

UTHSC ADVISORY BOARD MEETING

| | |
|--------------|-------------|
| May 15, 2020 | Via Zoom |
| Friday | |
| 1:00PM | Memphis, TN |

AGENDA

1. Call to Order and Roll Call..... Dr. Wenk
2. **ACTION:** Approval of Minutes from January 16, 2020 Dr. Wenk
3. **INFORMATION ITEMS:**
 - a. Revised Minutes from September 30, 2019
 - b. Board of Trustees Policy on the Process for Campus Advisory Boards to Submit a Recommendation to the President on the Proposed Strategic Plan for the Campus
4. Chancellor’s Report..... Dr. Schwab
5. **ACTION:** FY 2021 Budget Proposal / Recommendation..... Mr. Ferrara
6. COVID Response Dr. Strome
7. 2020 Meeting Schedule – all meetings scheduled for 1:00PM to 4:00PM
 - a. Wednesday, August 19th
 - b. Thursday, November 12th
8. Adjournment Dr. Wenk

UTHSC ADVISORY BOARD MEETING

Thursday, January 16, 2020

Student Alumni Center
O.D. Larry Dining Hall
800 Madison Avenue, Memphis, TN

MINUTES

Present:

Board Members:

Dr. Philip Wenk, *Chair*
Dr. Terry Cooper (Faculty Member)
Dr. Lynn Massingale
Honorable Mark Norris
Mr. Andrew McBride (Student Member)
Dr. Natalie Tate
Dr. Michael Ugwueke

Staff:

Dr. Steve Schwab
Mr. Anthony Ferrara,
Secretary
Mr. Love Collins
Dr. Steve Goodman
Dr. Lori Gonzalez

Deans:

Dr. Steve Alway
Dr. Wendy Likes
Dr. James Ragain
Dr. Don Thomason
Dr. Catherine Womack

Guests: members of the HSC community and public were present for the meeting

Absent:

Board Members:

Staff:

Dr. Kennard Brown

Deans:

Dr. Marie Chisholm-Burns

1. Call to Order

Dr. Wenk called the meeting to order at 1:04 PM and Mr. Ferrara called the roll. There were sufficient members present to declare a quorum.

2. Approval of the Minutes of the February 14, 2019 Meeting

Minutes were tentatively approved by Board pending recommendation from Judge Norris regarding the meeting minutes. If he cannot attend today's meeting, Tony Ferrara will share Judge Norris' recommendation with the board and if there are any concerns, the board will address and obtain final approval electronically.

Judge Norris did attend meeting and requested the following change to the minutes:

- Modify language in draft minutes to request information on the responsibilities of the Advisory board's role in reviewing and approving the strategic plans. Norris' suggestion is to modify language in minutes to read - The UTHSC Advisory Board requests the UT Board of Trustees instruct the advisory boards on the process through which each advisory board must provide a recommendation to the president on the proposed strategic plan for the respective institution prior to the approval of the Strategic Plan by the board. Amendment was moved and seconded. Tony Ferrara indicates he needs to move this issue forward. The old secretary for the UT Board of Trustees retired and the new secretary started in January. Tony will work with her in forwarding this motion to the board.
- There is still an open question on how advisory boards interact with the regular board.

Minutes were approved with recommended changes.

3. Chancellor's Report

Dr. Schwab provided a brief outline of the issues to be confronted in the current fiscal year and next fiscal years, including:

- A summary of the Health Science Center annual report
- A streamlined strategic plan (leaner and meaner)
- Campus distinctions
- Campus master plan
- Upcoming Accreditation Visits:
 - SACS Reaccreditation scheduled for April 2020
 - LCME site visit scheduled for the end of 2021
- Challenges:
 - State budget - operational funds, tuition proposal
 - Legislative agenda items - same requests as last year (operational funds, GME, regenerative medicine, rural dental care)
- FY 19-20 Goals - education, clinical, research

Follow-up discussion:

- Dr. Massingale inquired about when SACS accreditation information will be available. Dr. Gonzalez stated the on-site report will be received during the April visit and the final report will be known in December 2020. Dr. Massingale requested a copy of the April summary report and it was agreed this information would be shared with the Advisory Board as well as the preliminary report from their past visit.
- Dr. Massingale requested timing for legislative agenda.
- Dr. Wenk asked question regarding the difference in funding for formula vs. non-formula units. Dr. Schwab responded that the president and THEC included non-formula operational costs in next fiscal year's budget request and it was well-received. The approval of this item could be followed via the State of the State address. The GME portion would be handled legislatively and Dr. Wenk would like to know the sponsors of the bill so the Board members could contact them for support.

4. Strategic Plan: FY 2019 – FY 2023

Dr. Gonzalez summarized that the streamlined strategic plan reduced the number of items and increased the number of metrics. The Strategic Planning Committee met and streamlined the document to be presented to the Faculty Senate in February. The strategic priorities remained the same and the cross-cutting metrics were not changed.

Follow-up discussion:

- Recommendations:
 - Include percentage of increases (vs. general statement of increase; include number).
 - Dr. Ugwueke also suggested to use the stop light method (red, green, yellow) to provide updates throughout the year to monitor progress of strategic plans.
- There were several questions related to the development goals including a request for more information related to alumni giving.
- Approval of the Strategic Plan was tabled as updates are needed prior to a vote and will be presented at May meeting agenda as an action item. It was agreed that the updated strategic plan would be distributed to board members prior to the meeting for their review.

5. FY 2019 – FY 2020 Tuition Proposal / Recommendation

Mr. Ferrara explained that up until 4 years ago, the UT System approved tuition at June board meeting (near end of month) with new tuition rates effective July 1. For the Health Science Center, that made it difficult to process enrollments and tuition charges without notifying students in advance. In the past few years, the HSC has been allowed to present the tuition proposal to the Board at their winter meeting. This year the Board meeting is in February and, in order to allow Advisory Board to approve tuition recommendation, tuition is being presented at this meeting.

He then presented a comparison of college tuition rates against the Board adopted peer and aspirational institutions as well as competitive institutions that the deans have identified. Dr. Massingale asked for a comparison chart that presents data as students will look at TN in-state vs. out-of-state rates for peer institutions. Dr. Tate asked for both in-state and out-of-state line on both graphs.

