

2006 HR Annual Metrics Report

A Message from our Vice President of Human Resources & Employee Services

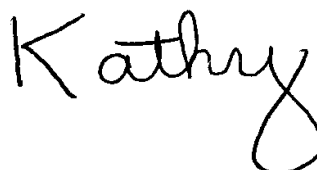
What an exciting year for us. . . hurricanes, major restructuring, and a PeopleSoft HCM implementation topped the list for FY 2006. Only weeks after hurricane Katrina ravaged the Gulf Coast, Rita—a category 5 storm—placed Galveston directly in her crosshairs. UTMB rose to the occasion, and became nationally recognized for orchestrating an emergency plan with compassion, sound judgment, and precision to protect our patients, staff, and students.

For the first time in our 114 year history, UTMB initiated a full evacuation of all our students and patients. Upon these orders, our employees worked as a team making sure each patient was successful in reaching a safe location. There were many unsung heroes during this time. Our mission was never so clear as during this most stressful time. We were then, and are now, “here for the health of Texas”.

The second challenge of FY06 came in the Spring when UTMB embarked upon an ambitious journey to go from “Good to Great” by engaging the Navigant Consulting firm to assist with the development of our financial improvement plan. Implementation of Navigant’s recommendations meant tough change, including position eliminations, organizational changes, and new ways to deliver our services. As a result, HR was tasked with redefining our own model while assisting others with their change efforts. These recommendations were communicated openly and, to be expected, were the cause of reduced morale and stress throughout the summer and into the fall months. Over 600 FTEs were eliminated as of December 2006, and our HR Resource Center assisted in placing over 50% of the affected population. Because of our need to assist others in managing the necessary changes, Human Resources was among the first to implement a new structure to serve UTMB more efficiently (see HR Highlights - HR Restructuring).

Major Process and Technology changes, whether driven by better practice, technology upgrades, or continuous improvement, rounded out the key areas of impact for our HR Service Delivery model in 2006. Throughout the fiscal year, a core team of over 30 Human Resources, IS, and Finance staff was working feverishly to replace our aging legacy system with a more integrated, enterprise-wide solution known as PeopleSoft Human Capital Management. The scope was large: HR, Benefits, Payroll, Talent Acquisition Management, Commitment Accounting, as well as Employee and Manager Self-Service modules. But the team was able to incorporate the appropriate environment, process, and organizational changes into the final design—still making the fiscal year-end GO-LIVE target. The HR / Payroll Implementation was considered a huge success not only due to replacing the existing system and producing paychecks, but also for the rapid user adoption (both managers and employees), and uniqueness in terms of size, complexity, and timing.

Indeed a major year of change for UTMB, if not a pivotal year in our institution’s history. We are proud of all we have been able to do to support our employees during this most difficult time, and look forward to the challenges of FY07.



This edition includes:

- > HR at a Glance
- > Workforce Overview
- > Key Workplace Trends
- > Selected HR Divisional Highlights
- > Of Interest
- > Key HR contacts



UTMB's Human Resources Leadership Team

1ST ROW SEATED:

KATHY JINKINS, RN, MED — DIRECTOR, EMPLOYEE HEALTH & WELLNESS

KATHY SHINGLETON, Ed.D., SPHR — VP OF HUMAN RESOURCES & EMPLOYEE SERVICES

DEBBIE CONLEY, RN, LPC — DIRECTOR, EMPLOYEE RELATIONS

2ND ROW STANDING:

CINDY STANTON, SPHR — DIRECTOR, RECRUITMENT SERVICES

SCOTT A. LIVANEC, M.B.A. — DIRECTOR, HUMAN RESOURCES BUSINESS INFORMATION SERVICES

MELVIN WILLIAMS — DIRECTOR, DIVERSITY & INTERNATIONAL AFFAIRS

DOUG STARK, M.A. — DIRECTOR, ORGANIZATIONAL EFFECTIVENESS, TRAINING & RECOGNITION

AL JANKE — DIRECTOR, EMPLOYEE ASSISTANCE PROGRAM & EMPLOYEE INJURY MANAGEMENT

JOHN PEMBERTON — DIRECTOR HUMAN RESOURCES FOR CORRECTIONAL MANAGED CARE

AMANDA PORTER — DIRECTOR, COMPENSATION AND BENEFITS

Our Mission & Vision:

To provide professional strategic business partnerships with leadership, employees, students, and our community in a dynamic workplace to produce positive actions in retaining, attracting and developing a talented and culturally diverse workforce. Through our collaborative efforts we will deliver strategically aligned, financially sound, and leading edge people practices, policies, processes and programs.

Our Strategies

We focus Human Resources strategies to produce:

- ⇒ Recognition as the employer of choice by attracting and retaining the best and brightest
- ⇒ Engaged, valued and committed employees (through retention, recruitment, compensation, benefits, health promotion, recognition, and accountability) to meet current and future needs
- ⇒ Education, training and development programs to increase competencies
- ⇒ Consistent and standard services, policies and processes which are transparent, technology-enabled, easy to administer, and intuitive to our customers
- ⇒ A safe, healthy, diverse, and work life-balanced work environment
- ⇒ Strategic business partnerships with our customers to meet the demands of a dynamic work environment
- ⇒ Proactive services and effective and prompt resolution to customer problems and concerns

Human Resources Divisional Information	
Division	Key Functional Components
Recruitment Services	Recruitment Agreements; Sourcing and Referral of Applicants; Selection Packet Approval
Compensation and Benefits	Pay for Performance, Total Rewards Program; Benefits Enrollment; Benefits Initialization Process; Benefits Communication Process
HR Business Information Services	HR Systems Integration; Analytics and Decision-Support; Quality and Standards; Records Services
HR Employee Relations	Employee Consultations, Complaint Investigation, Employee and Faculty Grievances and Appeals, Job Creation and Job Reclassification; Market Reviews and Recommendation
Employee Health and Wellness	Health Promotion; Employee Injury Management; Employee Health Clinic, Employee Assistance Program
Organizational Effectiveness, Training and Recognition	Leadership Academy; Workforce Development; Online training; Recognition; Service Excellence; Organizational Effectiveness
Diversity, and International Affairs	Diversity Promotion; Diversity Analysis; Visa Services; Social and Educational Programs; Institutional Programs

HR Program Highlights

JCAHO

HR worked with hospital directors to ensure a constant state of readiness for the JCAHO survey. Regular employee file audits revealed excellent compliance by hospital departments in keeping employee files up to date with annual performance evaluations.

PeopleSoft Human Capital Management Implementation

Fiscal Year 2006 marked the completion of an institutional project to replace UTMB's legacy HR and Payroll systems with a more integrated product, PeopleSoft HCM 8.9. The modules implemented included HR (and Talent Acquisition Management), Benefits, Payroll, and Commitment Accounting. Approximately 50 high level business process designs were created to leverage process and Employee Referral Program better practices, were signed-off in the final stages of the implementation.

Several factors—launch timing (2006 fiscal year-end), processing delivery model (partially decentralized), position complexity (multiple position appointments), and organization change (major downsizing and restructuring underway) - contributed to the complexity of the implementation. Effective cross-functional partnerships were forged, a staff SIP (staff incentive plan) was implemented, and project scope was carefully managed.

The end result was HCM coming on line Mid-September of 2006. HCM go-live occurred on September 20th and the first checks paid through the new system was cut for October 1st. Day One activity brought 1900 users, including over 1400 employee self-service users. By the end of calendar 2006, approximately 3.5 months post-launch, over 75% of the employee population had signed onto the system to perform over 10,000 employee self-service transactions and over 11,000 manager self-service transactions.

Adoption of Staff Incentive Plans

Staff incentive plans continued to be an important driver in increasing performance and accountability across UTMB in support of strategic initiatives. These plans clearly align goals throughout the organization, linking them with UTMB's executive goals. Thirty-one percent of Administrative & Professional employees participated in staff incentive plans, with an overall payout of 2.59% of annual pay.

Employee Relations

The Employee Relations Division of Human Resources has taken on new duties this year. In response to a Navigant recommendation, management of grievances and appeals as well as activities associated with compliance with the American with Disabilities Act are now located in Employee Relations. While the physical location of these services has moved to the Administration Building, the services provided to employees and supervisors remain the same. In fact this new structure will allow HR to more effectively assist employees with work related problems.

High Potential Leadership Development Program

Over the past two fiscal years, a High Potential Program was conducted in Finance, Vice President for Business & Administration, Hospital, and Clinics. The program identifies those employees who display a "high potential" to become a part of our future leadership team. The program has been recommended as a model for the entire UTMB campus.

