



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

Advisory Board Meeting

November 14, 2025
11:00 AM CST



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

Chancellor's Update and Special Recognition



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

Financial and Capital Update

Presented by:

Raaj Kurapati

Executive Vice Chancellor & Chief Operating Officer



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

Financial Update

Financial Summary

- Inherited Accumulated Internal Deficit **\$55M** (developed a **3–5-year plan** to eliminate the deficit, operate on a balanced budget and build reserves)
 - Internal deficit is a combination of unfunded carryforward balances, unit level deficits (\$47M) and UT System loan of \$8M. Effectively no fund balances or cash reserves. Unrestricted cash on hand at the end of FY2023 was about a week.
- Inherited Base Budget Gap - **\$15.5M** (addressed \$12.5M in FY24-25). Several actions were taken to address the budget gap including:
 - Instituted a reduction in force (RIF) and eliminated 58 positions (52 from Finance and Administration, including SVC-CFO, VC-CIO, and two AVC positions). Annual savings ~ **\$3.8M**
 - Instituted an across-the-board base budget reduction of 3.5% resulting in savings of ~ **\$5.5M**
- Deficit operations/units contributing to the Base Budget Deficit:

Unit Level:	Central:
• CTN2 (Closed) • Plough Center (Managing) • Forensic Center (Addressed) • Facilities Operations (Addressed)	• Faculty/Staff Benefits Pool (Addressed) • Utilities (Addressed) • Repairs and Maintenance (Managing)
- Reduced overall deficit by appx. \$21M (**Audited**) by the end of FY24 (from **\$55M to \$35M**)
- Improved **Unrestricted** Cash on Hand to **34 days** (FY23 to FY24 year end)
- Addressed remaining base deficit ~ **\$3M** as part of the FY25-26 Budget. Budget approved by the Advisory Board on May 9, 2025.
- Further adjusted the base budget by **\$5M** to reflect drop in IDCR, also presented to and approved by the Advisory Board.
- All indications are that we have substantially addressed the accumulated deficit as of June 30, 2025.

