

Administrator's Statement

7/19/2018 9:13:17AM

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Automated Budget and Evaluation System of Texas (ABEST)

743 The University of Texas at San Antonio

Since arriving at UTSA in September 2017, President Taylor Eighmy has outlined an inspiring vision for UTSA as San Antonio's university of the future, producing graduates who tackle society's grandest challenges. His bold new vision has the university and San Antonio communities imagining what UTSA will look like ten years from now, rising to new heights as an urban-serving, Hispanic-thriving, discovery enterprise considered a destination of choice for students, staff and faculty. A focused effort on achieving Carnegie R1 and National Research University Fund eligibility status will propel UTSA to new levels of distinctiveness.

The vision rests on six strategic themes that have been embraced by the campus and local leaders. They provide the pathway, solidifying UTSA's position as a leading driver of San Antonio's knowledge economy with the capacity to produce graduates with the skills necessary to meet the changing workforce needs of the city, our country and the world. More about the ten-year strategic planning effort and vision for UTSA can be found at UTSA.EDU/STRATEGICPLAN.

IMPORTANCE TO THE REGION

As a multicultural, urban-serving discovery enterprise, UTSA is a driver of prosperity and opportunity in the region specializing in health, energy, cybersecurity, sustainability and human/social development. Overall, these programs generate more than \$1.2 billion in economic impact to San Antonio and the surrounding region. UTSA is the largest university in the San Antonio metropolitan region and the eighth largest in Texas.

STUDENT SUCCESS

UTSA is a place where all students—particularly those who are underserved—can thrive. More than 60% of UTSA's 31,000 students are from underrepresented groups, and nearly half of undergraduates will be the first in their family to earn a bachelor's degree.

Since 2011, UTSA has implemented a series of initiatives to improve retention and graduation rates. Our efforts have paid off – in the last two years, UTSA increased first-year retention rates from 68 to 74%, four-year graduation rates from 15 to 22%, and six-year graduation rates from 31 to 37%.

Moving forward, UTSA has set the following goals for retention and graduation rates within the next five years:

- Increase first-year retention to > 85%
- Increase four-year graduation rates to > 35%
- Increase six-year graduation rates to > 60%

These minimum goals are based on an analysis to determine targets that are ambitious yet realistic given our upward trajectory, and they are all above current Texas state averages.

The President's Initiative on Student Success, launched in the fall of 2017, elevates student success to an institution-wide priority. The cross-campus task force is developing an integrated student success plan inclusive of goals, metrics, accountability and self-assessment. As part of their work, the task force is examining best practices from other institutions considering the administrative structure, accountability and resources that will best position UTSA to be a great multicultural discovery enterprise that fosters exceptional student experiences.

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New interventions currently being implemented by the task force include:

- Integrating proactive, holistic academic advising that includes professional development and technology optimization
- Increasing faculty role in student success, particularly in the use of data for informing engagement within and beyond the classroom
- Refining graduation management and application processes
- Redesigning gateway courses
- Creating summer bridge programs
- Establishing block scheduling
- Improving transfer student support

STRATEGIC ENROLLMENT

Our future as a multicultural discovery enterprise and urban-serving institution requires that we graduate world-ready students with the in-demand skills employers seek as workforce needs evolve. To do this, President Eighmy launched the President's Initiative on Strategic Enrollment in fall 2017 to shape what UTSA looks like in ten years and beyond.

The Strategic Enrollment task force is developing data-informed strategies for determining long-term strategic enrollment growth through data analysis, strategy development, goal development and implementation. A focus of the initiative is on the workforce needs of San Antonio, given our region's emerging industries.

Additionally, task force members are developing strategies in alignment with the 60/30TX Higher Education Plan. This initiative by the Texas Higher Education Coordinating Board aims for 60 percent of Texans ages 25-34 to have a certificate or degree by the year 2030.

RESEARCH AND KNOWLEDGE ENTERPRISE

Over the last several years, UTSA has grown its institutional research portfolio, engaged more students, and built partnerships with industry and government to expand funded research. These efforts have resulted in record high research expenditures for UTSA:

- Total research expenditures grew from \$56.8M in FY16 to \$68.1M in FY17, an increase of 19.9%
- Restricted research expenditures grew from \$36.4M in FY16 to \$40.1M in FY17, an increase of 10%

In the coming years, UTSA intends to focus on growing research excellence in the areas of cybersecurity, brain health, translational biomedical engineering (drug design, tissue regeneration), infectious diseases, public health, sustainable cities (water, energy, transportation), urban science and urban education, among others.