Proposal/timeline:

- The HSC proposes a general tuition rate increase in a range of 0-2% for undergraduate; and 0-3% increase for graduate and professional programs. Once the Governor's budget is released in February, the Chancellor and Senior Vice Chancellor will review the options with the Advisory Board Chair to recommend tuition rates for presentation at February BOT meeting.
- Other proposed changes:
 - MD Program – reduction of out-of-state tuition to 175% of the in-state rate (recommended for this year; next year would propose 150% of the in-state rate)
 - Masters in Cytopathology Practice - reduction of in-state and out-of-state tuition
 - Bachelors in Medical Lab Sciences - reduction of out-of-state tuition
 - Masters in Clinical Lab Sciences - reduction of out-of-state tuition

Questions posed:

- How much of a loss would the university suffer if there are no new students with the tuition reductions? Mr. Ferrara responded it would be minimal, less than \$300,000.
- Dr. Massingale would like to receive budget in totality before voting on potential tuition increases/reductions. The sum of tuition changes is approximately \$1.8 million. In order to meet \$5 million deficit, UTHSC will have to reduce internal costs (i.e., potential staff reductions). Dr. Wenk summarized that the Advisory Board is voting on funding the educational portion of the budget. If governor includes extra operational money, the majority of current fees would stay the same with the exception of reductions in the identified rates. If operational funds are not approved, there will be a 2-3% tuition increase.
- Mr. McBride stated that students have a vested interest in meeting with legislators regarding increase in operational funding for the university and asked how they can help.

Dr. Ugwueke moved approval, Dr. Cooper seconded, and the motion was approved. Dr. Massingale abstained from vote. The request is made for more information and to have it distributed with ample time for review by board members to seek clarification if needed prior to the meeting.

6. College of Dentistry (Dr. James Ragain)

Drs. Schwab and Wenk introduced Dr. James (Jay) Ragain, Dean of the College of Dentistry who then presented some background information and statistics on the College and their students.

He then outlined the College's Primary Care efforts across the state, including

- Special programs for special needs patients, dental mobile unit (coach)
- Providing service to underserved populations (noted locations throughout the state). Tennessee ranked 43rd by US News & World report for access to dentists
- Future plans
 - Increase dental class size to 130
 - Phased incremental increases would expand clinical rotations in rural communities around the state
 - Future renovations to Dunn Dental Building - to be expanded to Delta Dental Building (new structure will wrap around on the north and west sides of the current building).

7. Next Meeting

Dr. Wenk noted the next meeting is set for May 21, 2020. Update to follow re: funding of governor's budget.

8. Adjournment

There being no further business, Dr. Wenk adjourned the meet at 3:43PM.

UTHSC ADVISORY BOARD MEETING

Monday, September 30, 2019

Student Alumni Center
O.D. Larry Dining Hall
800 Madison Avenue, Memphis, TN

MINUTES – REVISED

Present:

Board Members:

Dr. Philip Wenk, *Chair*
Dr. Terry Cooper (Faculty Member)
Dr. Lynn Massingale
Honorable Mark Norris
Dr. Michael Ugwueke

Staff:

Dr. Steve Schwab
Mr. Anthony Ferrara, *Secretary*
Mr. Love Collins
Dr. Steve Goodman
Dr. Lori Gonzalez

Deans:

Dr. Steve Alway
Dr. Wendy Likes
Dr. James Ragain
Dr. Don Thomason

Guests: members of the HSC community and public were present for the meeting

Absent:

Board Members:

Mr. Andrew McBride (Student Member)
Dr. Natalie Tate

1. Call to Order

Dr. Wenk called the meeting to order at 1:00 PM and Mr. Ferrara called the roll. There were sufficient members present to declare a quorum.

2. Approval of the Minutes of the August 19, 2019 Meeting

Dr. Wenk asked Judge Norris to explain his requested change to paragraph 5 of the minutes as originally submitted. Dr. Wenk then asked for approval as amended. Judge Norris moved approval and Dr. Ugwueke seconded, the Board approved the minutes unanimously.

Judge Norris then asked that the UTHSC Advisory Board request the UT Board of Trustees instruct the advisory boards on the process through which each advisory board must provide a recommendation to the president on the proposed strategic plan for the respective institution prior to the approval of the Strategic Plan by the board.~~the campus leadership for clarification of the Master Plan process and approval.~~ Chancellor Schwab indicated that the Master Plan is a component of the Strategic Plan and as Dr. Gonzalez discusses that topic later in the meeting, she can address the approval of updates and revisions.

3. Chancellor's Report

Dr. Schwab indicated it was a very challenging, but very successful year. As the prior year has ended, we are now preparing for the State of the HSC address which will be coming out in October. As a preview, he indicated record number of students, graduates, and residents and fellows. We continue to look at new health-related programs the State may need and, at the same time, maintain graduation and first-time board pass rate in excess of 95%.

He indicated the major issues in education for the coming year include:

- Alignment with West Tennessee Healthcare as another strategic partner;
- Exploring the development of new programs at St. Thomas Health;
- Continuing the expansion of our dental program across the state;

- Maintaining our strong education rankings;
- Maintaining what we believe is a strong position clinically, particularly with the success of Le Bonheur Children's Hospital; and
- Continuing our efforts in research where we are mid-pack, but moving up the list.

Our big focus is to push primary care and graduate medical education as we develop our request to the State. We are moving forward to provide care for the underserved with the expansion of D4 clinics and general dentistry residencies. So, our legislative agenda includes the need for operational funds and graduate medical education. In addition, the Memphis Research Consortium will be asking for funds to support our efforts in regenerative medicine.

Dr. Massingale asked for more information and background on the relationship and ties with the Oak Ridge National Laboratory and Judge Norris pointed out the unique and valuable connection available to the HSC through the Memphis Coalition for Advanced Networking (a part of the Memphis Research Consortium).

Judge Norris also asked for more information on our efforts regarding dental care in underserved areas. Chancellor Schwab summarized the development of a request to the State for support to put dental services where it is critically needed.

4. Title IX Training

Dr. Wenk introduced Michael Alston, Assistant Vice Chancellor for Equity and Diversity and Chief Diversity Officer. Dr. Alston provided Title IX training as is being presented to all UT campus Advisory Boards.

Dr. Wenk noted the positive articles in the most recent University of Tennessee Alumnus Magazine regarding the campuses top 10 safety ranking, the accreditation of the anesthesiology program, and 2019 NightinGala event honoring Mid-South nurses. He congratulated the campus and these efforts.

5. Operational Funding

Mr. Ferrara provided a brief update to the progress being made in securing incremental operational funding in the Governor's budget for FY 2021 as Chancellor Schwab indicated in his remarks. He provided a report of the types of funding the campus has needed to find funding to cover without incremental operational cost funding.

6. College of Nursing Presentation

Drs. Wenk and Schwab introduced Dr. Wendy Likes, Dean of the College of Nursing. Dr. Likes presented a profile of the College. She also provided all with a summary of information and data about the college. Various challenges facing the College and healthcare in general were discussed including nursing shortages and training for de-escalation. The dean then discussed the DNP program and the role of DNPs in primary care.