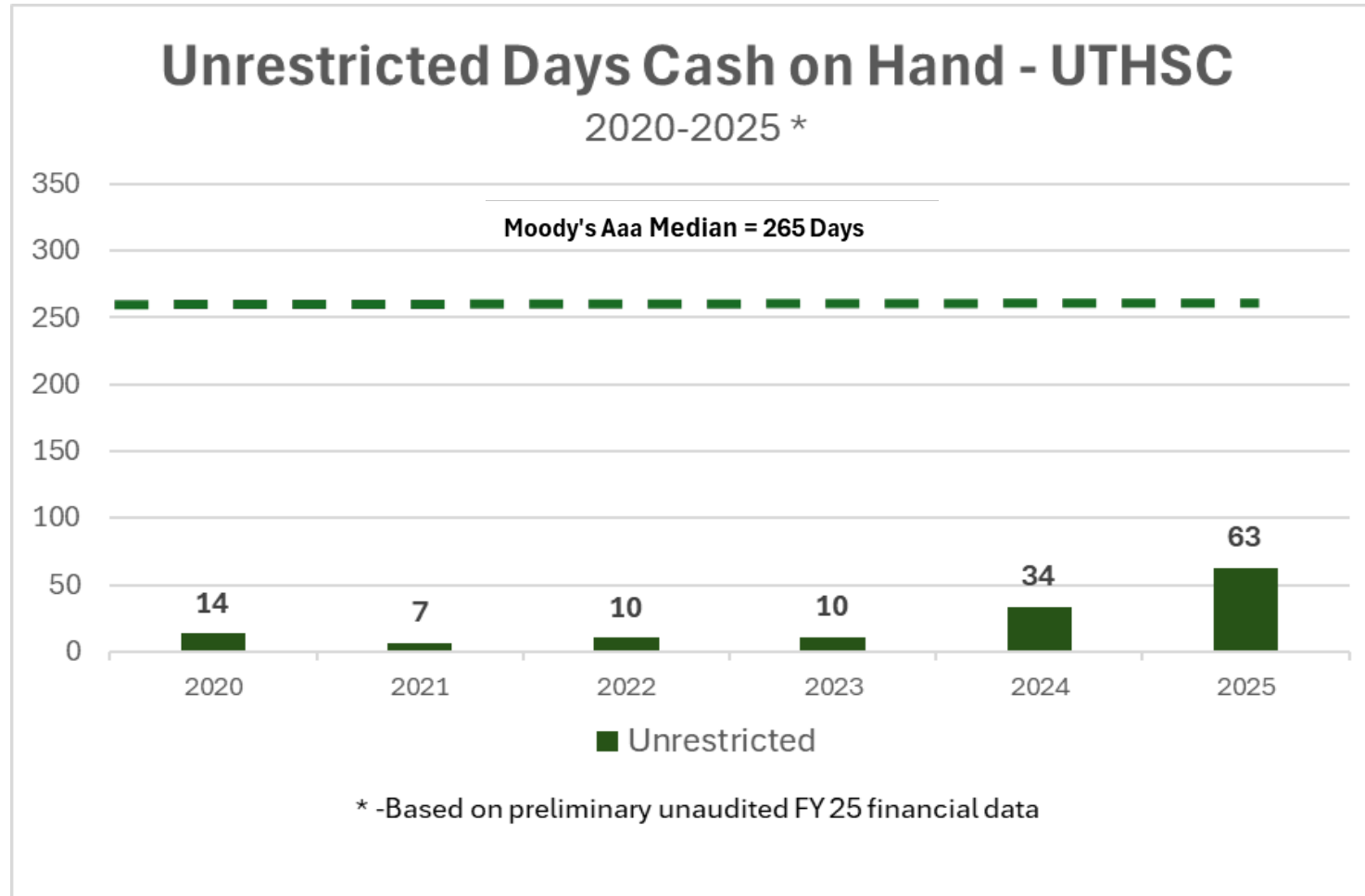
UT Health Science Center – Unrestricted Funds Financial Statements