Since 2016, UTSA has successfully recruited 24 faculty in areas related to brain health, cybersecurity, cloud computing and data analytics, and is pursuing faculty in areas of artificial intelligence and machine learning as part of a cluster hiring initiative for FY19. This boost in research-intensive faculty will help the university reach the goal of a sustained \$115M in annual research expenditures by the year 2022.

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UTSA researchers have received substantial federal grants in many fields including cybersecurity, brain health, mechanical engineering, chemistry, drug discovery, neuroscience, infectious diseases and student success initiatives. In total, 361 new awards were given in FY17, worth \$75.8M.

In spring 2018 the UTSA Institute for Economic Development was integrated within UTSA's Office of Research to create UTSA's Research, Economic Development and Knowledge Enterprise division. Based on aspirational peer examples the newly combined units hold great promise to leverage the research and development capabilities of UTSA for game-changing contributions to the communities we serve.

ACHIEVING CARNEGIE R1/NRUF ELIGIBILITY STATUS

In August 2018, UTSA will launch a Presidential Initiative focused on earning National Research University Fund (NRUF) eligibility, and R1 (highest research activity) classification from the Carnegie Commission. In support of this upcoming initiative, efforts to increase research expenditures, increase Ph.D. students, hire high quality faculty and pursue faculty awards are already underway.

FINANCE & BUDGET MODELING

Recognizing that sound financial practices are paramount to achieving our institutional goals, President Eighmy launched a Finance & Budget Modeling task force last fall to optimize our resources and identify opportunities to improve financial performance. Through a careful examination and adoption of best practices, the task force is in the process of implementing a new responsibility-centered, incentive-based budget model in FY19, giving the colleges and major administrative units greater responsibility for their revenue, expenses and budgetary decisions.

PRIVATE FUNDRAISING

UTSA continues to place a high priority on private fundraising because a nationally competitive research university cannot be developed without strong private support. For this reason, UTSA has made the investments needed to attract significant private dollars. Those who have supported UTSA strongly endorse efforts toward the university becoming a Carnegie R1 research institution, embracing the importance of this goal for the future success and vitality of the San Antonio metropolitan region. A capital campaign will launch in 2019 as part of UTSA's 50th anniversary celebration.

COST CONTROL MEASURES

UTSA is committed to continuing to improve its efficiency and productivity. The university understands that the Texas Legislature will face a challenging budget session and is taking steps to reduce administrative costs while protecting the core academic mission.

The specific initiatives mentioned above (Finance and Budget Modeling, Student Success, Strategic Enrollment), are all coordinating and contributing directly to UTSA's

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productivity as an institution, addressing areas such as weighted student credit hour production, differential tuition, and funding sources for capital, infrastructure, student services and faculty lines.

UTSA's LEGISLATIVE PRIORITIES

Exceptional Item Request #1 - Tuition Revenue Bonds

COLLEGE OF BUSINESS BUILDING AT UTSA'S DOWNTOWN CAMPUS

Total project cost: \$126,250,000

Annual funding request: \$11,005,000

UTSA seeks to construct a new 250,000 GSF building to house the College of Business at UTSA's Downtown Campus. Subject to further program development, the proposed facility is expected to provide 12,773 ASF of teaching labs, 64,124 ASF of classrooms, 90,554 ASF of faculty offices and 8,106 ASF of research labs.

The new building will serve to reduce the present space deficit of 983,117 net square feet according to the Adjusted 2017 Texas Higher Education Coordinating Board Academic Space Projection Model. Even with the additional space provided by this building, UTSA will continue to maintain a high space usage efficiency rating.

Providing adequate labs and classrooms is critical for undergraduate and graduate instruction at UTSA. Not only will the new building provide the space needed to help the university meet its enrollment goal of 45,000 students by 2028, it will also directly support UTSA's efforts to improve graduation rates through space deficit reduction.