7. Strategic Plan / SACS Accreditation

Dr. Wenk introduced Dr. Lori Gonzalez, Vice Chancellor for Academic, Faculty, and Student Affairs. Dr. Gonzalez presented the campus' strategic plan that was approved by the Board of Trustees in 2018 and pointed out that this is a "living" document that changes and is adapted as our environment changes. She provided a history of the development of the current plan and how it has been modified since 2013.

Dr. Wenk noted that there are too many strategies in each category making it difficult to follow. He differentiated between strategies and what is a part of the entity. He also questioned whether these are the metrics we want, noting the uniqueness of the campus, particularly in the UT System. Dr. Gonzalez agreed and indicated she would bring this important issue up to the Steering Committee at their November meeting.

Dr. Wenk and Judge Norris both recognized the need for coordinated outreach with alumni and the UT Foundation. Mr. Love provided some background on the efforts of the Development and Alumni Affairs team.

Dr. Gonzalez then demonstrated how the Campus Master Plan ties to the overall Campus Strategic Plan. She addressed the questions around the process and timeline for review and approval of the Master Plan. Judge Norris appreciated the follow up.

She concluded by showing the follow-up provided by each college and division on a regular basis and pointed out the booklet created to publicize the plan and its evolution.

The discussion then turned to the responsibilities of the Advisory Boards of UT on what their role in reviewing and approving the strategic plans. Judge Norris then made the following motion:

The UTHSC Advisory Board requests the UT Board of Trustees instruct the advisory boards on the process for the recommendation of campus strategic plans to the President of the University.

Dr. Massingale seconded the motion. The motion passed unanimously.

8. 2020 Meeting Schedule

Dr. Wenk presented the proposed dates for Advisory Board meetings in 2020. Dr. Massingale moved approval, Dr. Ugwueke seconded and the motion passed unanimously.

9. Adjournment

There being no further business, Dr. Wenk adjourned the meeting at 3:27 PM.

| | |
|---|----------------------------------|
| System-wide Policy: | |
| BT0025 - Process for the Campus Advisory Board to Submit a Recommendation to the President on the Proposed Strategic Plan for the Campus | |
| Version: 1 | Effective Date:03/01/2019 |

**BOARD OF TRUSTEES
PROCESS FOR THE CAMPUS ADVISORY BOARD TO SUBMIT A
RECOMMENDATION TO THE PRESIDENT ON THE
PROPOSED STRATEGIC PLAN FOR THE CAMPUS**

SECTION 1. PURPOSE

The Bylaws of the Board of Trustees provide that the Board is responsible for approving the strategic plan for each University of Tennessee campus. Tennessee law requires the campus Advisory Board to submit a recommendation to the President on the proposed strategic plan for the campus prior to approval by the Board of Trustees. Tennessee law also requires that the Advisory Board submit the recommendation to the President in accordance with the process established by the Board of Trustees.

SECTION 2. DEFINITIONS

“Advisory Board” means the separate advisory board established under Tennessee Code Annotated § 49-9-501 for each of the following: the University of Tennessee, Knoxville, the University of Tennessee at Martin, the University of Tennessee at Chattanooga, and the University of Tennessee Health Science Center.

“Board” means the Board of Trustees of the University of Tennessee.

SECTION 3. PROCESS

1. The Chancellor shall submit the proposed new or modified strategic plan to the Advisory Board for consideration.
2. The Advisory Board shall consider the proposed strategic plan at a regular or special meeting of the Advisory Board and adopt a recommendation regarding the proposed strategic plan for submission to the President.
3. If the Advisory Board decides not to recommend the plan to the President, the Chancellor shall consider the feedback of the Advisory Board and decide whether to modify the plan before submitting the plan to the President. The Chancellor shall submit any modification of the plan to the Advisory Board for further consideration at a regular or special meeting, and the Advisory Board shall adopt

| | |
|---|----------------------------------|
| System-wide Policy: | |
| BT0025 - Process for the Campus Advisory Board to Submit a Recommendation to the President on the Proposed Strategic Plan for the Campus | |
| Version: 1 | Effective Date:03/01/2019 |

a recommendation regarding the proposed plan, as modified, for submission to the President.

4. The Chancellor shall submit the proposed strategic plan, together with the Advisory Board’s recommendation, to the President for review. If the Advisory Board’s recommendation is not positive, the Chancellor also shall submit a written explanation of why the Chancellor is submitting the plan to the President without a positive recommendation by the Advisory Board.

5. If the President decides to recommend the proposed plan for approval, the President shall submit the plan and the Advisory Board’s recommendation to the Executive Committee of the Board of Trustees, which has responsibility for overseeing and monitoring the strategic planning processes. If the Advisory Board’s recommendation is not positive, the President also shall submit a written explanation of why the President is submitting the plan to the Executive Committee without a positive recommendation by the Advisory Board.

6. The Executive Committee shall review the proposed plan and submit a recommendation, together with the recommendations of the Advisory Board and the President, for consideration by the Board of Trustees at its next regular meeting.

History:

| | |
|---------|------------|
| Adopted | 03/01/2019 |
|---------|------------|

**BUDGET BACKGROUND
AND
FY 2021 BUDGET PROPOSAL**



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER

DEFINITIONS



- ❧ **Unrestricted Funds: (E-accounts)** Funds provided to meet the primary educational mission of the university (sometimes referred to as Educational & General Funds)
- ❧ **Restricted Funds: (R-accounts)** Funds provided to meet a designated purpose – research, scholarships, endowed chairs, etc.
- ❧ **General Operating Budget:** Funding provided across campus to meet operational needs – referred to as **ORANGE** dollars.
 - ❧ Sources are from State Appropriations, Tuition & Fees, and F&A Revenue
 - ❧ F&A Revenue: indirect cost funding received from sponsors on grants
- ❧ **What's the difference between Unrestricted and General Operating Budget?:** Unrestricted Funds includes some self-supporting activities like continuing education, conferences and auxiliaries.

DEFINITIONS (CONT.)



