



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER

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BUDGET BACKGROUND AND FY 2023 BUDGET PROPOSAL

Presented to the HSC Advisory Board
May 11, 2022

DEFINITIONS

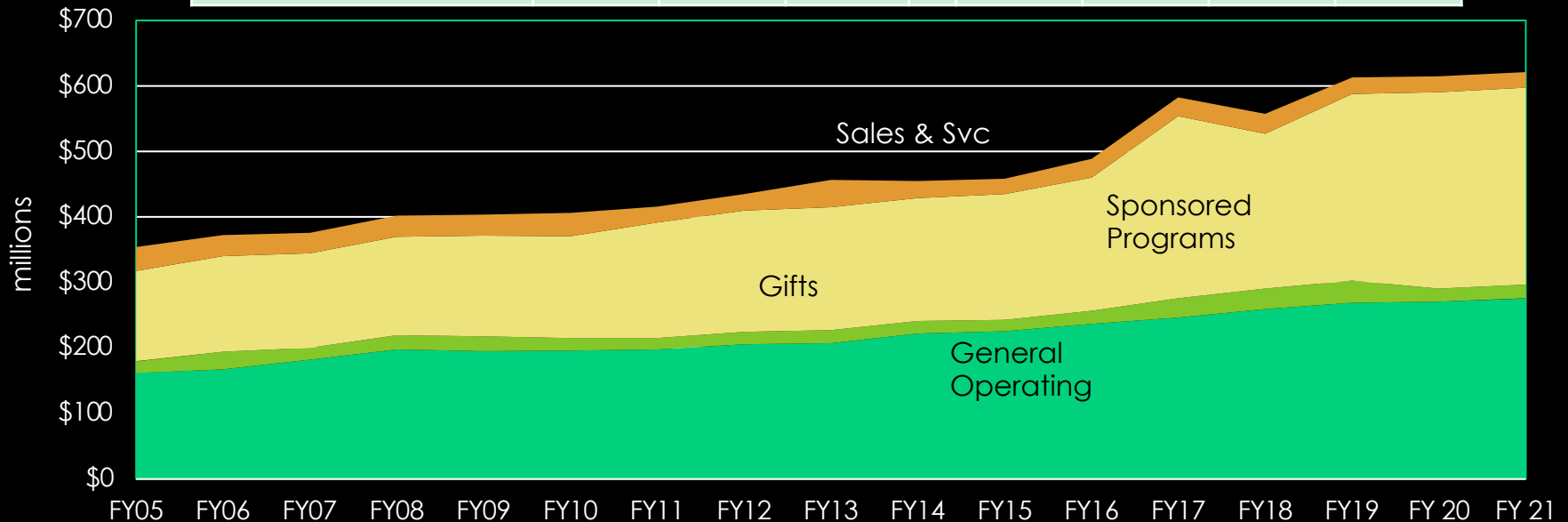
- ❑ Unrestricted Funds: (E-accounts) Funds provided to meet the primary educational mission of the university (sometimes referred to as Educational & General Funds)
- ❑ Restricted Funds: (R-accounts) Funds provided to meet a designated purpose – research, scholarships, endowed chairs, etc.
- ❑ General 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 \$5 million
 - UT Foundation, UT Research Foundation, and other assessments by the UT System Administration for services provided – about \$8 million
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- ❑ **Physician Practice Plans:** Note that the HSC's physician practice plan partnerships (ULPS, UTROP, UCH, etc.) which had over \$300 million in revenue in calendar year 2020 are EXCLUDED from all the financials we will review