The new building is a critical element in UTSA's strategic plan to create a distributed Downtown Campus while supporting programs that enhance the skills of students preparing for careers in business. In addition to serving undergraduates, the building will also support the new graduate degree programs in business, emphasizing multidisciplinary and collaborative research.

Exceptional Item Request #2 – General Revenue Fund

LEADERSHIP IN CYBERSECURITY

Annual Funding Request: \$2,500,000 / year

UTSA is home to the nation's top cybersecurity program, with more than 3,500 students in various cyber-related fields of study. Research centers and outreach programs provide UTSA students and faculty with additional opportunities to explore the various facets of this high demand and ever-changing field.

The need for trained data scientists and analysts has increased exponentially in recent years. Demand for cybersecurity professionals, in particular, far outpaces the current global supply, with a predicted 1.5 million additional workers needed by 2020 to accommodate the shortfall. Through strategic faculty hires and a scalable approach to cybersecurity education, the UTSA is on the forefront of the data analytics revolution.

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This special item request will position UTSA to:

- Assist Texas government agencies through the Texas Department of Information Resources in implementing a “Culture of Security” and developing security preparedness
- Help small and mid-sized businesses meet state standards as vendors with cybersecurity guidelines and readiness level certifications to include audits and assessments
- Develop and train the state’s workforce in cybersecurity and cloud computing through certification preparation and degree programs
- Support efforts to establish a National Security Collaboration Center (NSCC) at UTSA’s Downtown Campus—a government-university-industry partnership involving seven federal partners and 15 corporate partners in the cybersecurity arena.

Exceptional Item Request #3 – General Revenue Fund

COLLEGE COMPLETION UTSA

Annual Funding Request: \$495,000 / year

UTSA is a Hispanic and urban-serving institution where more than 40% of the total population are first generation students. More than 10,000 undergraduate students at UTSA receive a Pell Grant each year and approximately 71% of incoming students receive some form of grant and scholarship.

These characteristics often are reflected in students having a low sense of belonging to the university, sometimes resulting in not reaching out in time for assistance, usually because they are ashamed of what they do not know. They also tend to have fewer faculty mentors and internships that will lead them toward careers, with the end result being that they take jobs rather than launch careers when they complete their four-year degrees.

The UTSA College Completion program will address these critical gaps in student experience with three activities:

- Experiential Learning
- Faculty-Student Engagement Fund
- Chatbot – Artificial Intelligence System

Experiential Learning paid internships grants will permit students to accept unpaid internships that directly serve under-resourced or non-profit urban-serving community partners who do not have budgets to pay interns, but who would benefit greatly from having our students learning and working in their programs.

A Faculty-Student Engagement Fund will support a faculty micro-grant initiative that invites faculty to write brief proposals demonstrating how funds will amplify a course’s impact by implementing practices to increase student sense of belonging, leading to increased retention and career mentoring. This may include a trip to a museum, performance, a tour of a community organization or corporation or other activities.

Build on artificial intelligence, a Chatbot system it will help prevent summer “melt” of admitted students. The system will allow students to get immediate feedback online

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to questions. The interface removes a barrier for students asking sensitive questions, leading increased matriculation rates for more first-gen, low-income and underrepresented students.

CURRENT FUNDING LINES

Given recent reductions in non-formula special items, UTSA has several existing special items that have previously been reduced. These initiatives are critical to our students and faculty, to the community and to the State of Texas.

The following special items are critical to our academic and research enterprises:

INSTITUTIONAL ENHANCEMENT

General Revenue Fund - \$1,788,839 / year

This item supports faculty hiring and recruitment, allowing UTSA to reduce student-faculty ratios and meet the demands of our growing student population. UTSA uses this to improve the number of course sections offered.

SAN ANTONIO LIFE SCIENCES INSTITUTE

General Revenue Fund - \$1,388,570 / year

This item supports collaboration and alignment between UTSA and UT Health San Antonio. Leveraging each university's research and teaching strengths, SALS I provides students at both institutions with opportunities to collaborate on research, utilizing faculty and laboratories at both campuses. Through the Institute joint doctoral degree programs have been created, as well as new centers, joint publications, patent and copyright filings, and training and support for students at both campuses.