❧ **Campus General:** Campus General represents campus-wide costs not allocated out to units –

- ❧ Staff Benefit Cost (e.g., health, life, and retirement) – about \$50 million
- ❧ Debt Service Payments – about \$6 million
- ❧ UT Foundation, UT Research Foundation, and other assessments by the UT System Administration for services provided – about \$8 million

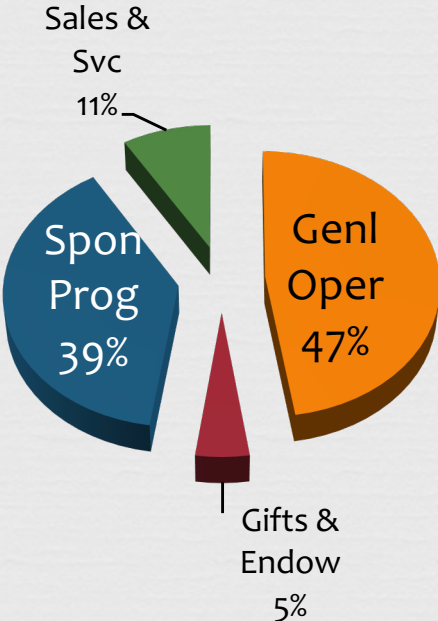


❧ **Physician Practice Plans:** Note that the HSC's physician practice plan partnerships (ULPS, UTMP, UTROP, UCH, etc.) which had approximately \$450 million in revenue in calendar year 2018 are EXCLUDED from all the financials we will review

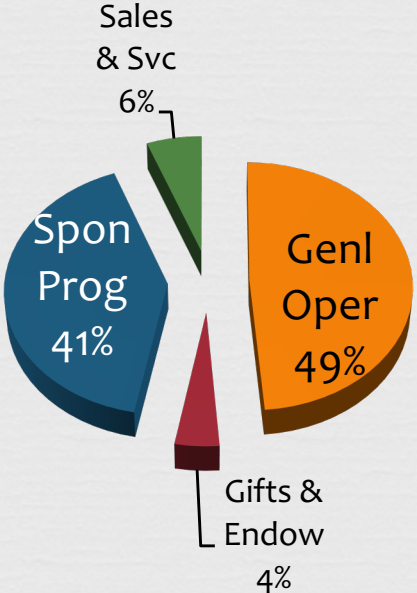
TOTAL REVENUE



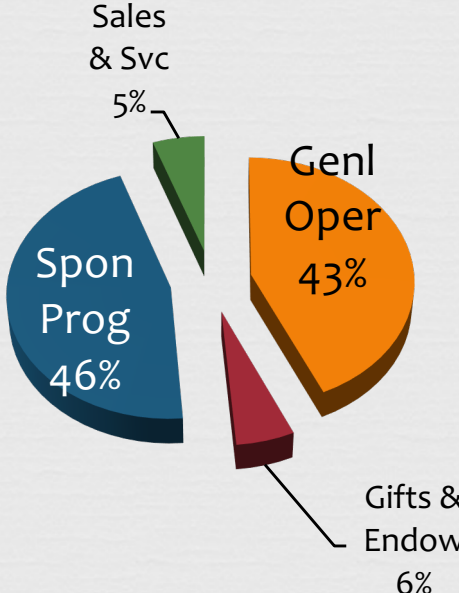
FY 2010 Actual
Total \$400.2
million



FY 2014 Actual
Total \$455.0
million

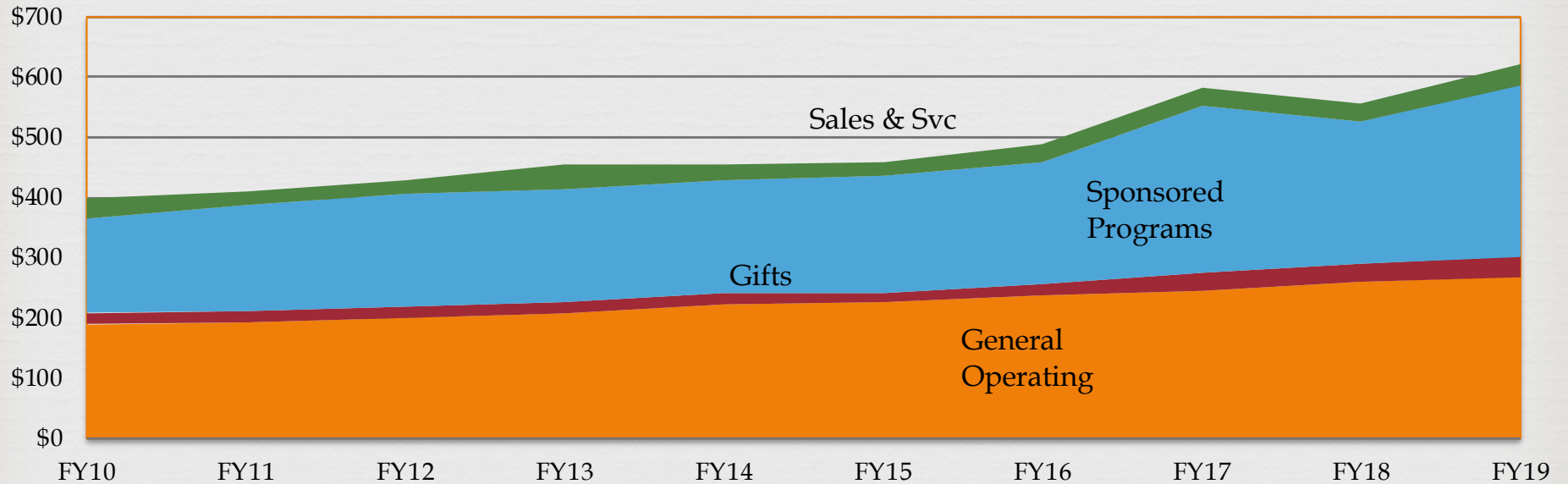


FY 2019 Actual
Total \$621.9
million



TOTAL REVENUE

| | FY 10 | FY 12 | FY 14 | FY 16 | FY 18 | FY 19 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Operating | \$190.5 | \$201.7 | \$221.9 | \$236.5 | \$259.1 | \$268.9 |
| Gifts & Endow Income | 18.7 | 18.6 | 18.9 | 20.3 | 31.7 | 33.9 |
| Sponsored Programs | 156.1 | 185.0 | 187.9 | 203.5 | 236.0 | 285.3 |
| Sales & Service | 34.9 | 25.1 | 26.3 | 28.1 | 31.0 | 33.8 |
| TOTAL Budget | \$400.2 | \$430.4 | \$455.0 | \$488.4 | \$557.8 | \$621.9 |