UNRESTRICTED FUNDS

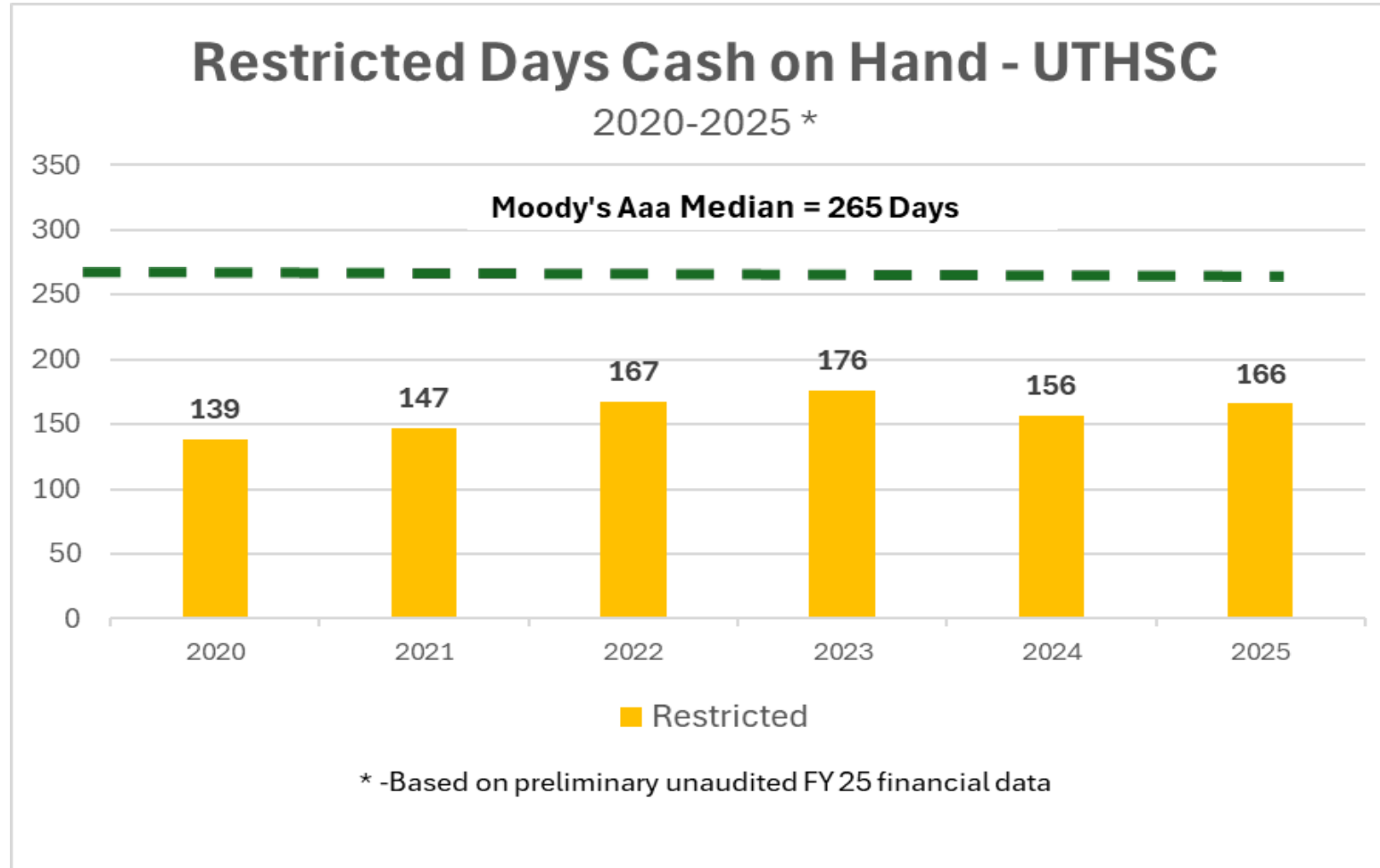
Comparison of Income and Expenses			FY 2025		FY 2024	
	Budget	YE Actuals*	Budget	YE Actuals		
State Appropriations	\$ 224,422,824	\$ 224,420,224	\$ 217,690,324	\$ 217,688,644		
Tuition and Fees	\$ 95,682,476	\$ 95,010,866	\$ 92,685,735	\$ 91,697,297		
Grants Contract and Gifts	\$ 25,732,114	\$ 23,393,616	\$ 27,999,737	\$ 24,038,560		
Sales & Service	\$ 20,748,956	\$ 20,051,947	\$ 23,112,131	\$ 20,665,952		
Other Operating Income		\$ 3,700,571				
Auxiliary	\$ 4,151,808	\$ 3,212,015	\$ 4,125,312	\$ 3,426,992		
Current Revenue	\$ 370,738,178	\$ 369,789,239	\$ 365,613,239	\$ 357,517,445		
Carryforward	\$ 39,846,870		\$ 35,722,287			
Total Revenue	\$ 410,585,048		\$ 401,335,526			
Salaries	\$ 190,733,654	\$ 183,685,478	\$ 187,514,959	\$ 184,657,026		
Benefits	\$ 60,333,437	\$ 60,169,112	\$ 58,632,613	\$ 59,037,677		
Other Operating Expenses	\$ 130,012,304	\$ 77,782,799	\$ 124,872,139	\$ 77,886,657		
Equipment and Library Acquisitions	\$ 16,782,241	\$ 3,163,951	\$ 17,329,226	\$ 2,175,971		
System Charge	\$ 5,800,000	\$ 5,939,160	\$ 5,690,800	\$ 5,690,800		
Debt Service	\$ 6,923,412	\$ 6,923,412	\$ 7,295,789	\$ 6,254,591		
	\$ 410,585,048	\$ 337,663,911	\$ 401,335,526	\$ 335,702,721		
	Surplus	\$ 32,125,328	Surplus	\$ 21,814,723		