PREFRESHMAN ENGINEERING PROGRAM

General Revenue Fund - \$285,729 / year

The Prefreshman Engineering Program (PREP) at UTSA is a rigorous summer program that prepares middle and high school students for advanced studies and careers in STEM fields. PREP serves over 4,000 students annually and collaborates with over 125 school districts across the state. The program is at 35 colleges and universities in 15 Texas cities. Over 80% of PREP students go on to college, 66% become STEM majors and 81% are minority.

The following special items are critical to our urban serving mission:

SMALL BUSINESS DEVELOPMENT CENTER

General Revenue Fund - \$2,742,957 / year

This item promotes small business and community economic development through extension services covering the 79-county South- West Texas Border Region, in cooperation with U.S. Small Business Administration and UTSA as regional administrator of the Small Business Development Center (SBDC) program. SBDC also promotes the growth, expansion, innovation, increased productivity, and improved management for nearly 30,000 small businesses through activities of individual

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business counseling and technical assistance, group training seminars and workshops, and student internships.

SOUTH-WEST TEXAS BORDER SBDC (RURAL INITIATIVE)

General Revenue Fund - \$877,750 / year

This item supports the SBDC Rural Business program (RBP). The program increases the competitiveness of rural communities in the South- West Texas Border region by promoting small business economic activity and investment where corporate expansions and state incentives such as the Enterprise Fund are rarely accessible options.

TEXAS DATA CENTER

General Revenue Fund - \$352,439/ year

The Texas State Data Center provides demographic, economic, and related data to Texas legislators, legislative committees, state agencies, counties and municipalities, and the private sector. The Data Center produces population estimates, biennial projections and trend analysis impacting Texas.

THE INSTITUTE OF TEXAN CULTURES

General Revenue Fund - \$1,001,572 / year

The Institute of Texan Cultures (ITC) provides exhibits, programs, events and teacher training on the various cultures that make up the State of Texas. In the last year, ITC recorded more than 117,000 visitors and hosted 29 exhibits on varying topics including Tejano influence in Texas, Refugees, Civil Rights, Cesar E. Chavez, Martin Luther King Jr., San Antonio's Spanish Missions, the largest shale economic boom, cultural identity and World Wars I and II. The museum served 1,722 UTSA students and faculty.

ADDITIONAL STATE SUPPORTED PROGRAMS

UTSA benefits greatly from the following state supported programs, fueling the university's ability to support Texas students and enhance the state's reputation as a research powerhouse.

TEXAS RESEARCH INCENTIVE PROGRAM

The Texas Legislature has made important investments aimed at developing flagship research universities in Texas. The Texas Research Incentive Program (TRIP) in particular, continues to play a vital role in UTSA's efforts toward accessing National Research University Funds (NRUF) and reaching the level of a Carnegie R1 research institution. In FY18, UTSA received about \$5.22M from TRIP, not only providing additional funds for the matching endowments, but also funds for other research enhancing programs within the university.

TRIP continues to be a great incentive in seeking and receiving support from various donors for research initiatives. In 2013 the H-E-B grocery chain made a five-year, \$5M commitment to UTSA to match donations for new endowed academic positions. This gift alone generated \$3.75M in TRIP matching funds. Additionally, the H-E-B donation attracted another \$2.25M in TRIP matching funding as a result of the donations generated by the matching gift challenge. The total result was a \$6M TRIP matching fund impact.

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Currently, UTSA has approximately \$7.58M in unfunded eligible matching gifts due to a backlog. The TRIP program has proven to be successful and effective in increasing UTSA's research private funding efforts. The continuation of TRIP supports UTSA's transition from an emerging research university to a top-ranked, nationally recognized research university.

TEXAS GRANT PROGRAM

The Texas Grant program is especially important for UTSA's first-generation, low-income students, a population that often has difficulties with access and affordability.

During the 2016-17 award year UTSA's allocation increased slightly to \$22,299,756, allowing us to bring more students into the pipeline. UTSA awarded a total of 4,422 students with an average grant of \$5,042. UTSA awarded 2,428 renewal students for a total of \$12,936,166 plus an additional 1,994 initial year students at \$9,363,590. There were 397 additional new students eligible to receive the Texas Grant for a total of approximately \$1.9 million that we were unable to fund due to insufficient funds.