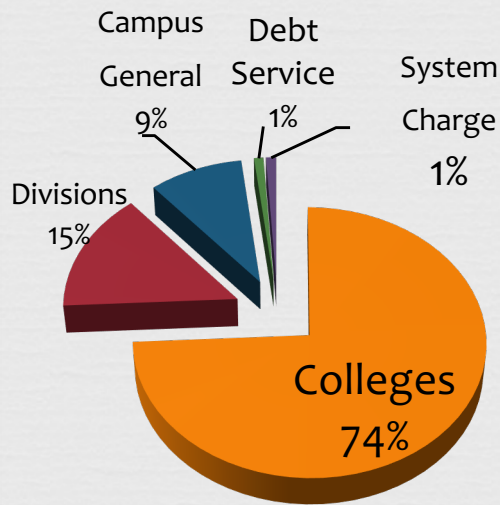
May 7, 2020



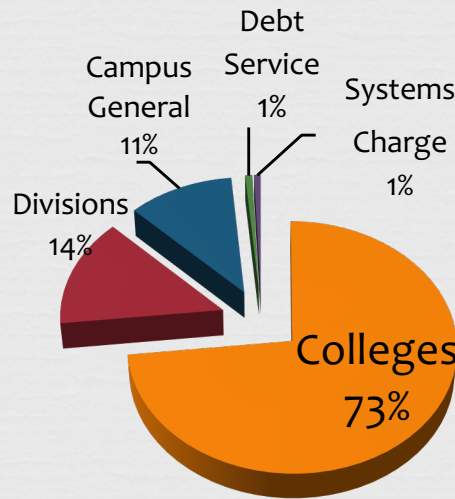
TOTAL EXPENDITURES



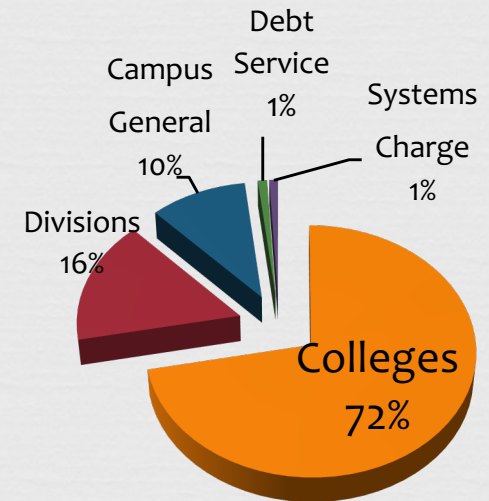
FY 2010 Actual
Total \$388.1
million



FY 2014 Actual
Total \$451.9
million

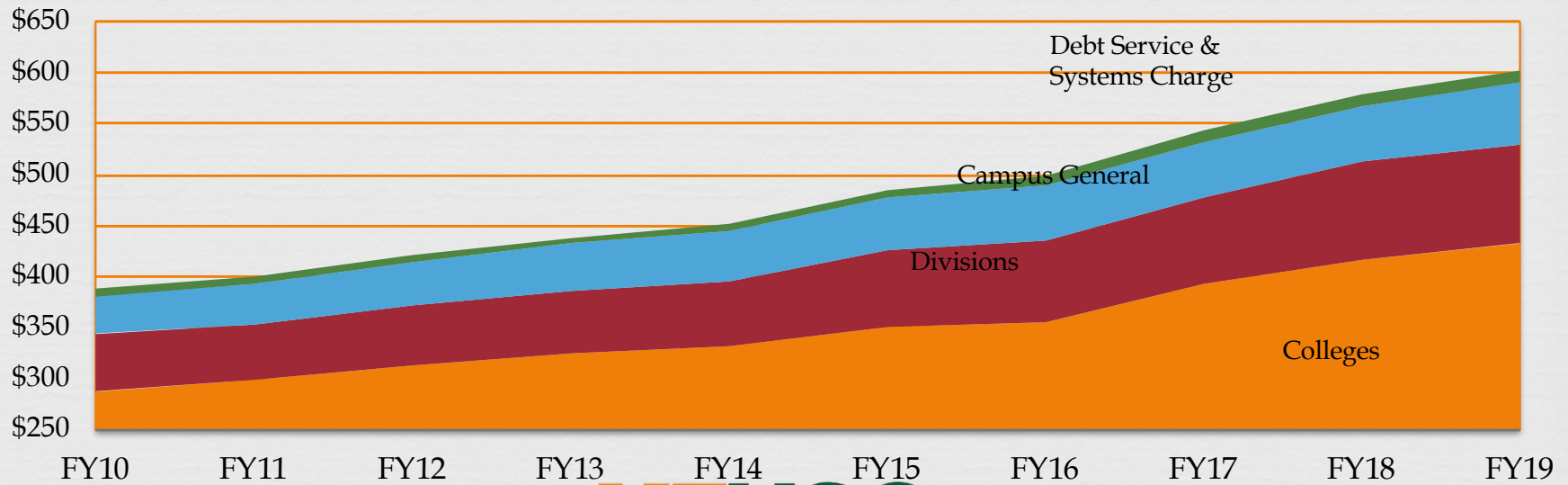


FY 2019 Actual
Total \$601.9
million



TOTAL EXPENDITURES

| | FY 10 | FY 12 | FY 14 | FY 16 | FY 18 | FY 19 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Colleges | \$288.0 | \$313.4 | \$331.1 | \$355.5 | \$417.6 | \$432.7 |
| Divisions | 56.6 | 58.6 | 63.9 | 79.7 | 94.8 | 96.6 |
| Campus General | 36.0 | 43.1 | 50.4 | 53.3 | 55.1 | 61.4 |
| Debt Service | 3.6 | 4.2 | 3.4 | 6.5 | 6.2 | 5.8 |
| Systems Charge | 3.9 | 2.8 | 3.1 | 4.0 | 5.0 | 5.4 |
| TOTAL Expenditures | \$388.1 | \$422.1 | \$451.9 | \$499.0 | \$578.7 | \$601.9 |



