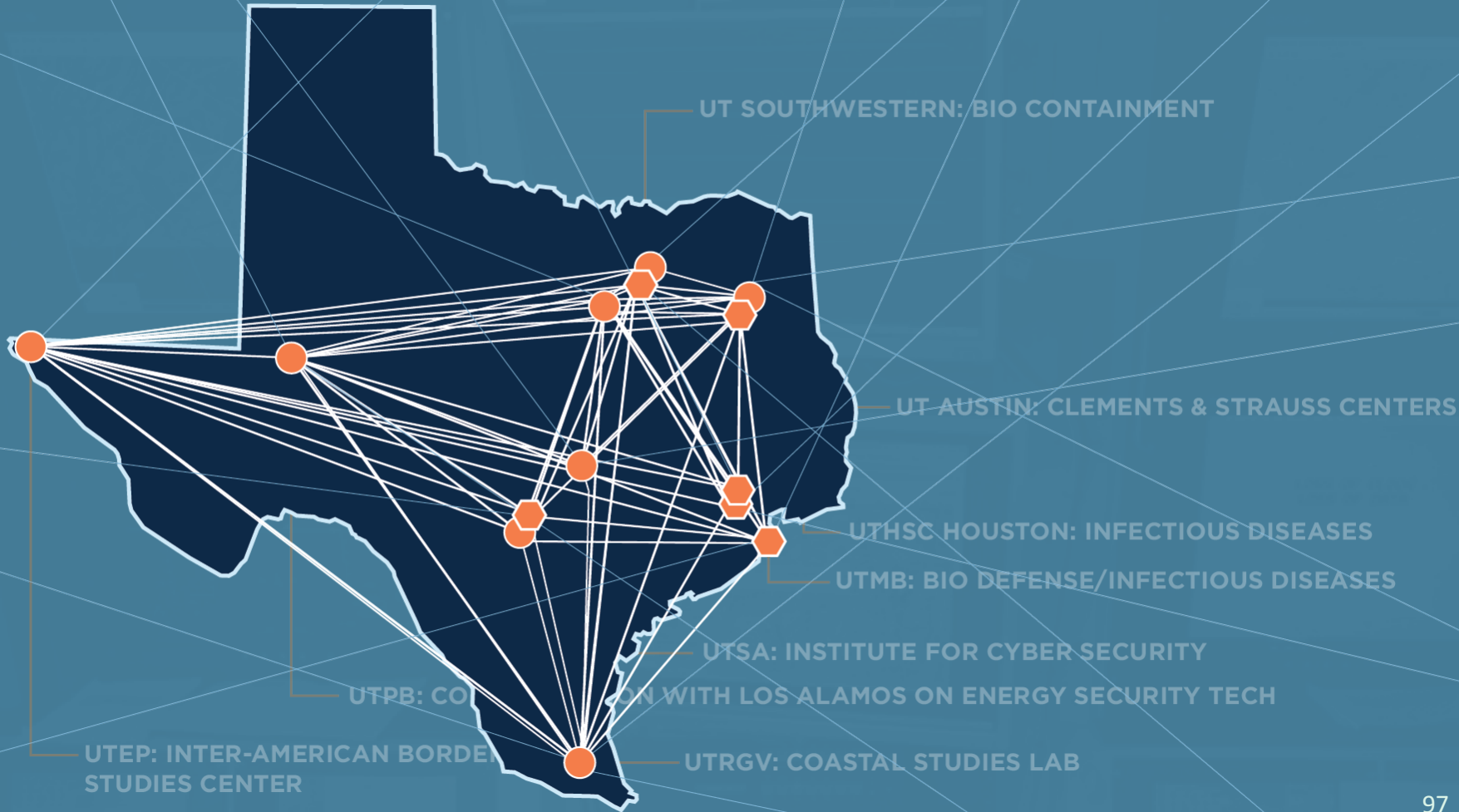




# **THE UT NETWORK FOR NATIONAL SECURITY**

**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.**





**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 IMAGE



INTERCONTINENTAL

45

59

BELTWAY 8

I-10

DOWNTOWN



THE GALLERIA



59

RICE



UH



610

MEDICAL CENTER



NRG PARK



SITE



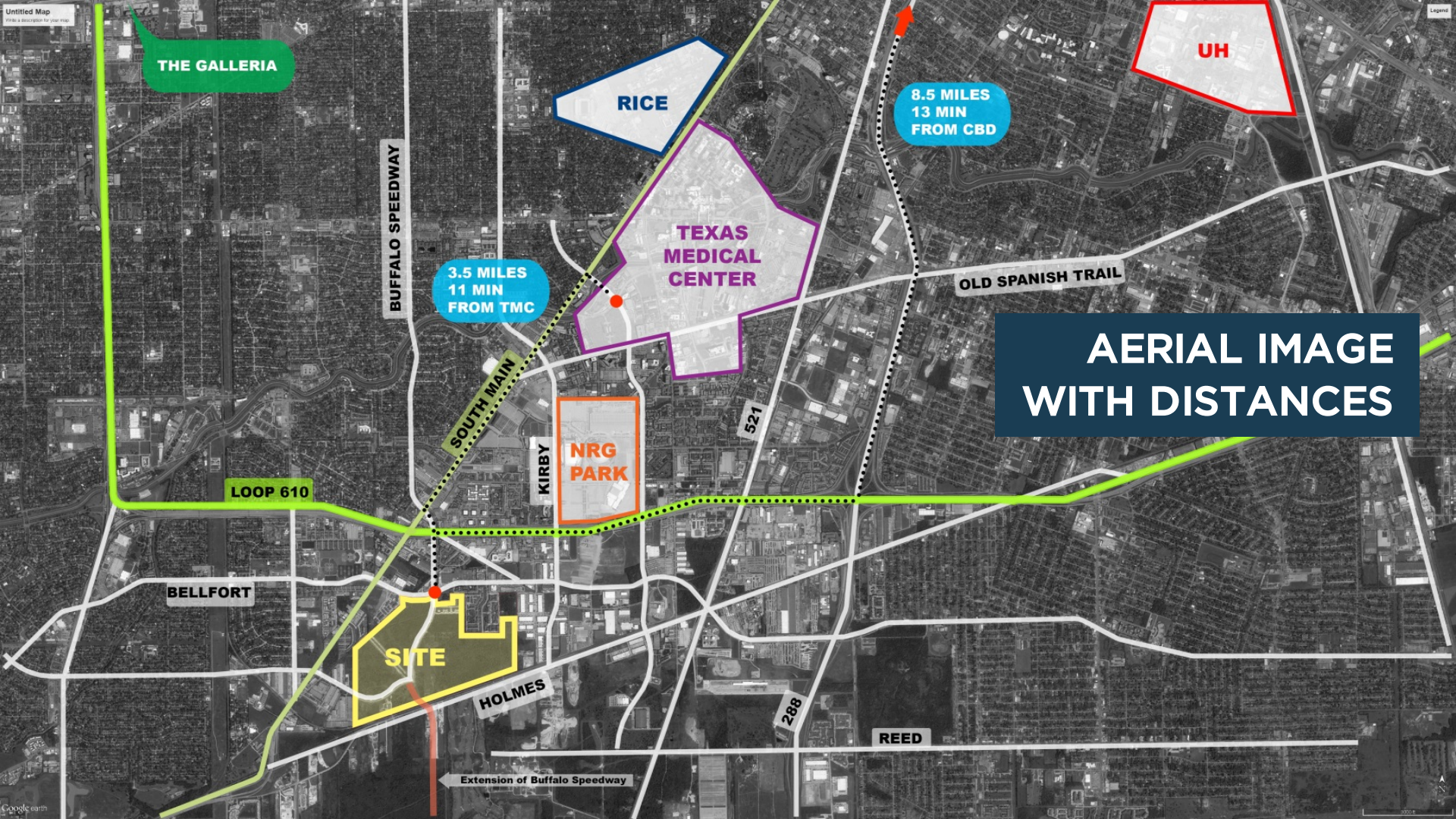
288

HOBBY



45





THE GALLERIA

RICE

UH

8.5 MILES  
13 MIN  
FROM CBD

3.5 MILES  
11 MIN  
FROM TMC

TEXAS  
MEDICAL  
CENTER

OLD SPANISH TRAIL

AERIAL IMAGE  
WITH DISTANCES

NRG  
PARK

LOOP 610

BELLFORT

SITE

KIRBY

SOUTH MAIN

HOLMES

521

288

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.**

The background of the slide features a large, faint watermark of the University of Texas System seal. The seal is circular and contains the text 'UNIVERSITY OF TEXAS SYSTEM' around the perimeter, 'PRÆSIDIUM' at the top, and 'SIGILLUM' at the bottom. In the center of the seal is a five-pointed star surrounded by a wreath, with an open book positioned above it.

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