Leadership Training

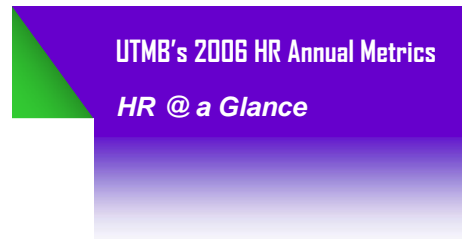
OET&R trained supervisors in the following Leadership Development Series which included Emerging Leader Program, Supervisor Certification Program, Manager Certification Program and 4 Roles of Leadership. Each participant is required to complete a project in order to graduate. The estimated cost benefits reported from participants for the projects from these classes is \$16,314,454.

Pay for Performance Training

Training was provided for all supervisors and managers to assist them in effectively compensating employees based on level of job performance. An on-line toolkit was introduced containing aids designed to provide managers with information on coaching and developing employees, delivering meaningful evaluations, and determining appropriate compensation strategies to reward job performance.

Online Training

Over 20,000 employees, students, contractors and volunteers completed 1 or more of the 39 offerings in the on-line training system. In FY06 the system went from being hosted by a third party to being supported in-house by Information Services when UTMB purchased the online training and tracking system.



HR Program Highlights (cont.)

Employee Service

The Employee Service Day celebration is a semi-annual program for employees to be recognized for their years of service to the institution. UTMB consistently welcomes increasing numbers of employees to this program, growing in FY06 to a total of 2,389 employees contributing 25,775 years of combined service.

GEM Program (Going the Extra Mile)

The GEM program is designed for employees, student and volunteers to recognize each other for professional behavior and for “Going the Extra Mile” in their daily activities. This program reinforces the UTMB Professionalism Charter. A drawing is held semi-annually in conjunction with the Employee Service Day ceremony. A total of 100 names are drawn to receive a UTMB branded item. A total of 2002 employees were entered into the drawings this year.

TEXAS Program (Terrific Employees eXcel in Attendance Stewardship)

The TEXAS program was created to reward those employees that are good stewards of their unscheduled vacation and sick leave. A total of 8,240 full-time classified employees were recognized during the year. A total of 25 employees were drawn from those eligible for quarter and annual awards, which ranges from a \$1,000 check to \$1,500 in U.S. Savings Bonds.

HR Restructuring

Organizational changes promoting more effective partnerships and streamlined operations took place in FY 06. Among these changes were: The Office of Equal Opportunity and Diversity merged with HR and became the Office of Diversity and International Affairs. Employee Benefits and Employee Compensation were merged to focus more on Total Rewards. HR Employee Records was transitioned back to HR Business Information Services. The Office of Employee Health and Wellness was moved from the Clinical Enterprise to HR, aligning Employee Assistance Program, Injury Management and Health Promotions and Wellness under one umbrella. Finally Employee Grievances and Appeals were moved from the Office of Equal Opportunity and Diversity to Employee Relations.

Key HR Measures

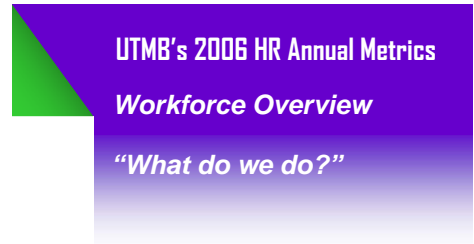
To ensure UTMB HR is properly aligned with both our institutional mission and the marketplace, our staff frequently interact with other organizations and HR better-practice groups. HR Divisions focus on operational metrics appropriate to their scope of services, and HR leadership and our executive partners keep attuned to more strategic and comprehensive measures such as workplace turnover and retention trends, key HR ratios, and diversity trends.

We’ve listed a few of our key HR ratios for 2006; look to the section on Workforce Trends to see a more comprehensive set of the measures we monitor.

Key HR Measures							
Fiscal Yr	Institutional Operating Expense	Institutional FTEs	HR Operating Expense	HR EEs	HR to EE Ratio	HR Expense Ratio	HR Expense per FTE Ratio
2006 Benchmark ¹ (25th Percentile)	N/A	N/A	N/A	N/A	0.24	0.58	\$573
UTMB 2006	\$1,384,054,626	12,403	\$9,249,238	91	0.73	0.0067	\$746
UTMB 2007 (Projected)	\$1,453,142,869	12,000	\$8,828,364	87	0.73	0.0061	\$712
2006 Benchmark ¹ (75th Percentile)	N/A	N/A	N/A	N/A	0.74	2.5	\$1,784

UTMB HR expense ratios compare favorably (top quartile) against other healthcare organizations. Our HR to Employee Ratio is in the 75% percentile, a benchmark level we feel appropriate given the extent to which HR partners with the business to focus on bottom line results. This metric is useful in that the number indicates the amount of dollars the organization invests in its HR function relative to other operating investments.

¹ 2006 SHRM Human Capital Benchmarking Survey; Healthcare Industry benchmarks were used for expense ratios; like-size organizational (all industries) benchmarks were used for HR to EE ratios



Since opening its doors to 23 medical students and 13 faculty in 1891, Texas' first medical school, UTMB has grown to become a major academic health center. Unlike most other academic health science centers, UTMB owns & operates all of its hospitals and is the 10th largest employer in the Houston/Galveston area with over 12,000 employees.

UTMB records more than 700,000 visits and more than 41,500 inpatient admissions a year. While some patients seek primary health care, many others are referred through physicians throughout the state, nation, and the world for the specialized diagnostic and treatment resources available at our major medical center.

Employee Distribution by Job Class (FTE)

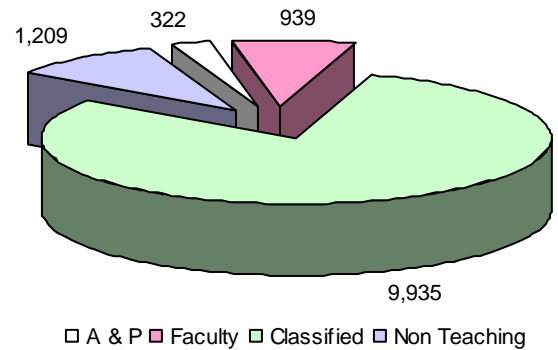
Job Classifications breakdown into the following areas:

Administrative & Professional (A&P) - Management and executive level employees

Classified - General staff population; exempt and non-exempt employees

Faculty—Primary job in instruction

Non-Teaching— Residents, graduate students and other academic and scientific employees



Employee Distribution by Operating Area (FTE)

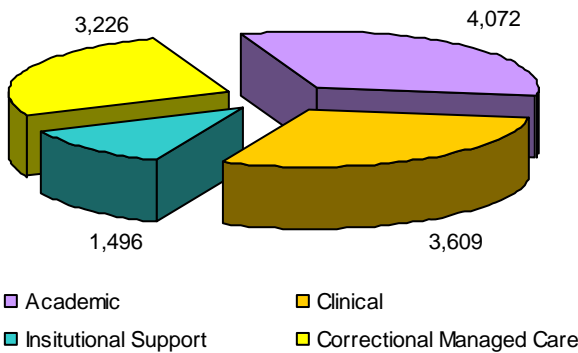
Operating Areas breakdown into the following areas:

Academic—Schools of Medicine, Nursing, Allied Health and Graduate Biomedical Sciences

Clinical—Comprehensive primary, specialty, and sub-specialty

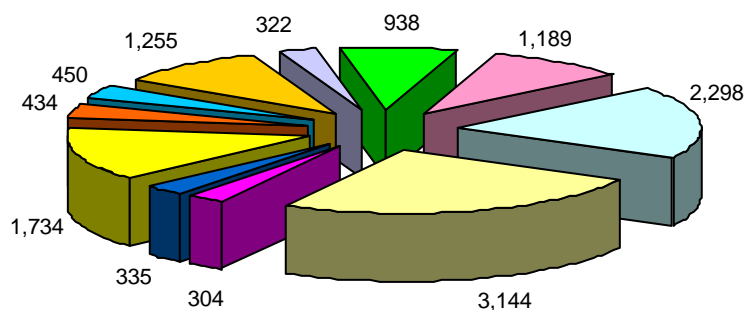
Correctional Managed Care—Medical, dental, and mental health services for Texas inmate population and selected federal correctional facilities.

Institutional Support—Infrastructure, business, and academic support services

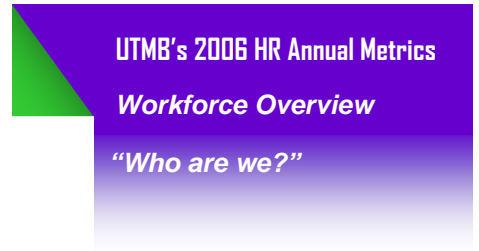


Employee Distribution by Job Family (FTE)

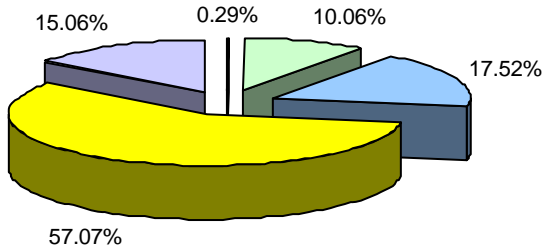
- A&P
- Non-Teaching
- Clinical
- Information Technology
- Operations Svcs
- Staff
- Faculty
- Administrative Support
- Engineering
- Nursing
- Research



Like so many organizations across the country, we have experienced increases in the diversity among our employees, not only in terms of culture, race, and gender, but also in terms of educational background, value systems, ideas about work ethics, communication styles, etc. Thus, we define diversity simply as the broad spectrum of differences united by the common mission of providing the best health care possible for our patients.