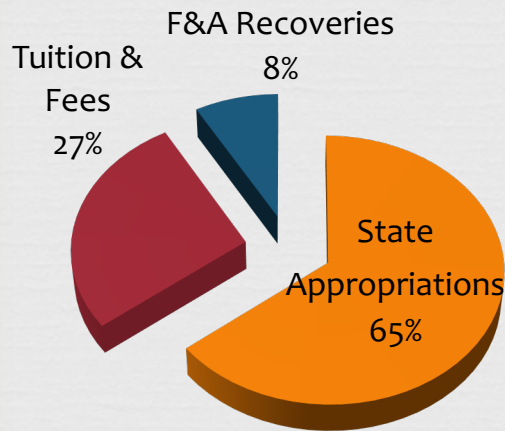
May 7, 2020



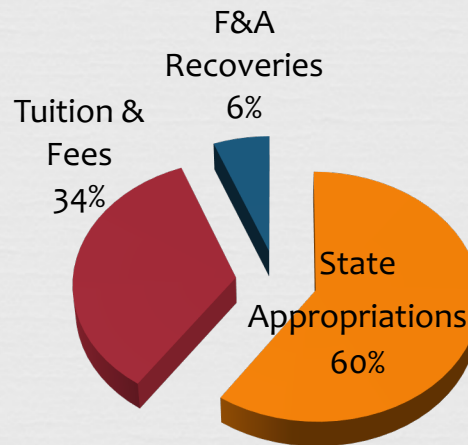
TOTAL GENERAL OPERATING



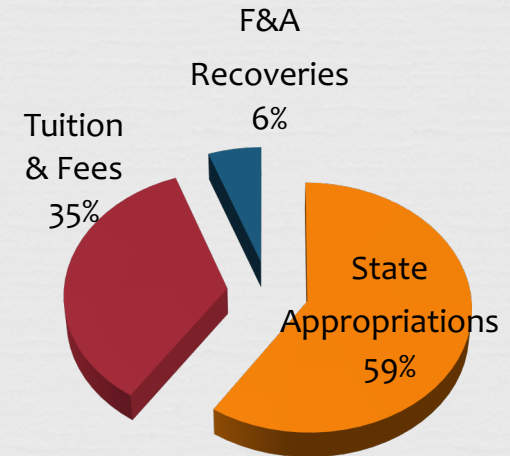
FY 2010 Actual
Total \$190.5
million



FY 2014 Actual
Total \$221.9
million

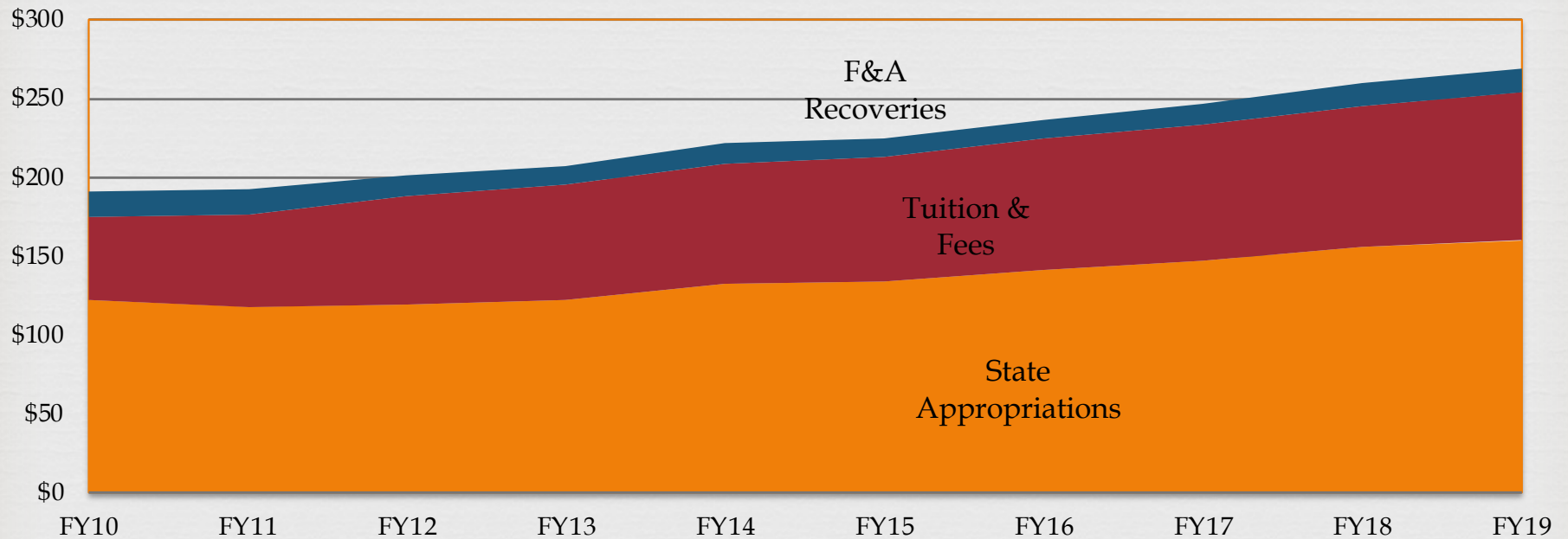


FY 2019 Actual
Total \$268.9
million



TOTAL GENERAL OPERATING

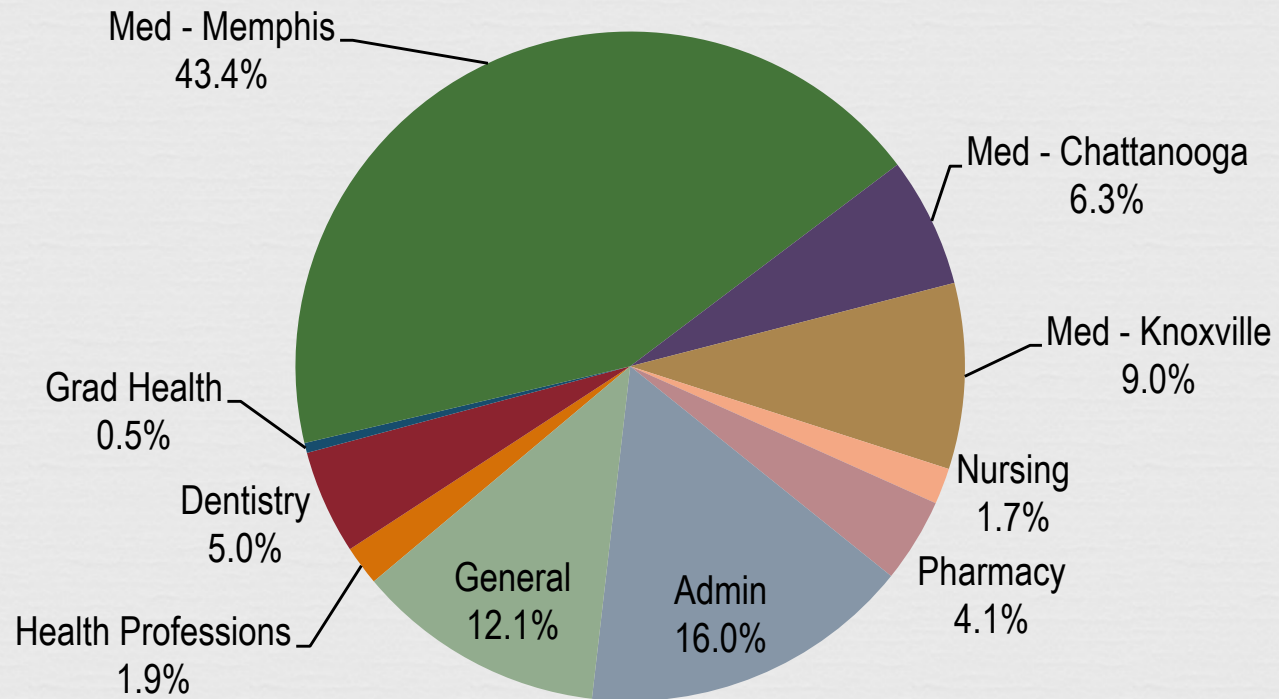
| | FY 10 | FY 12 | FY 14 | FY 16 | FY 18 | FY 19 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| State Appropriations | \$122.7 | \$119.2 | \$132.2 | \$140.8 | \$156.1 | \$159.8 |
| Tuition & Fees | 52.1 | 68.3 | 76.6 | 83.2 | 89.2 | 94.2 |
| F&A Recoveries | 15.7 | 14.2 | 13.1 | 12.5 | 13.8 | 14.9 |
| TOTAL General Operating | \$190.5 | \$201.7 | \$221.9 | \$236.5 | \$259.1 | \$268.9 |