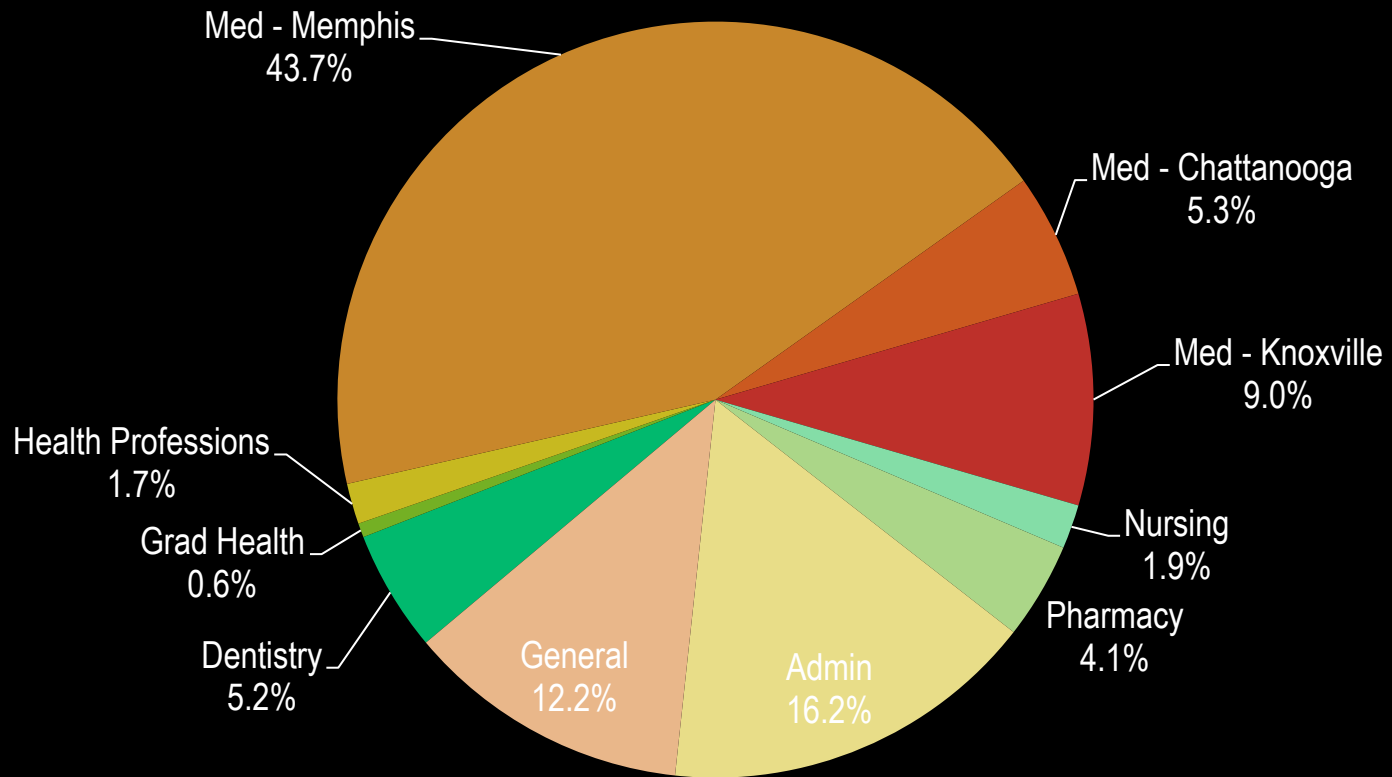
TOTAL REVENUE

(millions)	FY 05	FY 10	FY 15		FY 18	FY 19	FY 20	FY 21
General Operating	161.8	\$196.2	\$225.2		\$259.1	\$269.0	\$270.3	275.6
Gifts & Endow Income	18.1	18.7	17.5		28.1	33.8	20.3	21.4
Sponsored Programs	137.8	156.1	192		239.6	285.2	300.2	300.5
Sales & Service	36.8	34.9	23.7		31.0	25.2	24.2	23.8
TOTAL	\$354.5	\$405.9	\$458.4		\$557.8	\$613.2	\$615.0	\$621.2



FY 2021 ALL FUNDS EXPENDITURES

\$605.1 million



FY 2022 THROUGH MARCH (all funds)