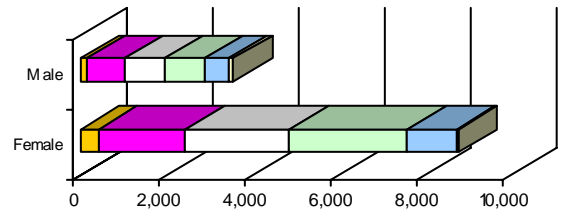


FY 06 Workforce by Ethnicity



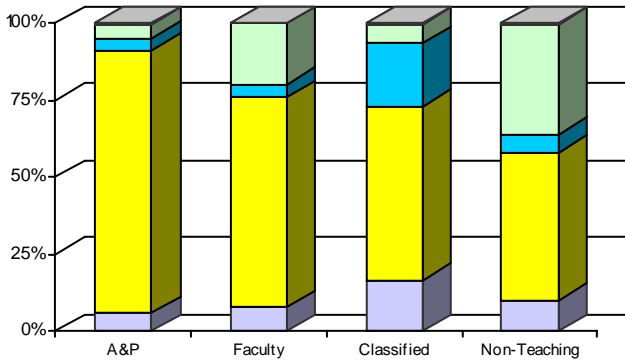
□ American Indian □ Asian □ Black □ Caucasian □ Hispanic

FY 06 Workforce by Age and Gender



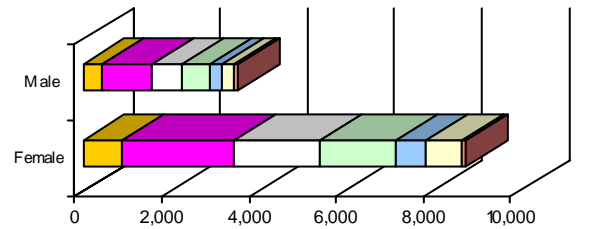
■ <25 ■ 25 - 35 □ 35 - 45 □ 45 - 55 □ 55 - 65 □ 65+

Ethnicity by Job Class



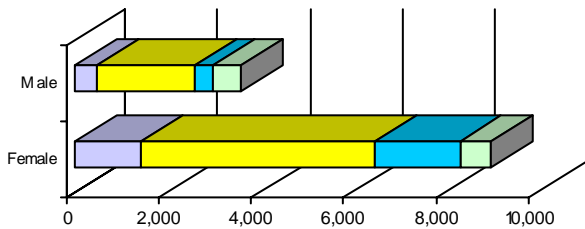
□ Hispanic □ Caucasian □ Black □ Asian □ American Indian

FY 06 Workforce by Length of Service and Gender



■ <1 ■ '1-5 □ '5-10 □ '10-15 □ '15-20 □ '20-30 ■ 30+

FY 06 Workforce by Ethnicity and Gender



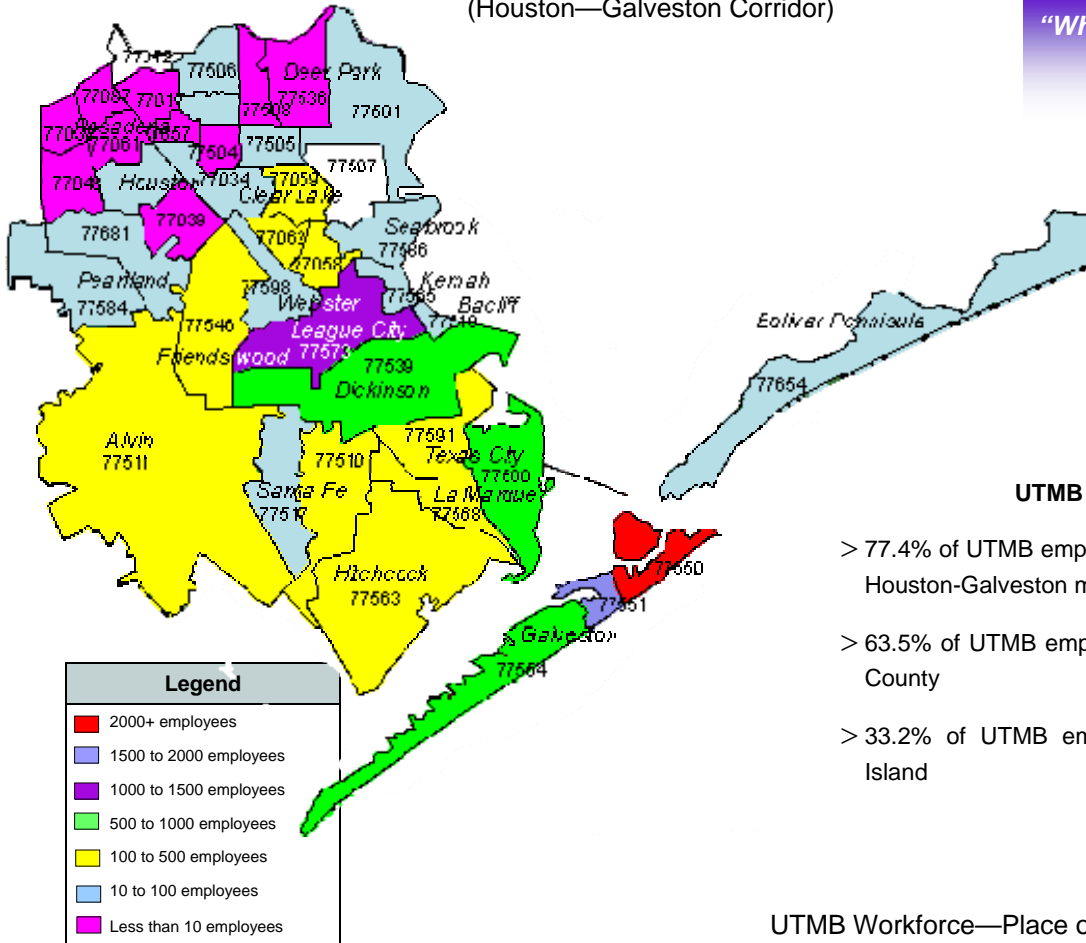
□ Hispanic □ Black □ American Indian /Alaskan Native □ Caucasian □ Asian/ Pacific Islander

Did you know?

- ⇒ Minorities are employed at a rate of 43.17% and are represented in 86.78% of the University's 174 departments.
- ⇒ Minorities are represented in 100% of the departments that employ 10 or more people.
- ⇒ Women are employed at a rate of 71.34% and are represented in 96.55% of all departments, and 99.12% of all departments that employ 10 or more people.

UTMB's 2006 HR Annual Metrics
Workforce Overview
"Where do we live & work?"

UTMB Workforce –Place of Residence
 (Houston—Galveston Corridor)



UTMB Employees

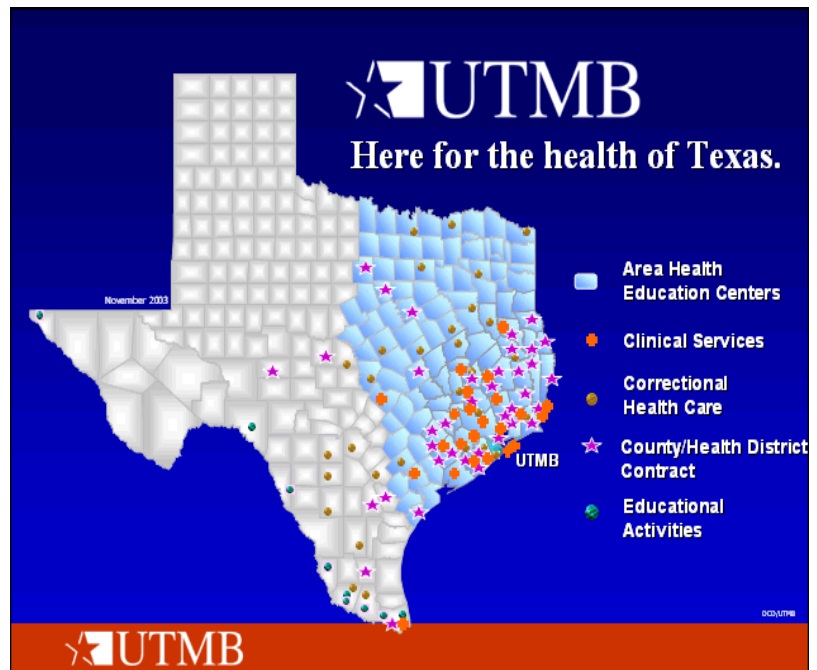
- > 77.4% of UTMB employees live within the greater Houston-Galveston metro area
- > 63.5% of UTMB employees live within Galveston County
- > 33.2% of UTMB employees live on Galveston Island

UTMB Workforce—Place of Business
 (State of Texas)

Established in 1891, The University of Texas Medical Branch (UTMB) at Galveston is the oldest of the four health sciences centers in the U.T. System. Located on a barrier island bordering the Gulf Coast, the 85-acre main campus includes a complex of six hospitals, four academic schools, numerous research centers and institutes, and one of the largest medical libraries in the Southwest.