FY 2019 ALL FUNDS EXPENDITURES



\$601.9 million



EXPENDITURES BY COLLEGE / DIVISION

| FY 2019 FINAL | | Unrestricted Funds | Restricted Funds | TOTAL ALL FUNDS |
|------------------|--------------------------------------|----------------------|----------------------|----------------------|
| Colleges | Health Professions | \$9,620,093 | \$1,898,105 | \$11,518,198 |
| | Dentistry | 29,025,779 | 1,321,905 | 30,347,684 |
| | Graduate Health Sciences | 2,315,885 | 572,869 | 2,888,754 |
| | <u>Medicine</u> | | | |
| | Memphis | 58,994,241 | 202,168,968 | 261,163,209 |
| | Chattanooga | 2,209,829 | 35,599,134 | 37,808,963 |
| | Knoxville | 14,222,927 | 39,785,309 | 54,008,236 |
| | Nursing | 9,514,232 | 973,984 | 10,488,216 |
| | Pharmacy | 15,577,972 | 8,936,314 | 24,514,286 |
| Administration | Chancellor's Office | 860,399 | 345,556 | 1,205,955 |
| | Chief of Staff | 14,951,156 | 4,515,153 | 19,466,309 |
| | Academic, Faculty, & Student Affairs | 17,636,499 | 1,490,092 | 19,126,591 |
| | Facilities & Utilities | 30,845,532 | 0 | 30,845,532 |
| | Finance & Operations | 4,040,971 | 3,750 | 4,044,721 |
| | Information Tech Services | 8,573,704 | 0 | 8,573,704 |
| | Research | 11,630,807 | 1,668,420 | 13,299,227 |
| | Campus General | 70,202,102 | 0 | 70,202,102 |
| | Development & Alumni Aff | 2,400,000 | 0 | 2,400,000 |
| TOTAL HSC | | \$302,622,128 | \$299,279,559 | \$601,901,687 |

FY 2021 Proposed Budget



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER

BUDGET RECOMMENDATION PROCESS



- ❧ The as required by the UT Focus Act, the Board of Trustees has established a format for the recommendation of the Operating Budget.
- ❧ One additional category is used – Auxiliary Funds
 - ❧ The HSC has limited auxiliary funds and includes them in the General Operating Budget figures shown earlier.
 - ❧ Auxiliary Services are general self-supporting activities such as housing and food service.
 - ❧ For the HSC, our primary auxiliary service is in Parking.

OPERATING BUDGET RECOMMENDATION FORMAT



| As shown earlier | Required Format |
|---|--|
| <i>Subtotal: Unrestricted Funds (General Operating Funds)</i> | Unrestricted Educational & General (E&G) Funds |
| | Unrestricted Auxiliary Funds |
| | <i>Subtotal: Unrestricted Funds</i> |
| Restricted Funds | Restricted Funds |
| <i>Total Current Operating Funds</i> | <i>Total Current Operating Funds</i> |

GENERAL OPERATING FUND INCREASES



- ❧ Salary Increase funding from the State -- \$3,568,000
 - ❧ includes funding for benefit cost increases
 - ❧ NOTE – the legislature is expected to reconvene in June and there may be changes to the budget approved in March

- ❧ Tuition Increase – \$0

- ❧ Tuition reductions in Medicine and Health Professions – \$0

PROPOSED BUDGET INCREMENTS



1.5% Salary Increase -- \$3,014,900

\$1,000 minimum

Benefit Cost Increases -- \$553,100

INTERNAL FUNDING CHANGES FOR FY 2021



- ❧ Within the General Operating Budget, we take the first \$12.5 million of F&A Revenue to support the overall campus budget.
- ❧ Excess revenue from Year 1 is carried forward to Year 2 for use in support of research in the colleges and VC Research Office.
 - ❧ Sponsored Project Incentive (budgeted at \$2.5 million)
 - ❧ Distribution to Colleges (budgeted at \$600,000)
 - ❧ Research Support (varies based on revenue)
- ❧ ***For FY 2021, the campus will retain those funds to support the campus infrastructure and restore reserves.***

INTERNAL CHANGES (CONT.)



| | 000's |
|---|----------------|
| Projected FY 20 F&A Revenue | \$16,400 |
| Budget Requirement | -12,500 |
| Carried Forward to FY 21 | \$3,900 |
| Sponsored Projected Incentive shifted to colleges | 2,500 |
| Budgeted distribution to colleges | 600 |
| Available for campus needs | \$7,000 |

FY 2021 ALLOCATION



| | 000's |
|-----------------------------------|----------------|
| Available for campus needs | \$7,000 |
| Operations (Facilities & ITS) | 3,000 |
| Restore reserves | 3,000 |
| Chancellor Discretionary Fund | 1,000 |

UNRESTRICTED E&G FUNDS



| | |
|---|------------------------|
| FY 2020 Unrestricted E&G Funds | \$285,380,350 |
| <ul style="list-style-type: none">• 1.5% Salary Increase• Benefit Cost Increase | \$3,014,900 553,100 |
| <ul style="list-style-type: none">• Graduate Student Stipend Increases• Clinical Revenue Increases | 1,712,778 1,785,000 |
| FY 2021 Unrestricted E&G Funds | \$292,446,128 |

UNRESTRICTED AUXILIARY AND RESTRICTED FUNDS



| | |
|--------------------------------------|---------------|
| FY 2020 Unrestricted Auxiliary Funds | \$1,980,400 |
| • Food Service Expansion | \$822,626 |
| FY 2021 Unrestricted Auxiliary Funds | \$2,803,026 |
| | |
| | |
| FY 2020 Restricted Funds | \$283,935,800 |
| • Increase in Restricted Funds | |
| • Research | \$28,022,679 |
| • GME | |
| FY 2021 Restricted Funds | \$311,958,479 |

FY 2021 PROPOSED CURRENT OPERATING BUDGET



| Fund Group | Revenues | Expenditures & Transfers |
|--|-----------------------------|-----------------------------|
| Unrestricted Educational & General (E&G) Funds | \$292,446,128 | \$292,446,128 |
| Unrestricted Auxiliary Funds | \$2,803,026 | \$2,803,026 |
| <i>Subtotal: Unrestricted Funds</i> | <i>\$295,249,154</i> | <i>\$295,249,154</i> |
| Restricted Funds | \$311,958,479 | \$311,958,479 |
| <i>Total Current Operating Funds</i> | <i>\$607,207,633</i> | <i>\$607,207,633</i> |