* - Based on preliminary Unaudited results

UT Health Science Center



UT Health Science Center





THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

**College of Medicine
Interdisciplinary Building
(COMIB)**

Current State

EXISTING CAMPUS

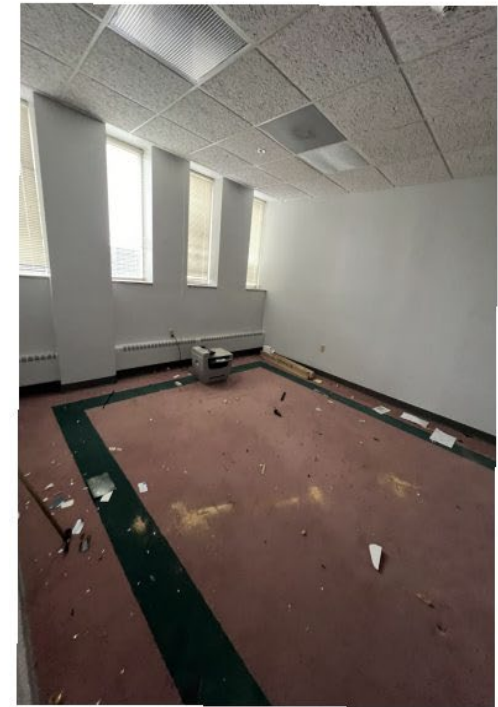
Current State – 910 Madison (1965)

Primary Space Types

- Offices
- Conference Rooms
- Clinical Suites
- Waiting Rooms
- Classrooms

Current Building

- Past useful life
- Classrooms will not accommodate contemporary medical training
- Outdated facility undermines our reputation and competitiveness for faculty and students
- Lack of home for COM undermines alumni engagement and philanthropy



910 MADISON

EXISTING CAMPUS

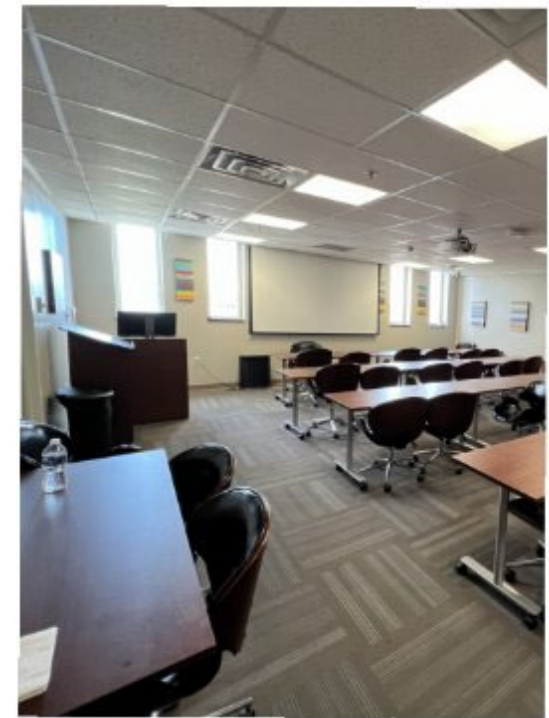
Current State – 920 Madison (1975)

Primary Space Types

- Offices
- Conference Rooms
- Clinical Suites
- Waiting Rooms

Current Building

- Building can be repurposed with significant investment in renovation of space and upgrades to mechanical systems
- Could provide space for COM and CHP clinical functions