UTMB Correctional Managed Care provides managed health care for offenders in more than 100 adult and juvenile correctional facilities throughout the state. UTMB Correctional Managed Care, a division of the Office of Community Health Services, offers medical, dental, and mental health services to more than 126,000 patients, or some 80 percent of the state's inmate population. CMC is also among the world's leader in telemedicine and electronic medical records applications.

While the majority of our employees live and work in the Southeast Texas, nearly a quarter of our population serves other parts of Texas.





UTMB's 2006 HR Annual Metrics
Workforce Overview
"How do we feel about working at UTMB?"

As incentive to increase participation, employees who completed the You Count! survey online in 2006 were eligible for the drawing. The incentive worked, with 8,451 UTMB employees voicing their opinions. That's the highest participation rate yet in the You Count! Employee Survey.

In 2001, UTMB began to solicit and assess employee ideas and perceptions about the university and about our working environment. The goal was and is to listen, to learn, to implement changes where necessary and to continue to improve.

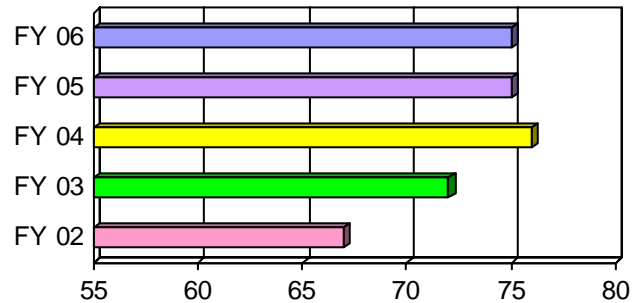
In 2006, employee participation increased to 67.9%, the highest since the inception of the You Count! Survey. One reason for the increased participation was the grand prize drawing of a cruise for two on Royal Caribbean Cruise Lines. We're encouraged by this rise; we believe the higher our participation, the more accurate a picture we get of how UTMB employees feel.

These are the other survey areas where we've seen the most progress since we first introduced You Count! to the UTMB community:

- ⇒ At UTMB ideas are widely shared.
- ⇒ Department management is providing regular updates on department and individual performance goals.
- ⇒ UTMB does a good job of retaining highly qualified individuals.
- ⇒ UTMB values individuals of diverse backgrounds.
- ⇒ I have confidence in the job being done by the senior management.
- ⇒ Department Management is involving employees as important members of the team.

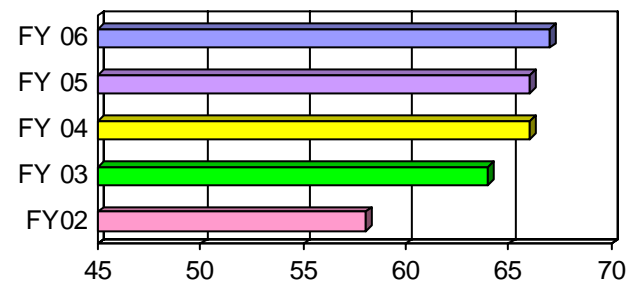
You Count! Institutional Results

I would recommend UTMB to others as a good place to work.



You Count! Institutional Results

Overall Employee Satisfaction, Percent Positive.

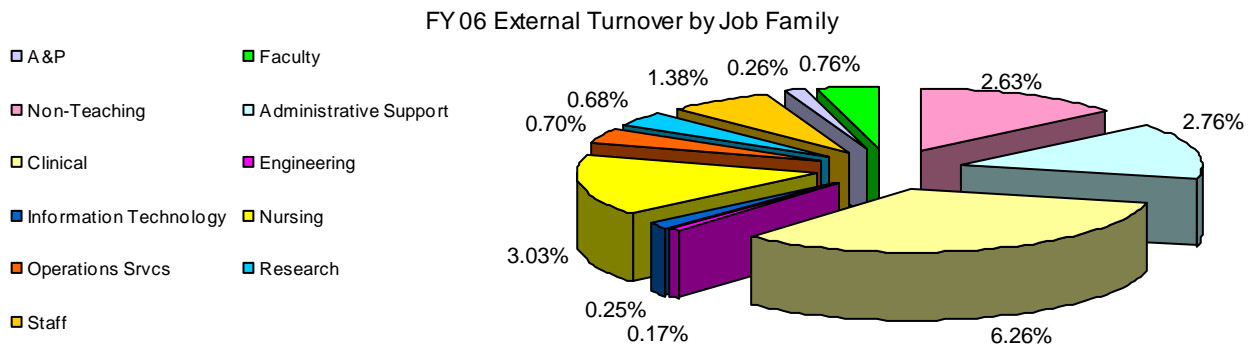
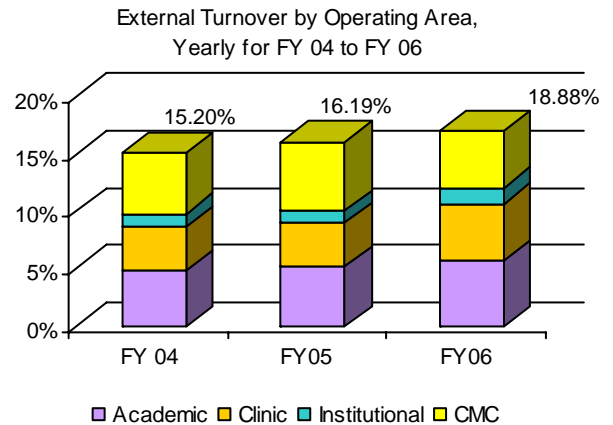
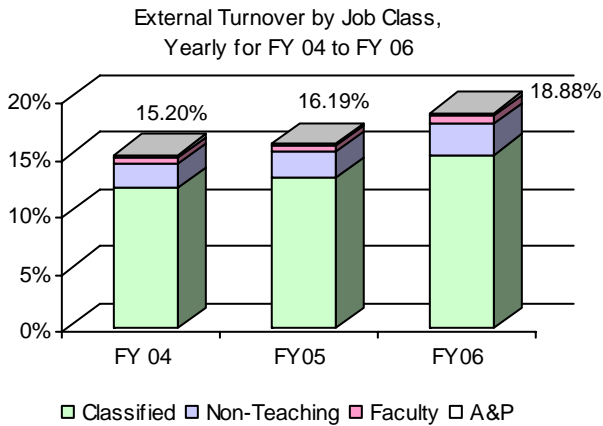


Questions:	FY 02	FY 03	FY 04	FY 05	FY 06
"I am proud to work for UTMB"	73%	79%	80%	81%	81%
"I would prefer to remain with UTMB even if a comparable position were available in another organization"	54%	62%	66%	64%	64%
"I have confidence in a job being done by senior management"	51%	62%	67%	68%	66%
"UTMB creates a climate that values individuals of diverse backgrounds"	62%	73%	78%	79%	79%
"UTMB does a good job of retaining highly qualified individuals" (most improved results)	27%	41%	46%	47%	45%

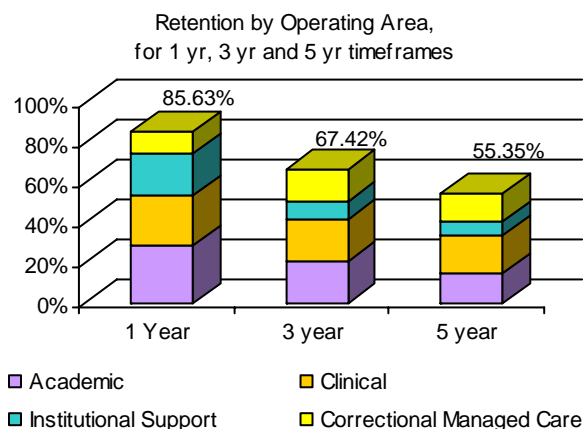
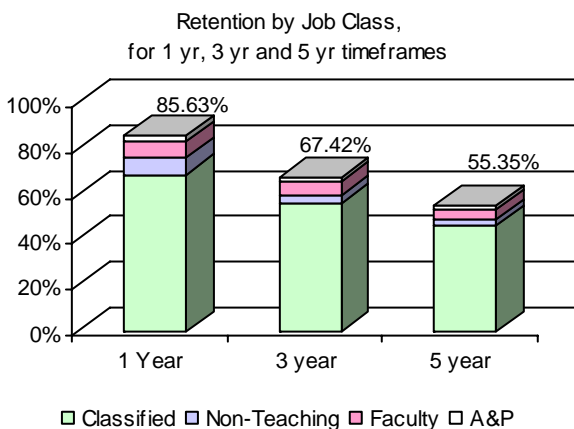
UTMB's 2006 HR Annual Metrics
Key Workplace Trends
 Turnover and Retention

Employees are our most valuable assets, and our HR staff works with our key business stakeholders to promote healthy workplace trends. Turnover and Retention numbers are studied together, as they highlight different aspects of employee movement and longevity. Below are two graphs which represent our external turnover trends, by employee job class and by operating area. External turnover continues to trend upwards, likely a reflection of an increasingly tight and knowledgeable labor market.