During the 2017-18 award year, UTSA's allocation dropped to \$20,715,951 due to the allocation formula. UTSA awarded 2,539 renewal students at \$13,609,915 and 4,193 initial year students at \$7,106,036 for an average award of \$4,940. There were 824 additional new students eligible to receive the Texas Grant for a total of approximately \$4 million that we were unable to fund due to insufficient funds.

We anticipate providing Texas Grant to more students in the 2018-19 due to an increase in our allocation, but we recognize that students will still need to find other resources to help fund educational costs beyond tuition and fees. If appropriations are cut for the upcoming biennium, we anticipate another reduction in the average award as well as the total number of students we will be able to award.

By providing tuition and fee grants, student loan debt is reduced for the neediest students in Texas. With a 69% overall retention rate for students in the Texas Grant program, continuation of this funding is critical to their ability to stay in school and graduate.

FORMULA FUNDING

In the previous legislative session, budget constraints prevented any adjustments in the formula to fund enrollment growth. This is a significant issue for UTSA, as it is for other growing universities in Texas. Over the past two academic years UTSA's enrollment has grown by 6.5% and plans for future increases to the students we serve are integral to UTSA's institutional vision. We are hopeful that during this coming session both enrollment growth and inflation corrections within the formula can be addressed. This funding is necessary in order to help UTSA move toward the goals outlined in the Texas Higher Education Coordinating Board's 60x30TX plan.

COMMENT ON HAZLEWOOD ACT BENEFITS

UTSA supports military personnel and their families and is committed to serving veteran students as we value their service and sacrifice to our nation. UTSA continues to be recognized as one of the friendliest military universities. Military Times named UTSA a 2016 "Best for Vets" college.

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With the passage of SB 93 in 2009, the Legacy exemption under the Hazlewood Act has proven more costly than originally projected. UTSA is experiencing an enormous growth of students utilizing Hazlewood legacy exemptions. The financial cost of the Hazlewood legislation that expanded tuition and fees exemption benefits to veterans' dependents have increased significantly, reaching a record high of over \$14.1 million in fiscal year 2017. It is projected to be \$16.3 million by the end of fiscal year 2018, and \$19 million by end of fiscal year 2019.

The unrealized tuition and fee revenue due to UTSA's Hazlewood Exemptions has risen over 700 percent since 2009 and is expected to total approximately \$89.4 million (FY 2009 through FY 2018). The impact of this legislation is expected to increase as more veterans return to Texas. UTSA appreciates the support provided in the 84th Legislative session of almost \$1.8 million to help offset the unrealized tuition revenue, and we encourage the Texas Legislature to continue providing funding relief for Hazlewood legacy exemption.

COMMENT ON 10% BIENNIAL BASE REDUCTION

UTSA understands the challenges facing the Texas economy and the request to demonstrate a 10% biennial reduction. If faced with a reduction, our goal would focus on minimizing the impact to our critical programs currently funded with non-formula support. We would approach this as an across-the-board reduction with four sets of 2.5% increments. Potential impact to each program is addressed in the corresponding Schedule 9.

The university continues to focus on efficiencies and cost containment strategies in order to minimize the cost of a UTSA education for our students. Reduction to baseline funding of almost \$1.7 million (10%) over the biennium will impact UTSA's ability to fulfill its mission in the respective programs.

CRIMINAL BACKGROUND CHECKS

UTSA's policy is to obtain criminal history record information on all finalists considered for appointment to a security sensitive position, as allowed by Texas Government Code Section 411.094, Texas Education Code Section 51.215, and UT System Policy UTS124. The President of UTSA has designated all positions at UTSA to be security sensitive.

SUMMARY

Located in a vibrant community and with strong collaborations with the City of San Antonio, Bexar County and the region's research entities—as well as national research affiliations—UTSA is poised to reach new levels of excellence. UTSA has many opportunities for growth and expansion, yet is challenged with space deficiencies and the need for operating funds to provide the best services for a growing student body.

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The following legislative requests have the greatest potential to fuel UTSA's growth and success:

- Tuition Revenue Bond request for a new College of Business building at UTSA's Downtown Campus
- New exceptional items to support national leadership in cybersecurity and student success
- Maintained current level funding for existing special items
- Formula funding to reflect enrollment growth and inflation
- Continued funding of the TRIP program
- Increased investment in the Texas Grants Program
- Support to keep the Hazlewood Legacy program sustainable