920 MADISON

The Competition

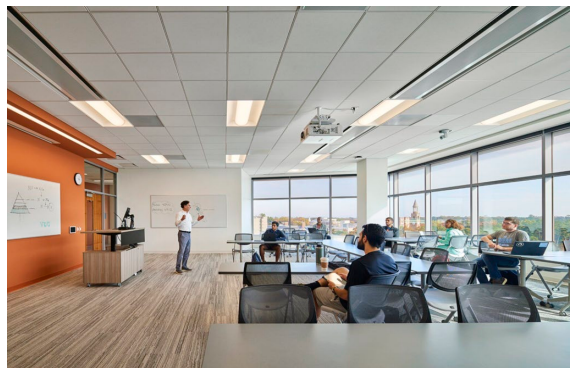
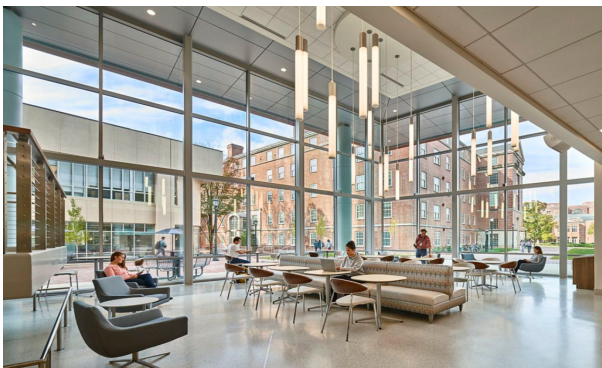
Cedars-Sinai Medical Center Advanced Health Sciences Pavilion

