As one of the seven emerging research universities designated by HB 51, UTSA has achieved some significant momentum in transforming ourselves towards tier one status. We are experiencing a growth of support and excitement about elevating to the next level.

The friendly and spirited competition for the Texas Research Incentive Program (TRIP) funding last summer created a heightened sense of awareness for the importance of philanthropy in support of UTSA. Our good neighbor, Valero Energy Corporation invested $2.5 million, and when matched by TRIP funds, resulted in one of our largest overall corporate gifts. The state’s investment allowed UTSA to secure a total of $7.5 million in new funding: private gifts of $4.5 million; $2.7 million from the TRIP fund and $270,000 from UT System’s matching program. These funds are supporting key research priorities, including $3.8 million for graduate students and the Margaret B. Tobin Distinguished Chair in Biotechnology. Our community understands that UTSA cannot rely solely on Legislative support to become Tier One and TRIP provided the appropriate enticement.

We understand the harsh reality of addressing the State’s budget shortfall. At the same time it is our hope that we not lose sight of what the Legislature challenged us to accomplish as presidents of emerging research universities.

**UTSA’s Vision:** *To be a premier public research university, providing access to educational excellence and preparing citizen leaders for the global environment*

**Students and Academic Excellence**

UTSA was established to provide access to excellence, and we must take a significant role in helping students from south Texas obtain bachelors and graduate degrees. A major effort is being placed on recruiting a diverse population of students who can best benefit from the educational experience we provide. More than 60% of UTSA’s students come from groups underrepresented in higher education and many are the first in their families to attend a college or university; 44% are Hispanic.

Increasingly an institution of first choice, UTSA offers 64 bachelors, 48 masters, and 21 doctoral degree programs. This Fall we have enrolled over 30,000 students - 17% first time freshman (5,075) - one of our strongest classes ever. We are committed to addressing the State’s mandate for an emerging research university to ensure that we have a “freshman class with high academic achievement.” The quality of students continues to improve with more restrictive admission standards, that we will further tighten for Fall 2011. We have also been successful in attracting new top academically-qualified students with merit based scholarships.

For students who are denied admission to UTSA, we offer the opportunity to participate in the Joint Undergraduate Matriculation Program (JUMP!), a collaborative effort with the Alamo Colleges. These students must complete 42 hours toward a core curriculum with a 2.0 GPA and matriculate at one of the five Alamo Colleges. If they achieve this within three years, we
guarantee admission to UTSA with a JUMP scholastic award of $500/semester for four semesters. This program is designed to create a pathway to UTSA for students denied admission and to ease the financial differential in the costs of attendance between the community college and UTSA.

In 2008-2009, UTSA awarded degrees to 4,806 students – 80% were undergraduate degrees. UTSA ranks third overall in the total number of undergraduate degrees awarded to Hispanics in the United States. This is a 15% increase since 2004-2005.

We have seen tremendous growth over last year in the number of graduate students (14% of the total and 2.2% are doctoral students.) Enrollment in UTSA’s 21 doctoral programs has increased by over 80% since Fall 2005, with 661 doctoral students attending Fall 2010. We are committed to providing “high quality graduate education” - one of the criteria mentioned in HB 51. We are hoping to add 3 more doctoral programs, which are now going through the approval process.

UTSA is a 41 year old university, located in a part of Texas that historically has not had an adequate number of doctoral degree programs, or buildings for laboratories and classrooms. We have been careful to select PhD programs that address market demands and local economic needs. With only 21 to potentially 24 programs, graduating 200 doctoral students per year - as required by the statute (HB 51) - will be a challenge.

Improving our student success measures at UTSA remains an area that presents many challenges for us. While we have made some progress, we need to redouble our efforts to stay on target to achieve our 2015 goals.

<table>
<thead>
<tr>
<th></th>
<th>Freshman-Sophomore Persistence Rate</th>
<th>Four-year Graduation Rate</th>
<th>Six-Year Graduation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2007</td>
<td>65.2%*</td>
<td>7.9%</td>
<td>30.7%</td>
</tr>
<tr>
<td>2010 Goal</td>
<td>78%</td>
<td>18%</td>
<td>40%</td>
</tr>
<tr>
<td>2015 Goal</td>
<td>80%</td>
<td>26%</td>
<td>53%</td>
</tr>
</tbody>
</table>

* Number does not include CAP students; 58.6 % persistence rate including CAP students; Please note that we report fall 2007 data, our preliminary persistence rate for fall 2008 is 65.9%.