<u>Revenue:</u>	
State Appn	\$135.2
Tuition & Fees	86.5
Other Unrestricted	31.9
Sponsored Programs	206.0
Gifts & Endowment	<u>13.8</u>
TOTAL	\$473.4
<u>Expenditures:</u>	
Dentistry	\$32.4
Grad Health Sci	3.8
Health Professions	10.8
Medicine	274.1
Nursing	11.3
Pharmacy	22.4
Admin	88.1
Campus General	<u>49.5</u>
TOTAL	\$492.4
Net through March	(\$19.1)

Revenue expectation through June:

- State Appn: + \$42.3 million
- F & A Rev: + \$5.0 million

Unrestricted Expenditures include encumbrances (salaries through June and other expected expenses)

FY 2022 PROPOSED BUDGET



May 12, 2022

GENERAL OPERATING FUND REVENUE INCREASES

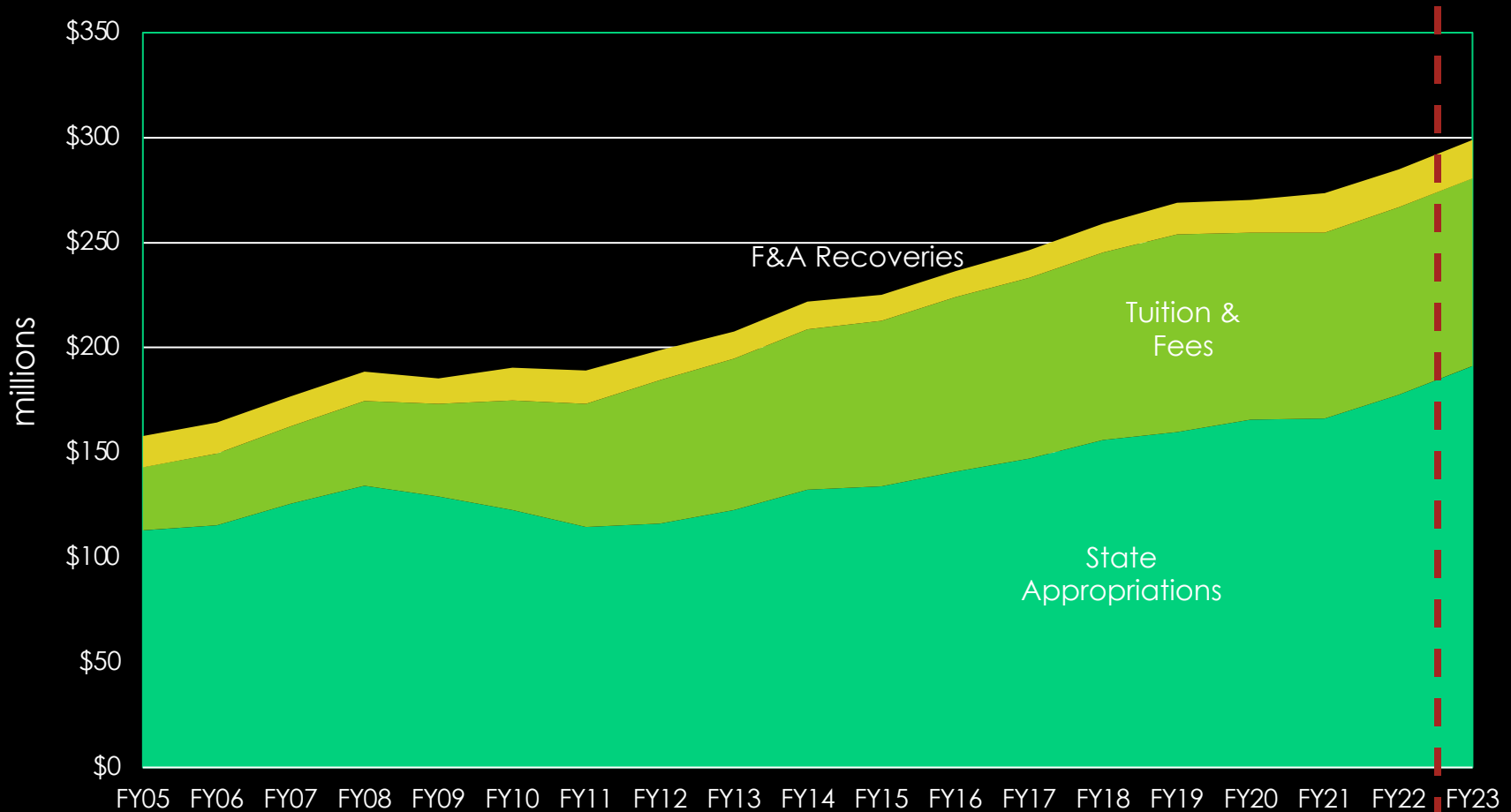
	Regular Approp	One-Time Funding
<u>Incremental State Funding:</u>		
• Salary Increase @ 4%	\$8,508,200	
• Benefit Costs Increase	1,594,100	
• Operating Cost Increase	<u>3,978,900</u>	
• <i>SUBTOTAL State</i>	\$14,081,200	
<i>F&A over Budget Requirement</i>		\$8,000,000
<u>Tuition / Enrollment:</u>		
• Tuition Increase	\$0	
• COD – Rural Enrollment	480,000	
• COHP – Path A Program	65,000	
• CON – Traditional BSN	550,500	
• COP – Enrollment Decrease	<u>-750,000</u>	
• <i>SUBTOTAL Tuition/Enroll</i>	\$345,500	
TOTAL Revenue Increase	\$14,426,700	\$8,000,000