Turnover represents the percent of total turnover for the institution.



UTMB supports upward mobility for its employees. Our HR programs are designed to develop, reward, and retain our talented workforce. Retention numbers focus more on what an employee wants (employees stay) rather than external turnover numbers, which focus on what employee does not want (employees leave). Our retention trends indicate about half of our employee-base turns over every six years, and a 1-year retention rate slightly over 85%.

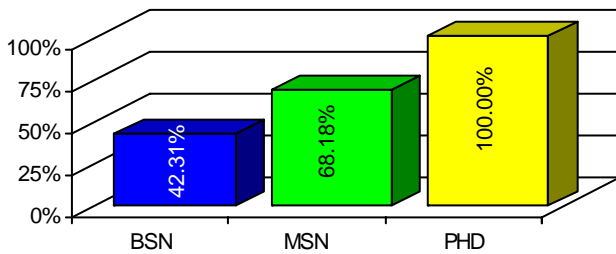


UTMB's 2006 HR Annual Metrics
Key Workplace Trends
UTMB Schools and Programs

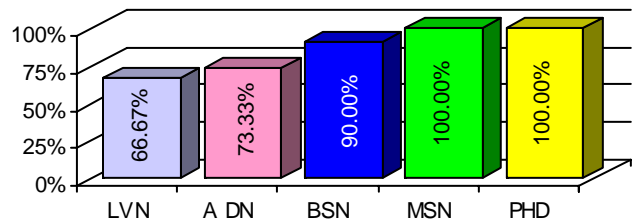
UTMB has developed two programs—Work Study and Work School — which contribute to attracting and retaining the best and brightest employees at UTMB. These programs take full advantage of our reputation and resources as a world-class academic center to offer unique work and educational opportunities to our students and staff.

The graphs below illustrate 3-year retention rates associated with these two programs, as well as the enrollment and ethnicity data over the past 3 years.

3 Year Retention Rate, Work Study Students, for FY 04 to FY 06



3 Year Retention Rate, Work School Students, for FY 04 to FY 06

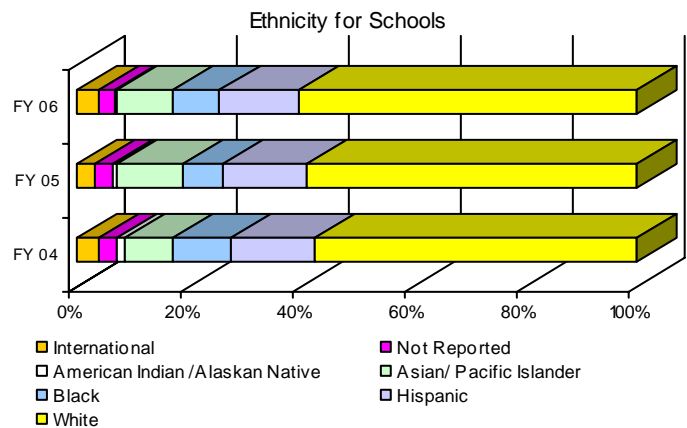


Our Work Study programs enable UTMB to meet the growing demand for nurses and other allied health professionals by encouraging employees to take advantage of this unique educational opportunity. Participants attend classes for initial and advanced nursing degrees at area colleges. The program offers associate's, bachelor's, master's and doctoral degrees in nursing, and has now been expanded to include Radiology Technicians and Medical Technologists.

The UTMB Work School Programs began in 1988 with funding through a grant from the Sealy & Smith Foundation. Initially designed to support University of Texas Medical Branch employees interested in pursuing associate degrees in nursing (ADN) at Galveston College, the program expanded to support employees in vocational and associate degree nursing programs, bachelor, master and doctoral programs in nursing and allied health in colleges across the state. At this time, the Work School Program is supporting employees completing certificate or degree programs which qualify them for hard to fill positions at UTMB.

Enrollment for UTMB Schools			
	2004	2005	2006
Graduate School	57	52	54
School of Allied Health	114	120	148
School of Medicine	190	201	183
School of Nursing	221	229	243
Total	582	602	628

Degrees Sought at UTMB			
	2004	2005	2006
Bachelors	240	223	224
Doctoral	38	36	36
Masters	114	142	154
Professional	190	201	183
Post-Masters Certificate	0	0	11
Total	583	602	628

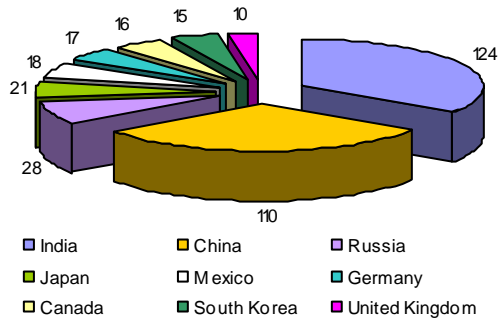


All School information provided by the Office of Institutional Analysis

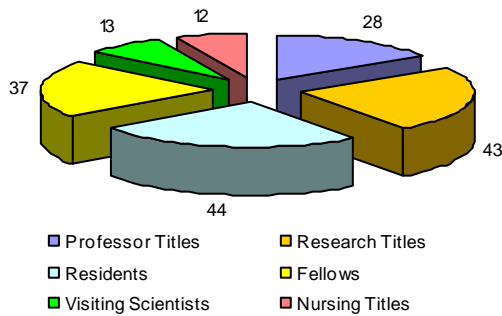
The division of International Affairs provides programs and services to enhance and facilitate the stay of international staff and students at UTMB. These programs are offered in support of institutional research, clinical, and educational endeavors. Professional services include, but are not limited to:

- ⇒ Immigration advising and visa processing
- ⇒ Orientation and education on matters relevant to the international population
- ⇒ Support of cross-cultural activities and experiences
- ⇒ Acting as liaison among university departments, government agencies, private organizations and the local community

International Staff: Nationalities Most Represented



Job Titles Most Frequently Held by International Staff



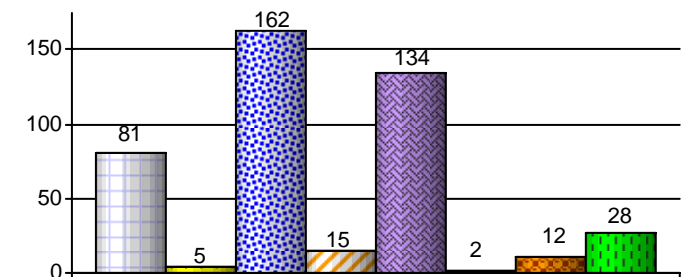
Primary Objective of UTMB Internationals

- ⇒ Students: 87
- ⇒ Clinical Trainees: 73
- ⇒ Clinical/Research Staff: 372

Did You Know....