Some of the activities that we are undertaking to improve our performance in this area are:

- Increasing student credit hours taught by full-time faculty
- Improving advising services
- Student orientation programs
- Co-locating academic support services
- Targeting seniors near completion
- Increasing the effectiveness of summer school

Our ability to address these areas is impacted by future budget reductions that will also require us to contain additional student growth. UTSA will continue to provide access to underrepresented students, but will become more restrictive next year with greater emphasis on excellence and increasing the percentage of incoming freshmen who have graduated in the top quartile of their high school class. We expect this will also positively impact future persistence and graduation rates.
Faculty and Academic Excellence

Recruiting and retaining top faculty is a fundamental priority for becoming a premier research university. Since October 2008 we have hired 84 new members of the faculty. This year, we hired 29 outstanding new faculty, all from prestigious universities from around the country. We now have 631 budgeted tenure/tenure track faculty positions, 98% with doctorates or equivalent terminal degrees.

Part of recruiting high quality faculty is demonstrating that we have the infrastructure in place to support their success. We have worked hard to ensure that our research facilities, especially in the sciences and engineering, are top-notch. We have been successful in hiring several outstanding “high quality faculty:”

Dr. Les Shephard, the Robert McDermott Endowed Chair in Engineering has been appointed to head up the new Texas Sustainable Energy Research Institute, Texas also known as SERI. Dr. Shephard started in April 2010 and by June 2010 he had helped UTSA finalize a partnership with City Public Service Energy (San Antonio’s public electric utility) that involves a $50 million grant over 10 years for research initiatives in sustainable energy and energy systems research.

Dr. Fred Chang, the AT&T Distinguished Chair in Infrastructure Assurance and Security has some 30 years experience at the National Security Agency and at SBC Communications as President of Technology Strategy. He is crucial for UTSA as San Antonio has made national news in the area of information and infrastructure assurance and security. It’s no big secret we have in San Antonio the 24th U.S. Air Force Cyber Command, this is the crown jewel for UTSA’s potential in this important field.

Research

UTSA’s strategic plan targets five areas of excellence. We have selectively invested in the development of multidisciplinary efforts and graduate programs around these:

- Health
- Security
- Energy and environment
- Human and social development
- Sustainability

Sponsored programs expenditures increased to $69 million in 2010, with total research expenditures of approximately $49 million, a 77% increase over the past five years. Intellectual property generation has grown at double digits over the past year: 567% in patents filed, 33% in new licenses signed, 33% in new invention disclosures. UTSA also signed an agreement with Merck & Co. Inc. to develop a Chlamydia vaccine. This was UTSA’s first major commercial revenue generating license. Much of this is due in part to our quality faculty and the number of research partnerships we have established. We are leveraging our strengths in research by partnering with entities such as the UTHSC-SA, Southwest Research Institute, Southwest Foundation for Biomedical Research, CPS Energy, Brook Army Medical Center, the National Security Agency, the 24th Air Force (Cyber Command Center) and several others.
Space Challenges

UTSA is a fast growing and young university and has been in a continuous building mode. In the past two years, we added 7 buildings and approximately 92,000 E&G square feet. Currently under construction are the Sculpture and Ceramics Studio and the North Paseo Building - to move administrative offices out of core classroom buildings at the Main campus. These projects will add another 72,000 E&G square feet. We are also finishing two major renovation projects: the Combined Science building and the John Peace Library.

UTSA continues to have a significant space deficiency – more than 1 million square feet of E&G space less than THECB recommendations. Our gross square feet per student ratio is 70% of the Texas average. Using the THECB standards, UTSA’s current space should optimally accommodate 21,000 students - however, we are serving over 30,000 students. We are very efficient with our limited space with one of the highest classroom utilization rates in Texas.

Space deficiency counts against us in our movement towards Tier One and impacts our faculty recruitment and the level of research activities available for faculty and students. For this reason, one of our highest priorities is a new Experimental Science Instructional Building funded with tuition revenue bonds.