SPECIAL STATE INITIATIVES

	Special Approp
Rural Dental Care	\$4,729,200
Additional GME Funding	\$7,600,000
TOTAL Special Initiatives	\$12,329,200

NOTE – these special initiatives will be included in Restricted Funds, not the General Operating Budget.

TOTAL GENERAL OPERATING



PROPOSED BUDGET INCREMENTS SALARY ACTIONS

	<i>Regular Approp</i>	<i>One-Time Funding</i>
<u>Salary Increase:</u> <ul style="list-style-type: none"> • 4% Market Increase <ul style="list-style-type: none"> • \$2,000 minimum • Brings minimum hourly rate to \$17 	\$6,753,900	
Associate retirement cost increase	660,000	
Benefit costs increase	1,594,100	
TOTAL Salary Actions	\$9,008,000	

PROPOSED BUDGET INCREMENTS ACADEMIC PROGRAM SUPPORT

	<i>Regular Approp</i>	<i>One-Time Funding</i>
<u>COD</u> • Rural Dental Initiative	480,000	
<u>COHP</u> • PT Faculty • Pathology Assistant (starts in Spring 2023) • MS SLP Stipends	100,000 265,000 70,000	
CON Tradition BSN	450,000	230,000
COP Enrollment Decline	-500,000	
F&A Distribution to Colleges		2,700,000
TOTAL Academic Program Support	\$865,000	\$2,930,000

PROPOSED BUDGET INCREMENTS INFRASTRUCTURE

	<i>Regular Approp</i>	<i>One-Time Funding</i>
Reserves	\$2,000,000	\$2,000,000
Executive Administration	850,000	
ERP Implementation	250,000	
Student / Faculty Services	250,000	250,000
Operating Costs for New Areas (vivarium)	200,000	
Library acquisition costs	150,000	
CHIPS Operating Costs	250,000	
Contingency / Additional Allocations	503,200	2,820,000
TOTAL Infrastructure Support	\$4,453,200	\$5,070,000

OPERATING BUDGET RECOMMENDATION FORMAT

As shown earlier	Required BOT Format
Subtotal: Unrestricted Funds (General Operating Funds)	Unrestricted Educational & General (E&G) Funds
	Unrestricted Auxiliary Funds
	Subtotal: Unrestricted Funds
Restricted Funds	Restricted Funds
Total Current Operating Funds	Total Current Operating Funds