- ⇒ The net annual economic contribution of international students and their families to the State of Texas in 2005-2006 was \$891 million
- ⇒ In 2005/2006, 96,981 international scholars were teaching or conducting research at U.S. campuses, an increase of 8.2% from the previous year
- ⇒ More than 75% of the above international scholars were primarily engaged in research
- ⇒ More than 50% of the above international scholars came to the US with J-1 exchange visitor visas
- ⇒ About 37% came to the United States with H-1B visas
- ⇒ The Fulbright Fellowship Program (and indirectly the J-1 exchange visitor visa program) was created by Senator J. William Fulbright in 1946; since its inception the program has sponsored more than 250,000 Fulbright grantees, many of whom have made significant contributions within their countries and to the goal of advancing mutual international understanding
- ⇒ Texas Governor Rick Perry signed a proclamation in 2006 calling for the celebration of International Education Week November 13-27, 2006; during 2006 International Education Week was celebrated in 86 countries and 47 states of the United States
- ⇒ In 2006 UTMB hosted approximately 450 international scholars from 62 different countries? About 25% arrived at UTMB during 2006
- ⇒ You can take a Global IQ Quiz on the Department of State web site at <http://iew.state.gov/quiz.htm>

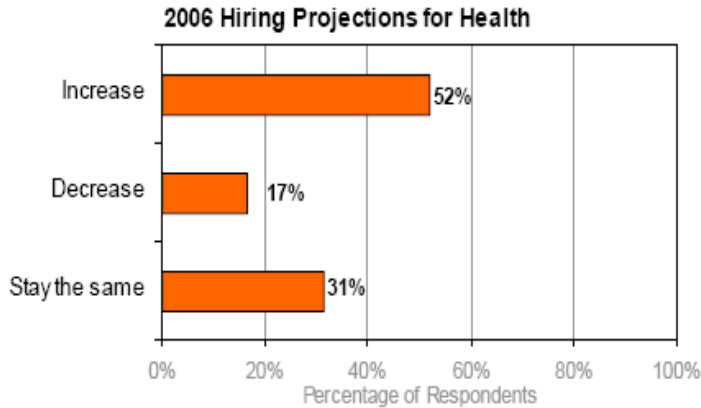
UTMB Internationals by Visa Type



- F-1 Students
- J-1 Research Scholars
- H-1B Workers
- TN Workers
- J-1 Students
- J-2 Dependent Employees
- O-1 Workers
- Applicants for Permanent Reside

HR Recruitment Services provides assistance for hiring departments which includes but is not limited to staffing projections, candidate sourcing and screening, advertising, the development of diverse applicant pools, and consultation on the job posting process. Services available to UTMB employees seeking UTMB job opportunities include career counseling and resume writing assistance.

As indicated in our turnover and retention data, competition of the caliber of talent needed at UTMB continues to rise. Recent surveys indicate the majority of health care companies are planning to increase hiring.²



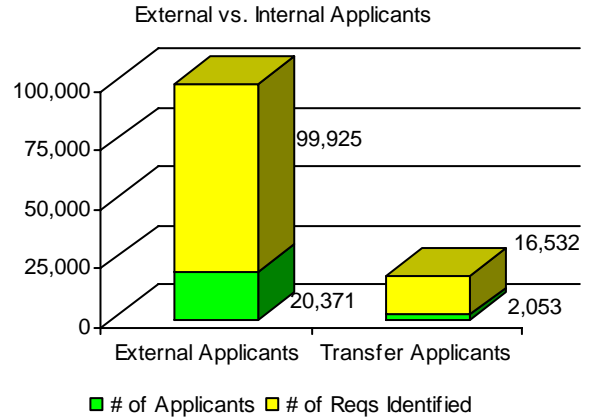
As we innovate our source, selection, and retention programs at UTMB, so too must we remain competitive with our processes and technology. A major focus for Recruiting Services in 2006 has been the PeopleSoft HCM / Talent Acquisition Management (TAM) Implementation. Our staff collaborated with HR's Business Integration Systems division in planning and delivering a best-of-breed design and system. UTMB was amongst the first companies to implement PeopleSoft TAM v8.9 in Texas. Key staff participated in 3-hr. "hands-on" computer lab training, end-user training sessions, one-on-one customer training and coaching sessions to prepare for go-live.

Job posting conversions were manually loaded in TAM over a weekend in September so current openings would be immediately available for applicants at go-live. Our partners at the WorkSource have been trained on the system and provide applicant education via phone or one-on-one sessions as needed.

Human Resources provided career services and personal support for those UTMB employees impacted by the Navigant consultant recommended reductions-in-force across the institution. The Resource Center was created and staffed by Recruitment Services and supported by other divisions of HR. During the primary phase of the Navigant reductions, July through September of 2006, The Resource Center served 262 employees. A total of 51% have been hired internally (35%) or by another company (11%) or retired (5%). Recruiters work with former employees who are unemployed for one year and allow the individuals to apply as internal applicants at UTMB During this time.

FY 06 Institutional Totals by Area Employee Referral Bonus Program				
	Hospital / Clinics	RMCHP	Correctional Managed Care	Total
FY 05	\$68,750	\$2,250	\$44,750	\$115,750
FY 06	\$58,000	\$3,000	\$24,000	\$85,000

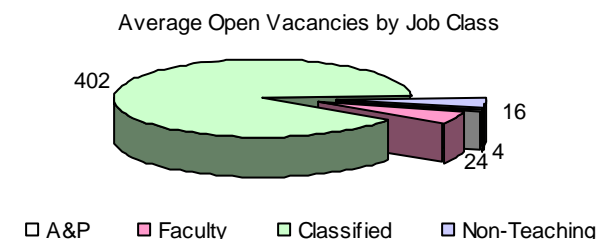
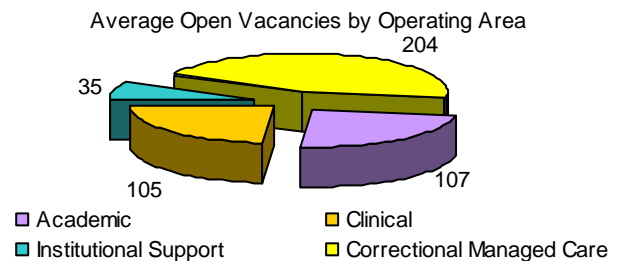
UTMB's 2006 HR Annual Metrics
HR Divisional Highlights
Recruitment Services



Job site: <http://jobs.utmb.edu>

Did you know?

- ⇒ UTMB has 13 recruiters handling about 100,000 requests for employment a year - roughly 7,700+ requests per recruiter
- ⇒ UTMB posts approximately 400 job postings daily
- ⇒ For FY 06, there were 3,165 requisitions created
- ⇒ UTMB has received inquires from 40+ countries across all 7 continents
- ⇒ Out-of-State residents account for about 10% of our inquiries
- ⇒ Galveston County residents account for about 34% of our inquiries
- ⇒ Texas residents outside the Houston-Galveston area account for about 52% of our inquiries



² 2006 SHRM Human Capital Benchmarking Survey

UTMB's 2006 HR Annual Metrics
HR Divisional Highlights
Compensation

UTMB's compensation program for classified and A&P employees is designed to attract, retain, develop and motivate our employees to effectively achieve the organization's mission. Our salary administration and total rewards program, coupled with training and development opportunities and recognition programs, emphasizes rewarding employee performance through our Performance Management Program with employee accountability for work outcomes and behaviors.

UTMB's pay philosophy ensures that our policies, programs and practices are performance-based (dependent upon the individual's performance); flexible in that the market data obtained from these surveys assist us in adjusting our salary structure based on the continual changes in the market, and externally competitive by tracking the market via commercially prepared compensation surveys, and, internally equitable as we evaluate and analyze each job based on consistent criteria while also reviewing internal benchmarks for each job; and fiscally responsible.

Average Compa Ratio			
	FY 04	FY 05	FY 06
A&P	105.66%	106.05%	105.02%
Classified	97.22%	96.08%	96.16%
UTMB	97.81%	96.36%	96.44%

To ensure employee's salaries are market competitive, we measure and track the progress of individual and groups of employees against the market by reviewing the compa-ratio. Compa-ratio is an individual's salary expressed as a percentage of the midpoint of the salary range. Midpoint is 100% compa-ratio and represents the market median salary for the job. Compa-ratio = salary/midpoint X 100.

Staff Incentive Plan Awards for FY 06 (Administrative & Professional)		
	% of Payouts	% of Ees Receiving Awards
Academic Enterprise	1.14%	11.76%
Institutional Support	2.55%	45.64%
Clinical	5.14%	60.00%

UTMB Staff Incentive Plans are designed to reward team performance for meeting institutional goals and are intended to provide a competitive component of an employee's total compensation.

Did You Know....

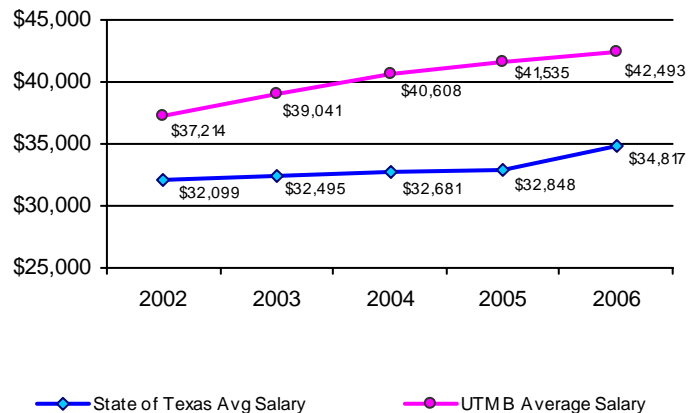
- ⇒ In Fiscal year 2006, Texas state agencies employed 144,934 classified, regular, full-time, and part-time employees
- ⇒ The average state employee is 43.4 years old earning \$34,817 and has been employee by the state of Texas for 10 years.