Legislative Appropriations Request

We are very concerned about the state’s budgetary constraints and although making efforts to streamline and reduce costs, we are already very efficient. This year UTSA did not allocate any new funds for faculty positions as all available funding was required to shore up the non-tenure track faculty budgets. To accommodate our enrollment growth, over 135 course sections had to be added this Fall as compared to last. UTSA has been operating very efficiently for several years as reflected in the student faculty ratio (SFR); preliminary estimates project the Fall 2010 SFR at 25:1, an increase over last year.

We have made significant gains in cost savings through efficient management and operation of our facilities. Utility cost savings have been achieved through conservation efforts even as the institution continues to grow at a significant rate. Our renovation and remodeling projects on campus include innovative energy and water saving initiatives, such as the installation of variable frequency drives, an energy wheel, and condensate water recovery used as make-up water for our cooling towers.
A strong university is important to the local economy – approximately 86 percent of UTSA graduates remain in Texas, adding an estimated $4.8 billion in earnings alone to the state economy. Approximately, 70 percent remain in the San Antonio metropolitan area. UTSA generates more than $1.2 billion in annual business revenues and supports an estimated 15,720 jobs in the San Antonio metropolitan statistical area, based on current figures.

UTSA supports the following priorities for the 82nd Legislative Session:

1) Stabilization of formula funding through the State general appropriation, maintaining the present budget to the extent possible:

Adequate base formula funding is essential to helping UTSA work towards attainment of Tier One status. Over the past decade, UTSA’s enrollment has grown by over 60%, but because that growth occurred as available state revenues contracted, UTSA receives one of the lowest state appropriation per full time equivalent (FTE) student of all the UT academic institutions. A large reduction to formula funding will limit the number of students we can serve as we will have less resources for non-tenure track faculty that were hired to add course sections this Fall.

A 10% reduction to the non-formula base, or $1,957,875 would severely affect delivery of our mission and the ability to provide existing students access to the classes required for degree completion at our Downtown campus, and hamper our ability to serve new students.

2) Approval of capital construction projects with funding through Tuition Revenue Bonds

Tuition Revenue Bond Debt Service: Experimental Science Instructional Building
NEW - $8,085,000/yr, $16,170,000 over 2 yrs
We request approval for a new Experimental Science Instructional Building (ESIB) on our campus. This project would add 150,000 GSF of teaching laboratory and classroom space to the Main Campus ensuring STEM teaching facilities reflect up-to-date technology, safety and security. This project will reduce the severe space shortage at UTSA.

Our science instructional labs are mostly taught in facilities built 35 years ago, before the advent of modern safety, environmental, and security regulations. With a greatly expanded student enrollment now approaching 30,000, there is also a need to expand our capacity for science instruction. As UTSA builds its research and advanced degree capabilities in the sciences, we are also increasing the number of students majoring in engineering, life sciences, physical sciences, and psychology placing an even greater demand on our instructional laboratory infrastructure. UTSA is already one of the leading institutions in the country at producing Hispanic graduates in STEM fields according to *Hispanic Outlook in Higher Education*.

3) **Enhanced exceptional item support for the San Antonio Life Sciences Institute (SALSI) and the Small Business Development Center (SBDC)**

**San Antonio Life Sciences Institute (SALSI)**
NEW - $2.5M/yr, $5M over 2 yrs  *Currently funded by $4M through ARRA*

Authorized by the 77th Legislature, SALSI is a partnership between the UTSA and UTHSCSA that has become the model for the synergistic development of research and education programs between universities and medical schools. SALSI has led to the development of educational programs in areas such as biomedical engineering, neurosciences, and health disparities that could not be accomplished by either institution alone. Collaborative seed grant research proposals have resulted in major federal research grants with a return on investment (ROI) of almost 200%. SALSI has also led to intellectual property which is having major impact on the economic development of the biomedical industry in San Antonio and South Texas. SALSI will continue to be the driving force to synergize future research funding, collaborative opportunities, the economy, and provide advanced educational opportunities for Texas. Recent accomplishments and new programs include the development of a vaccine center and programs in Regenerative Medicine and Medicinal Chemistry.

**Small Business Development Center**
NEW - $379,114/yr, $758,228 over 2 yrs  EXISTING - $3,791,138/yr
TOTAL - $4,170,252/yr or $8,340,504 over 2 yrs

The SBDC network administered by UTSA has been effectively providing small business and community economic development with extended education and technical services covering the 79-county South-West Texas Border Region, which last year produced 2,883 jobs-created and 5,017 jobs-retained, $438 M increased sales/contract/exports, $90 M in new financing and directly served 26,532 entrepreneurs through its 10 SBDC field offices. This request includes a revenue neutral rider increase in process with the Comptroller's Revenue Estimating Division.