UNRESTRICTED E&G FUNDS

FY 2022 Unrestricted E&G Funds	\$304,499,000
<ul style="list-style-type: none"> • Salary Increases 9,008,000 • Academic Program Support 865,000 <ul style="list-style-type: none"> • One-Time 2,930,000 • Infrastructure 4,453,200 <ul style="list-style-type: none"> • One-Time 5,070,000 • Clinical Revenue Increases 875,000 	
FY 2023 Unrestricted E&G Funds	\$327,700,200

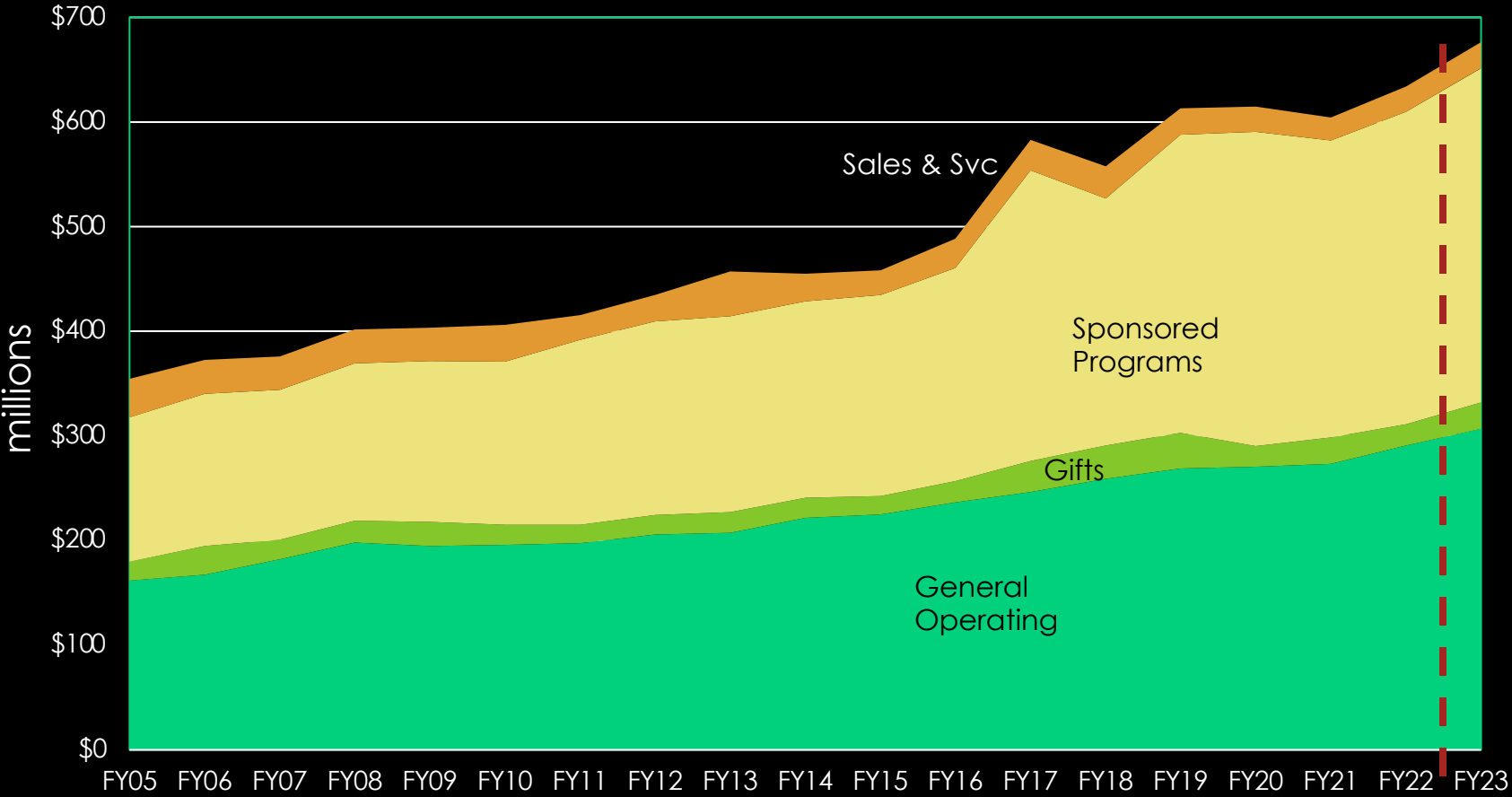
UNRESTRICTED AUXILIARY AND RESTRICTED FUNDS