Data source: <http://www.sao.state.tx.us/reports/report.cfm/report/07-707>

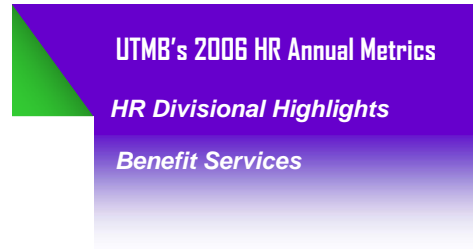
From the State

- ⇒ Total of all occupations working in Gulf Coast can expect to earn a median cash salary of \$29,145 or \$14.01 per hour. The median wage is the 50th percentile wage estimate--50 percent of workers earn less than the median and 50 percent of workers earn more
- ⇒ Half of the people in jobs earn between \$18,586 (\$8.94 per hour) and \$47,547 (\$22.86 per hour) (i.e., between the 25th and 75th percentiles). An entry level worker can expect to earn \$16,009 (\$7.70 per hour) while an experienced worker can expect to earn \$50,226 (\$24.15 per hour)
- ⇒ Gulf Coast region of Texas has estimated employees of 2,330,310, with a Mean Wage \$38,821 / annual, Entry Wage \$16,009 / annual, Experience Wage \$50,226, Median \$29,145

Data source: <http://www.texasindustryprofiles.com/apps/win/>



* Texas Statewide Mean Wage values not available for 2006 at time of publication



Benefit Services

The Benefits Services Staff is comprised of 11 employees who presently serve approximately 25,000 participants including employees, retirees and dependents. Due to the scope of our responsibilities, Benefits Services touches the lives of each and every UTMB employee. The Staff provides assistance and consultative services relative to a total and competitive Benefits package from the time employees are hired, throughout their entire career; and ultimately through separation from service or retirement. Emphasis is placed on professionally delivering accurate and timely information through quality customer service. Also included in Benefits Service is the Initialization Office. This Office undertakes the responsibilities of ensuring that all newly hired employees meet Homeland Security requirements in order to become employed in the United States.

Did you know?

- ⇒ Benefits Services handled in excess of 40,000 telephone calls and 8,000 customer wall-ins / appointments in 2006, with an average Customer Satisfaction rate of 91%.
- ⇒ Initialization Office processed in excess of 1,200 new employees in 2006, with an average Customer Satisfaction rate of 100%.

UT FLEX Campaign

UT Flex is a flexible spending program authorized by the IRS, to provide a tax advantaged method to pay for qualified out-of-pocket health care expenses and work related day care expenses. Those expenses are paid for with pre-taxed dollars, which are Payroll deducted from participants pay before taxes are withheld. As eligible health care expenses (i.e. medical, dental, vision, hearing and pharmaceutical expenses) or dependent day care expenses are incurred throughout the year, participants are reimbursed with tax-free dollars from their account.

Benefits Services implemented a campaign to increase employee participation in UT Flex; thereby increasing tax savings for participants and UTMB. Marketing promotions of this initiative included employee meetings, articles in IM-PACT, Daily Announcements, educational emails to all employees, and presentations conducted by representatives from Pay Flex (the UT Flex Plan administrator). Participation increased by 5% and a subsequent campaign will be launched in 2007.

UT Flex Campaign			
Increase in Participation	Annual Amount Pledged	Annual FICA Savings for	
		Participants	UTMB
18.50%	\$3,904,740	\$298,713	\$298,713

Annual Enrollment

Annual Enrollment was conducted during the month of July and it was a very exciting and busy time for Benefits Services. New technology was successfully introduced, which incorporated combined video/audio presentations to participants; thus enabling them to review the benefits programs on-line at their convenience. Another technological improvement was the implementation of online EOI Applications for those participants increasing certain levels of coverage. Additionally, a Benefits Call Center, Annual Enrollment Web Site and Computer Lab were created to provide assistance to participants with questions regarding benefits selections, eligibility, changes, etc.

The Annual Benefits Fair was well attended by over 800 employees and proved to be an excellent venue for them to communicate directly with our Benefits partners. Representatives from UT Office of Employee Benefits, Blue Cross, Delta Dental, Assurant Dental, UT Flex and Superior Vision eagerly answered questions and addressed concerns from employees who attended the Annual Benefits Fair.

Another highlight of Annual Enrollment was the partnering of Benefits Services with Employee Health to promote increased utilization of Health Risk Assessments. UTMB volunteered to be the trial institution within the UT System to link HRAs with Annual Enrollment with the objective of increasing participation and creating a healthier workforce. As a result, we experienced a 300% increase in HRA participation over the previous year. For more information regarding HRAs, please visit our [Commit to Fit website](#).

Annual Enrollment Stats

- ⇒ Total Visits to Benefits Web Site - 11,718
- ⇒ Total Visits to AE Web Site - 4,916
- ⇒ Total Calls handled by AE Call Center - 1,800
- ⇒ Total Walk Ins and Appointments - 628



Healthy, Wealthy and Wise

A financial education series for the UTMB community

Healthy, Wealthy and Wise

UTMB's committed to lifelong learning and to the health of its campus community was extended in 2006 to include financial health. Healthy, Wealthy and Wise was a year-long series of free monthly financial educational seminars, created to meet both goals by educating, equipping and empowering UTMB employees to proactively and successfully manage or participate in the management of their financial portfolios. The informative seminars benefited all members of the campus community, from the first-time car buyer to the most experienced investor, from kitchen table budget balancers to those with certified financial planners.

The seminar series was spearheaded by Benefits Services with the support the President's "Commit to Fit" Program. Each month, a different topic was presented by our university financial partners and covered a broad spectrum of relevant subjects. Over 350 attendees participated in the seminars and the informative series will continue through 2007.

Healthy, Wealthy and Wise	
Financial Seminar Topic	Financial Presenter
Basic Investments 101	ING
IRAs	Lincoln Financial
Creating Your Own Investment Portfolio	Fidelity
UT Flex: Can You Use It?	Pay Flex
Habits of Successful Investors	TIAA-CREF
UT Supplemental Retirement Plans	MetLife
Planning Ahead For Retirement	AIG Valic
Living In Retirement without Running Out Of Money	Fidelity
College Savings Plans	ING
Life Insurance: How Much Do I Really Need?	Lincoln Financial
Estate Planning: It's Not Just For The Wealthy	TIAA-CREF
Long Term Care: Do I Need It?	MetLife

Employee Health and Wellness Moves to HR

One of the most exciting changes in 2006 occurred when Employee Health & Wellness was aligned under UTMB Human Resources. Employee Health & Wellness operates the Employee Health Clinic, seeing over 8,000 patients per year. In FY06, more than 3,800 influenza vaccinations were given to UTMB employees. A research occupational health annual program has been implemented for over 1,800 research scientists and laboratory staff. Health Promotion programs were individually developed in six departments across campus, with a focus on health, fitness and lifestyle choices. These programs were inclusive of entire work groups and continued on with a life of their own with the employees after the health coaches and educators completed their work.

During open enrollment for benefits, employees were offered the opportunity to complete an online health risk assessment and each employee received an individual report of health risks and appropriate ways to manage their risk. Personal health coaching was offered to employees as an option with the health risk assessment, and many employees took advantage of this to change behaviors and lifestyles to be more healthy. The [Commit to Fit](#) program is an institutionally supported program focusing on health education opportunities for employees, including offering Weight Watchers classes in convenient locations and times on campus and health fairs for employees.

Financial Peace University

Financial Peace is another important program relative to improving the financial health of UTMB employees. It is a life changing program developed by Dave Ramsey through the Financial Peace University that empowers and teaches participants how to make the right decisions to achieve their financial goals and experience a total money makeover. Dave Ramsey is a nationally syndicated radio talk show host and has published 3 New York Times best sellers on Financial Education. The objective of Financial Peace is to help employees get out of debt and build wealth through a sixteen week program.

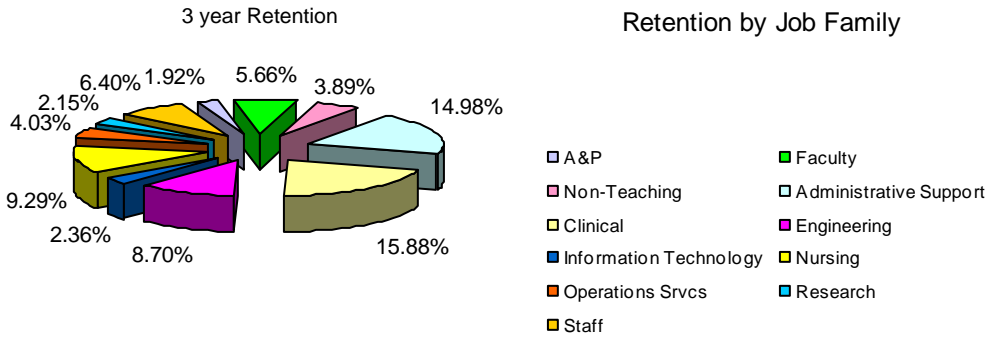
A very successful pilot was conducted at UTMB in 2006 and the program was granted the prestigious President's Cabinet Award. As a result of this much sought after recognition, in 2007 UTMB will grant 60 employees (and a family member) the opportunity to benefit from the program free of charge (participation is approximately \$300 per family). In order to effectively administer the program, 2 UTMB employees attended Financial Peace University and received certification to teach the principles of the program.