**Small Business Development Center Rural Initiative**
NEW - $121,317/yr, $242,634 over 2 yrs  EXISTING - $1,213,169/yr
TOTAL - $1,334,486/yr or $2,668,972 over 2 yrs

The SBDC Rural Initiative stimulates economic development in smaller communities across the Border Region, South and West Texas, offering specialized services for rural business development to complement the Enterprise Fund and Emerging Technology Fund, which
predominantly apply to the I-35 corridor, other urban and academic centers. This request includes a revenue neutral rider increase in process with the Comptroller's Revenue Estimating Division.

4) Preservation of the State’s incentive funding program and an extension of the TRIP matching funds program for emerging research institutions

UTSA strongly supports continuation of the Performance Incentive Funding initiative, administered through the THECB. This program rewards institutions for meeting certain performance metrics, providing useful incentives for meeting the State’s needs for producing more college graduates and for meeting Closing the Gap goals. UTSA has utilized this funding to provide much-needed instructional equipment, to fund additional lecturers and provide courses needed by students to complete their studies, and to expand our summer school program. Thus, this program has had a highly beneficial impact on our students’ education.

We also request continuation of the Texas Research Incentive Program (TRIP) matching funds for private philanthropy enacted by the 81st Legislature as part of HB 51, the state’s tier one legislation. This program demonstrates the State’s continued support of growing additional public national research universities and helps attract faculty from throughout the U.S. to Texas.

5) Support for the Texas Grant program to enable low income students to access higher education

UTSA’s first-generation, low-income students often have difficulties with access and affordability. By providing grant funding to cover tuition and fees, we are effectively reducing student loan debt for the neediest students in Texas. Currently, our overall retention rate for students to stay in the Texas Grant program (receive renewal funding each year), is approximately 70%. Because students continue receiving enough funds to cover tuition and fees, they can continue attending school, increasing the likelihood that they will be retained and eventually graduate.

6) Continued Funding of Existing Special Items

Institutional Enhancement
$5,709,366/yr, $11,418,732 2 years

This money is fungible with other general revenue and not tied to any particular program. Loss of funds equates to a 5.6% reduction of general revenue or equivalent to the salary and benefits of 60+ faculty positions. Although the campus will look for every opportunity to reduce expenditures through cost efficiencies, this deep of a cut would require a reduction in force or other programmatic costs.

Downtown Campus Phase II
$1,312,500/year, $2,625,000 over 2 yrs

The continuation of this funding is essential. The Downtown Campus houses the Colleges of Architecture and Public Policy serving over 6,400 students through undergraduate core curriculum, 20 bachelor’s degrees, 5 master’s degrees, and various certificate programs. Loss of funding will result in faculty/staff reductions. Additionally, over 650 courses are offered each year at this campus, with almost 10% of the total semester credit hour production.
Texas Pre-Freshman Engineering Program (TexPREP)
$557,190/yr, $1,114,380 over 2 yrs

TexPREP is a rigorous seven-week summer mathematics-based academic program for middle and high school students. It directly aligns with the State’s Closing the Gaps initiative and is a proven response to the decline of students entering Science, Technology, Engineering, and Mathematics (STEM) disciplines. TexPREP students have a high school graduation rate of 99.9%, college attendance rate of 99%, and college completion rate of 84%, half of whom are STEM majors. 74% of the students are minority and 38% are economically disadvantaged. Currently, TexPREP operates on 38 higher education campuses in 18 Texas cities.

Texas State Data Center
$605,253/yr, $1,210,506 over 2 yrs

The Center makes demographic, economic, and related data accessible to a network of 45 university, state, regional, municipal agencies, other public and private sector entities, including the Texas State Legislature.

Institute of Texan Cultures (ITC)
$1.95M/yr, $3.91M over 2 yrs

The ITC is establishing itself as the nation's premier institution of contemporary cultural and ethnic studies focusing on Texans and the diverse cultural communities that define Texas. The museum plays host to more than 160,000 students, educators, residents, and visitors annually and reaches out to thousands more through online resources. The ITC prepares future Texas educators to teach history and develops resources for Texas classrooms. Its success relies on funding to support exhibits, research, public and academic programs.