Call to Order

The meeting was called to order by the president, Dr. Ed Park, at 12:08 PM on February 4, 2013, in the Coleman building, Room A101.

Attendance

The following members were present:

Martin A. Croce, MD, Maggie DeBon, PhD, Bob Foehring, PhD, Scott Jackson, DVM, Stephen King, MD, Haavi Morreim, JD, PhD, William R. Morris, MD, Linda K. Myers, MD, Edwards Park, PhD, Kaushik Parthasarathi, PhD, Fruz Pourmotabbed, PhD, Larry Reiter, PhD, Renate Rosenthal, PhD, Claudette Shephard, MD, Thad Wilson, PhD

The following guest(s) was (were) present:

David Stern, MD, Polly Hofmann, PhD, Susan Senogles, PhD, Tony Ferrara, CPA, MAS

Approval of minutes

The minutes of the previous meeting were approved as written. Minutes had previously been distributed by electronic means.

Business

Pres. Park and Pres-elect Reiter informed the DFAC that the survey recently sent out to campus regarding day care received a strong response, and that a meeting with the Chancellor is planned for later this week.

Pres. Park then introduced Tony Ferrara, Vice Chancellor for Finance and Operations, to discuss a variety of issues. He first responded to questions that have been raised regarding procurement cards. Maggie DeBon had solicited input regarding which issues were of greatest concern. One is that business managers were not giving card numbers to faculty, e.g. for online ordering purposes. Mr. Ferrara responded that providing this number is entirely acceptable, and appropriate changes in practices are being made. It was noted that sometimes the best prices can be obtained via online sites such as Amazon.com, and at the present time it is very difficult for faculty who are in charge of grant funds to exercise this sort of financial prudence.

DFAC members observed that this does not address the situation in which, e.g., someone needs to have a poster made at a local shop such as Kinko's. Mr. Ferrara indicated that it should be possible to check out the card for such uses. It is not possible to issue a card in the name of a department in general, though it may perhaps be possible to secure more than one copy of a card,
bearing the same number, to address needs that may arise on evenings or weekends. A further issue is that, although there should generally not be sales tax for state-purchased items, the exemption does not always apply. This needs to be explored further, and business managers need to be appropriately informed.

Travel poses further questions. Years ago, American Express cards were made available to faculty, who were then personally responsible for paying the charges. It served the purpose of creating a time-delay during which the faculty member could have travel reimbursed, so that the faculty would not experience prolonged periods with significant out-of-pocket costs that awaited repayment. However, a variety of problems arose and that program is no longer available. Since then the University has emphasized prompt reimbursement, but that does not always work as hoped. Consideration is currently directed toward implementing a credit card plan specifically for travel. It is now possible to be reimbursed early, e.g. for a flight purchased significantly in advance. In the event the planned meeting/trip is cancelled, or for any reason the plane ticket is unused, such a ticket can potentially be used by someone else in the system.

Another DFAC member introduced a different issue. Invoices supposedly must be paid within 45 days of the date on the invoice, or they will not be paid. Sometimes, it is simply not possible to pay within the requisite deadline, because where materials come from diverse locations around the world, the invoice may only reach the faculty member with too little time remaining. Mr. Ferrara explained that it is not correct to suppose that an invoice can not be paid farther out than 45 days. In reply, however, DFAC members pointed out that some department business managers mistakenly believe such a restriction to be the case. Sometimes the faculty member must ask the vendor to provide a credit, then reissue the invoice -- a time-consuming process that can harm the institution’s credibility with our vendors.

Mr. Ferrara then provided an update regarding the daycare issue. The existing day care facility has not been closed, but rather is in transition. For many years it was associated with the Pediatrics Department. About 3 or 4 years ago the College of Medicine discerned it was losing about $150k/year, and determined that this loss could no longer be afforded. A decision was made to see if something could be done to make it work, and it was brought into Mr. Ferrara’s department. That worked for a while, along with administrative changes, but this year the deficit is already substantial, heading back toward around a $150k deficit. About 40% of the children are associated with St. Jude employees, 30% are from the outside public, and 30% are UT. St. Jude pays for their people to have access. St. Jude was planning to build a facility on their own campus, a move that would have been financially adverse for the UT day care program. The actual cost of providing day care is about $12k per child per year, and the amounts charged to parents are not high enough to cover that cost.

As things now stand, St. Jude will take the program over in a month, while they build their own facility in about two years. It will be outsourced to Bright Horizons, a company that runs day care centers. UT people are not being excluded, but the current format has not been financially sustainable. Larry Reiter indicated that the survey showed considerable interest in keeping day care at UT. During the transition, children currently in the program can remain, as well as their siblings. But additional children of UT employees are not guaranteed a space. As things have stood, UT has effectively subsidized the non-UT people as well as UT, by charging the same price to both. St. Jude parents pay a bit less, as subsidized by St. Jude.

Another option, aside from creating a new UT day care, might be to partner with an established day care in the city, eg, by securing a price discount for a guaranteed number of children enrolled.
A third issue concerned Material Transfer Agreements. Efforts have been under way, for a long time, to make these arrangements smoother. Most such MTA agreements have their own boilerplate contract language that, unfortunately, sometimes is at odds with state law or regulations. In many instances, it has been said that only Knoxville can approve MTA variations. Lately there are more lawyers here on the UTHSC campus who can give an ok to agreements that make good business sense. The state regs concern indemnification, procurement clauses, and the like. In many instances these regs don't really apply, e.g. where a material is simply being donated rather than purchased. The problem is that the state deems these transactions to be "procurement," so that all the regs governing procurement must apply. An example of a problem is a clause requiring that the recipient of the procured material be able to verify that no illegal aliens were involved in the manufacture of that product. Another problem is that sometimes an MTA that has required modification at UT's end will then be sent to the vendor, where it may then sit for a long time before the vendor responds.

Dr. Hofmann indicated that efforts are currently under way to hire new personnel who can track MTA efforts to move them along with reasonable speed.

Pres. Park then reported on the DFAC's recent vote regarding the revised Education Tool. The vote - - 13-to-0 (with one abstention) - - formally expressed disapproval of the current tool, and provided supplemental commentary. Those results have been provided to Dr. Scheid, and the plan is to invite her to speak directly with the DFAC in the near future. Dr. Hofmann proposed that the goal now is to create a tool that creates a reasonable ballpark figure by which to estimate how much time a faculty member spends teaching. She suggested that the only situation where it would be appropriately used would be, e.g., to identify gross discrepancies between the estimates provided by faculty and chair, versus what the tools says. Further discussion focused on the current tool's weaknesses, such as that it does not include preparation time, grading time, time with students, and that it fails to include myriad other factors. The fundamental question, perhaps, is whether such a tool has any real use at all, or whether the numbers it produces are worth being taken seriously. The issue will be discussed further, with Dr. Scheid, at a future DFAC meeting.

Next Meeting

The next meeting of the committee will be held on March 4, 2013, at 12:00 Noon in the Coleman building, Room A101.

Adjournment

There being no further business, the meeting was adjourned at 1:00 PM.

Respectfully submitted,

E. Haavi Morreim, JD, PhD
Secretary