TUITION & FEES

(REQUIRED FORMAT)



| Maintenance Fees & Tuition | In-State Maintenance Fee | | Out-of-State Tuition | |
|---|--------------------------|--------|----------------------|--------|
| College of Dentistry – DDS | \$0 | 0.0% | \$0 | 0.0% |
| College of Dentistry – Transitional DDS | \$0 | 0.0% | \$0 | 0.0% |
| College of Dentistry – Dental Hygiene (Undergraduate) | \$0 | 0.0% | \$0 | 0.0% |
| College of Graduate Health Sciences -- PhD | \$0 | 0.0% | \$0 | 0.0% |
| College of Graduate Health Sciences – Pharmacology MS | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Bachelors | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Bachelor in Medical Technology | \$0 | 0.0% | -\$14,156 | -54.1% |
| College of Health Professions – Masters in Cytopathology Practice | -\$3,914 | -28.3% | -\$17,396 | -54.7% |
| College of Health Professions – Advanced Degree | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Audiology Advanced Degree | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Post-Professional | \$0 | 0.0% | -\$13,608 | -48.6% |
| College of Medicine – MD | \$0 | 0.0% | -\$7,169 | -10.6% |
| College of Medicine – Physician Assistant | \$0 | 0.0% | \$0 | 0.0% |
| College of Nursing – Bachelors | \$0 | 0.0% | \$0 | 0.0% |
| College of Nursing – Graduate | \$0 | 0.0% | \$0 | 0.0% |
| College of Pharmacy – PharmD | \$0 | 0.0% | \$0 | 0.0% |

ADVISORY BOARD APPROVED BUDGET RECOMMENDATION

University of Tennessee Health Science Center Fiscal Year 2020-21 Advisory Board Operating Budget Recommendation

+ Proposed Current Operating Fund Budgets

| Fund Group | Revenues | Expenditures & Transfers |
|--|----------------------|--------------------------|
| Unrestricted Educational & General (E&G) Funds | \$292,446,128 | \$292,446,128 |
| Unrestricted Auxiliary Funds | \$2,803,026 | \$2,803,026 |
| Subtotal: Unrestricted Funds | \$295,249,154 | \$295,249,154 |
| Restricted Funds | \$311,958,479 | \$311,958,479 |
| Total Current Operating Funds | \$607,207,633 | \$607,207,633 |

Proposed Tuition & Fees (previously approved by the UT Board of Trustees on February 19, 2020)

| Tuition & Mandatory Fees | In-State: Amount | In-State: %-change | Out-of-State: Amount | Out-of-State: %-change |
|---|------------------|--------------------|----------------------|------------------------|
| College of Dentistry – DDS | \$0 | 0.0% | \$0 | 0.0% |
| College of Dentistry – Transitional DDS | \$0 | 0.0% | \$0 | 0.0% |
| College of Dentistry – Dental Hygiene (Undergraduate) | \$0 | 0.0% | \$0 | 0.0% |
| College of Graduate Health Sciences – PhD | \$0 | 0.0% | \$0 | 0.0% |
| College of Graduate Health Sciences – Pharmacology MS | \$0 | 0.0% | \$0 | 0.0% |
| CHP-Bachelor of Medical Technology | \$0 | 0.0% | (\$14,156) | -54.1% |
| College of Health Professions – Bachelors | \$0 | 0.0% | \$0 | 0.0% |
| CHP-Masters in Cytopathology Practice | (\$3,914) | -28.3% | (\$17,396) | -54.7% |
| College of Health Professions – Advanced Degree | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Audiology Advanced Degree | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Post-Professional | \$0 | 0.0% | \$0 | 0.0% |
| CHP-Masters of Clinical Lab Science | \$0 | 0.0% | (\$13,608) | -48.6% |
| College of Medicine – MD | \$0 | 0.0% | (\$7,169) | -10.6% |
| College of Medicine – Physician Assistant | \$0 | 0.0% | \$0 | 0.0% |
| College of Nursing – Bachelors | \$0 | 0.0% | \$0 | 0.0% |
| College of Nursing – Graduate | \$0 | 0.0% | \$0 | 0.0% |
| College of Pharmacy – PharmD | \$0 | 0.0% | \$0 | 0.0% |

May 7, 2020

The Chancellor shall submit the Advisory Board recommendation and the Chancellor's original budget recommendation to the President for review no later than May 27, 2020.



University of Tennessee Health Science Center
Fiscal Year 2020-21 Advisory Board Operating Budget Recommendation

Proposed Current Operating Fund Budgets

| Fund Group | Revenues | Expenditures & Transfers |
|--|----------------------|-------------------------------------|
| Unrestricted Educational & General (E&G) Funds | \$292,446,128 | \$292,446,128 |
| Unrestricted Auxiliary Funds | \$2,803,026 | \$2,803,026 |
| Subtotal: Unrestricted Funds | \$295,249,154 | \$295,249,154 |
| Restricted Funds | \$311,958,479 | \$311,958,479 |
| Total Current Operating Funds | \$607,207,633 | \$607,207,633 |

Proposed Tuition & Fees (previously approved by the UT Board of Trustees on February 19, 2020)

| Tuition & Mandatory Fees | In-State: Amount | In-State: %-change | Out-of-State: Amount | Out-of-State: %-change |
|---|-------------------------|---------------------------|-----------------------------|-------------------------------|
| College of Dentistry – DDS | \$0 | 0.0% | \$0 | 0.0% |
| College of Dentistry – Transitional DDS | \$0 | 0.0% | \$0 | 0.0% |
| College of Dentistry – Dental Hygiene (Undergraduate) | \$0 | 0.0% | \$0 | 0.0% |
| College of Graduate Health Sciences – PhD | \$0 | 0.0% | \$0 | 0.0% |
| College of Graduate Health Sciences – Pharmacology MS | \$0 | 0.0% | \$0 | 0.0% |
| CHP-Bachelor of Medical Technology | \$0 | 0.0% | (\$14,156) | -54.1% |
| College of Health Professions – Bachelors | \$0 | 0.0% | \$0 | 0.0% |
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| College of Health Professions – Advanced Degree | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Audiology Advanced Degree | \$0 | 0.0% | \$0 | 0.0% |
| College of Health Professions – Post-Professional | \$0 | 0.0% | \$0 | 0.0% |
| CHP-Masters of Clinical Lab Science | \$0 | 0.0% | (\$13,608) | -48.6% |
| College of Medicine – MD | \$0 | 0.0% | (\$7,169) | -10.6% |
| College of Medicine – Physician Assistant | \$0 | 0.0% | \$0 | 0.0% |
| College of Nursing – Bachelors | \$0 | 0.0% | \$0 | 0.0% |
| College of Nursing – Graduate | \$0 | 0.0% | \$0 | 0.0% |
| College of Pharmacy – PharmD | \$0 | 0.0% | \$0 | 0.0% |

The Chancellor shall submit the Advisory Board recommendation and the Chancellor's original budget recommendation to the President for review no later than May 27, 2020.