Did you know?

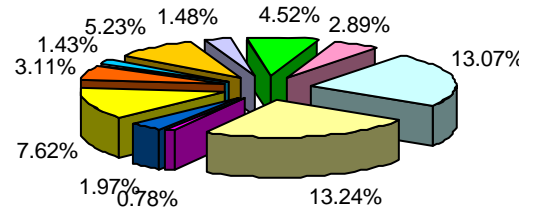
- ⇒ The #1 reason for stress in the workplace is personal finance
- ⇒ Regardless of income, 70% of employees are living paycheck to paycheck
- ⇒ The average family completing the Financial Peace @ Work training will eliminate \$5,399 in debt and save \$2,700 in the first 3 months

UTMB's 2006 HR Annual Metrics
Additional Information of Interest

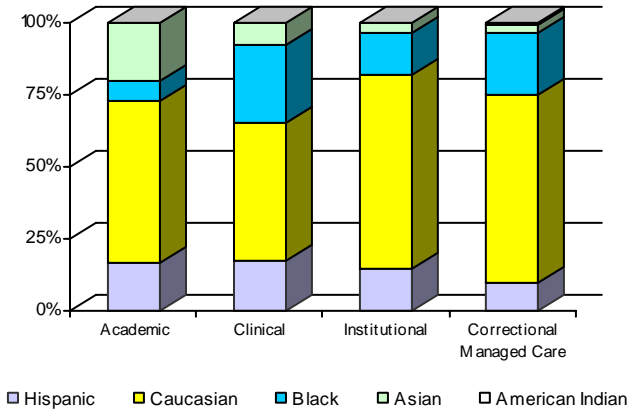
Retention by Job Family



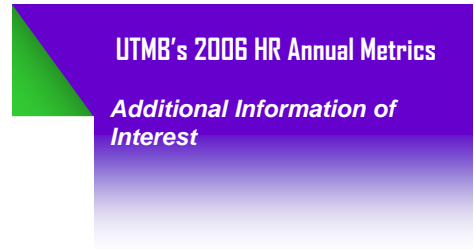
5 year Retention



Ethnicity by Operating Area



Institutional Summary Counts as of FY Ending, August 31, 2006			
	FTEs	Paid FTEs	Headcount
Academics	4,072	3,300	4,237
School of Medicine	3,172	2,542	3,312
School of Nursing	106	15	109
School of Allied Health	82	78	85
Graduate School	26	49	41
Academic Vice President	73	127	73
OB Clinics	613	489	617
Patient Care	3,502	3,609	3,658
Hospital	1,657	1,492	1,676
Nursing Services	1,210	1,294	1,233
TDCJ Hospital	190	216	192
On-Campus Clinics	434	386	439
Community Based Clinics	118	114	118
Institutional Support	1,496	1,391	1,499
Executive Administration	165	174	154
Business Administration	839	729	836
Finance	227	248	229
Research	127	116	127
Community Outreach	67	56	66
University Advancement	70	68	70
Correctional Managed Care	3,226	2,746	3,241
Undesignated FTEs		1,974	
Total	12,403	12,913	12,635



Detail Turnover Information

	FY 04 Turnover				FY 05 Turnover				FY 06 Turnover			
	Separations	FTE Count	External Turnover	% of Total TO	Separations	FTE Count	External Turnover	% of Total TO	Separations	FTE Count	External Turnover	% of Total TO
By Operating Area												
Academic	596	3,877	15.36%	4.92%	658	3,936	16.71%	5.27%	728	4,072	17.87%	5.87%
Institutional Support	130	1,374	9.45%	1.07%	132	1,462	9.00%	1.05%	173	1,496	11.59%	1.40%
Clinical	474	3,600	13.16%	3.91%	480	3,691	13.00%	3.85%	612	3,609	16.96%	4.93%
Correctional MCare	641	3,256	19.70%	5.30%	750	3,379	22.20%	6.02%	828	3,226	25.66%	6.68%
Total	1,841	12,107	15.20%	15.20%	2,019	12,468	16.19%	16.19%	2,341	12,403	18.88%	18.88%
By Job Class												
A&P	29	311	9.35%	0.24%	21	321	6.44%	0.17%	32	322	10.09%	0.26%
Classified	1,485	9,774	15.19%	12.26%	1,635	10,092	16.20%	13.12%	1,884	9,935	18.96%	15.19%
Faculty	76	886	8.60%	0.63%	77	900	8.53%	0.62%	95	939	10.10%	0.76%
Non-teaching	251	1,136	22.11%	2.07%	286	1,156	24.78%	2.30%	330	1,209	27.31%	2.66%
Total	1,841	12,107	15.20%	15.20%	2,019	12,468	16.19%	16.19%	2,341	12,405	18.88%	18.88%
By Job Family												
A & P	311	29	9.41%	0.24%	321	21	6.44%	0.17%	322	31	9.78%	0.25%
Administrative Support	2,396	244	10.19%	2.02%	2,373	284	11.95%	2.28%	2,298	342	14.90%	2.76%
Clinical	3,099	634	20.46%	5.24%	3,211	695	21.65%	5.58%	3,144	777	24.72%	6.27%
Engineering	302	25	8.29%	0.21%	298	15	4.90%	0.12%	304	21	6.74%	0.17%
Faculty	886	76	8.58%	0.63%	900	77	8.53%	0.62%	938	95	10.11%	0.76%
Info Technology	320	19	5.79%	0.15%	312	24	7.69%	0.19%	335	31	9.12%	0.25%
Non-Teaching	1,136	251	22.11%	2.07%	1,156	286	24.78%	2.30%	1,189	326	27.42%	2.63%
Nursing	1,684	298	17.66%	2.46%	1,799	320	17.80%	2.57%	1,734	376	21.66%	3.03%
Operations Services	425	43	10.12%	0.36%	433	71	16.35%	0.57%	434	87	20.09%	0.70%
Research	450	117	25.96%	0.96%	451	97	21.38%	0.77%	450	85	18.81%	0.68%
Staff	1,098	105	9.58%	0.87%	1,215	130	10.72%	1.04%	1,254	171	13.62%	1.38%
Total	12,107	1,841	15.20%	15.20%	12,468	2,019	16.19%	16.19%	12,403	2,341	18.88%	18.88%

HR Customer Focus by HR Area		
Division	Customer Base	Customer Count
Recruitment Services	All current and future employees of UTMB	12,600+
Compensation and Benefits	Employees (Active & Retired) and eligible dependents, UT System, External Agencies	25,675
HR Business Information Services	Executives, Business Managers, HR Leadership and Staff, External Agencies	12,635
Correctional Managed Care HR	All CMC employees and managers	3,241
HR Employee Relations	All UTMB employees, managers and volunteers	12,635
Employee Health and Wellness	All UTMB employees, managers and volunteers	12,635
Organizational Effectiveness, Training & Recognition	All UTMB employees, managers, students and contractors	13,263
Diversity, and International Affairs	All UTMB employees, managers and students	13,263

Contact Information		
HR Division	Main Number	Fax
Human Resources Services	772-8699	
Compensation	772-8699	772-8698
HR Business Information Systems	772-8699	772-8698
Mediation	772-8699	747-4289
Benefits	772-2630	772-2754
Correctional Managed Care - HR	747-2619	
<u>TDCJ Satellite Offices</u>		
Beeville	361-362-6319	361-362-6355
Beaumont/Dayton	409-722-5255 x3261	409-722-5255 x268
Gatesville	254-865-8901 x 164	
Huntsville	936-437-3501	936-437-3511 or 3654
Palestine	903-583-4464 x357	903-583-4464 x369
Sugar Land	281-490-1146	281-491-8498 or 0896
Texas Tech	806-356-5904	
Diversity and International Affairs	747-8823	747-8836
Employee Assistance Program	772-2485	747-4289
Employee Health Clinic	747-9172	747-9182
Employee Health Promotion & Wellness	772-1304	772-3504
Employee Injury Management	772-1892	772-0951
Employee Records	747-7991	747-7996
HR Consulting Departments		
Employee Relations	772-8696	747-0333
Organizational Effectiveness, Training & Recognition	747-6700	747-6720
Recruitment		
Academic/Business Departments	747-4802	772-8908
Applicants	772-0728	772-0732
Clinical Departments	772-8891	772-8908
Nurse Recruitment	747-4717	747-4719

We would like to thank the following UTMB contributors: Financial Services, Community Outreach, Office of University Advancement, Office of Equal Opportunity and Diversity, Hospital Administration, IS Datamart team, Institutional Effectiveness, Work School Program and HR Business Information Services.

Thank you for all your support.

Your UTMB Human Resources Team