FY 2022 Unrestricted Auxiliary Funds	\$4,332,400
• No changes	00
FY 2023 Unrestricted Auxiliary Funds	\$4, 332,400
FY 2022 Restricted Funds	\$325,000,000
• Increase in Restricted Funds	
• Gifts	2,000,000
• Research	5,000,000
• Rural Dental Initiative	4,729,200
• GME	7,600,000
FY 2023 Restricted Funds	\$344,329,200

FY 2023 PROPOSED CURRENT OPERATING BUDGET

Fund Group	Revenues	Expenditures & Transfers
Unrestricted Educational & General (E&G) Funds	\$327,700,200	\$327,700,200
Unrestricted Auxiliary Funds	\$4,332,400	\$4,332,400
Subtotal: Unrestricted Funds	\$332,032,600	\$332,032,600
Restricted Funds	\$344,329,200	\$344,329,200
Total Current Operating Funds	\$676,361,800	\$676,361,800

TOTAL REVENUE



TUITION & FEES (REQUIRED FORMAT)

Tuition & Mandatory Fees	In-State: Amount	In-State: %- change	Out-of-State: Amount	Out-of-State: %-change
College of Dentistry – DDS	30,388	0.0%	69,148	0.0%
College of Dentistry – Transitional DDS	73,028	0.0%	73,028	0.0%
College of Dentistry – Dental Hygiene (UG)	9,988	0.0%	19,976	0.0%
College of Graduate Health Sciences – PhD	10,894	0.0%	16,542	0.0%
CGHS – Pharmacology MS	16,712	0.0%	25,140	0.0%
CGHS – Forensic Dentistry MS	13,500	0.0%	18,500	0.0%
College of Health Professions – Bachelor of Medical Lab Sciences	7,990	0.0%	12,000	0.0%
CHP – Master in Cytopathology Practice	9,990	0.0%	14,400	0.0%
CHP – Master of Clinical Lab Science	10,068	0.0%	14,400	0.0%
CHP – Advanced Degree (DPT/MOT)	13,814	0.0%	31,796	0.0%
CHP – Audiology Advanced Degree	18,820	0.0%	43,396	0.0%
College of Medicine – MD	34,566	0.0%	51,850	0.0%
College of Medicine – Physician Assistant	22,924	0.0%	38,962	0.0%
College of Nursing – Bachelors	12,705	0.0%	36,930	0.0%
College of Nursing – Graduate	18,698	0.0%	43,538	0.0%
College of Pharmacy – PharmD	22,370	0.0%	27,374	0.0%

ADVISORY BOARD APPROVED BUDGET RECOMMENDATION

University of Tennessee Health Science Center Fiscal Year 2022-23 Advisory Board Operating Budget Recommendation

Proposed Current Operating Fund Budgets

Fund Group	Revenues	Expenditures & Transfers
Unrestricted Educational & General (E&G) Funds	\$327,700,200	\$327,700,200
Unrestricted Auxiliary Funds	4,332,400	4,332,400
Subtotal: Unrestricted Funds	\$332,032,600	\$332,032,600
Restricted Funds	344,329,200	344,329,200
Total Current Operating Funds	\$676,361,800	\$676,361,800

Proposed Tuition & Fees (previously approved by the UT Board of Trustees on February 25, 2022)

Tuition & Mandatory Fees	In-State: Amount	In-State: %-change	Out-of-State: Amount	Out-of-State: %-change
College of Dentistry – DDS	30,388	0.0%	69,148	0.0%
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TOTAL REVENUE