Los Angeles, California

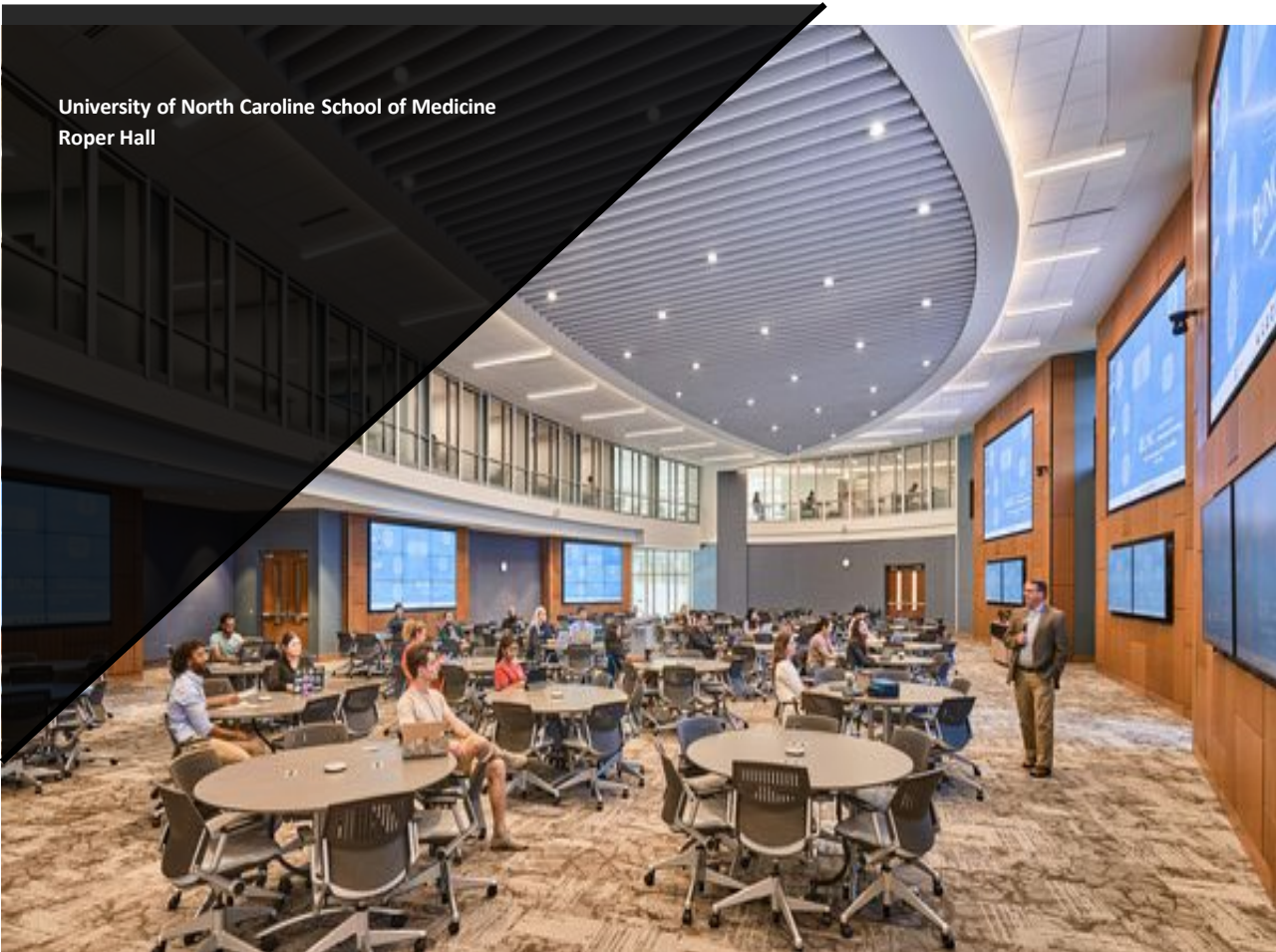


University of North Carolina School of Medicine
Roper Hall

Chapel Hill, NC



University of North Carolina School of Medicine
Roper Hall



University of Kentucky Health Education Building

Lexington, Kentucky





Medical College of Georgia



University of Kentucky

*Designed to Equip the Next
Generation of Best-in-Class Healthcare Professionals in
the Region*



MUSC



University of North Carolina Roper Hall



University of South Carolina



Alice Walton, SOM Arkansas

Future State

Future State – New COMIB Facility

Optimized Workplace

Dynamic environment, future calibration

Growth Enabled

New home, increased cohort sizes



Increased Partnerships

Facilitate more internal and external collaborations

PUBLIC AMENITY SPACES

(16,935nsf)

Public Spaces ~ 2,850 nsf

- Building Lobby
- Pre-function
- Health Food Kiosk/ Grab 'n go

Amenities ~ 625 nsf

- Media/ Recording room
- Lockers

Wellness ~ 400 nsf

- Wellness/ Quiet Rooms

Learner Study/Collab ~ 12,740 nsf

- Interdisciplinary Health Commons
- Interview/Seminar Room
- COM Houses + Kitchenette
- Informal collaboration
- Student Study booths/rooms 2-4p



BUILDING LOBBY
MORGAN STATE UNIVERSITY

ACADEMIC SPACES

(38,300nsf)

Multipurpose 225p/450p ~ 13,500 nsf

- (2) 225p capacity spaces

Large 60p/120p ~ 14,400 nsf

- (8) 60p capacity spaces

Medium 30p/60p ~ 1,800 nsf

- (2) 30p capacity spaces

Small Group rooms ~ 7,200 nsf

- (16) 15p capacity spaces

Support spaces ~ 1,200 nsf

- Storage and supplies
- IT Suite



INTERDISCIPLINARY PROGRAM

(17,000 nsf)

Digital Health + Innovation ~ 3,000 nsf

- Computational/ visualization suite
- Health maker space/ 3D bioprinting

Specialty Sim ~ 7,000 nsf

- Disaster response/ hyperflexible sandbox
- Mobile Health Lab

External Partnership ~ 7,000 nsf

- Health Incubator
- Technology Innovation Lab



COMPUTATIONAL VISUALIZATION SUITE

WORKPLACE PROGRAM

(76,415nsf)

FLEXIBLE MODEL (55,563 nsf):

Overall Workplace ~ 55,563 nsf

- Option 1: Approx 630 people
(mix of workstations and enclosed offices)
- or**
- Option 2: Approx 500 people
(all equal enclosed offices)

Shared Workplace ~ 20,852* nsf

- Reception/Waiting
- Meeting rooms
- Break areas
- Hoteling/touchdown
- Informal collaboration
- Storage and support

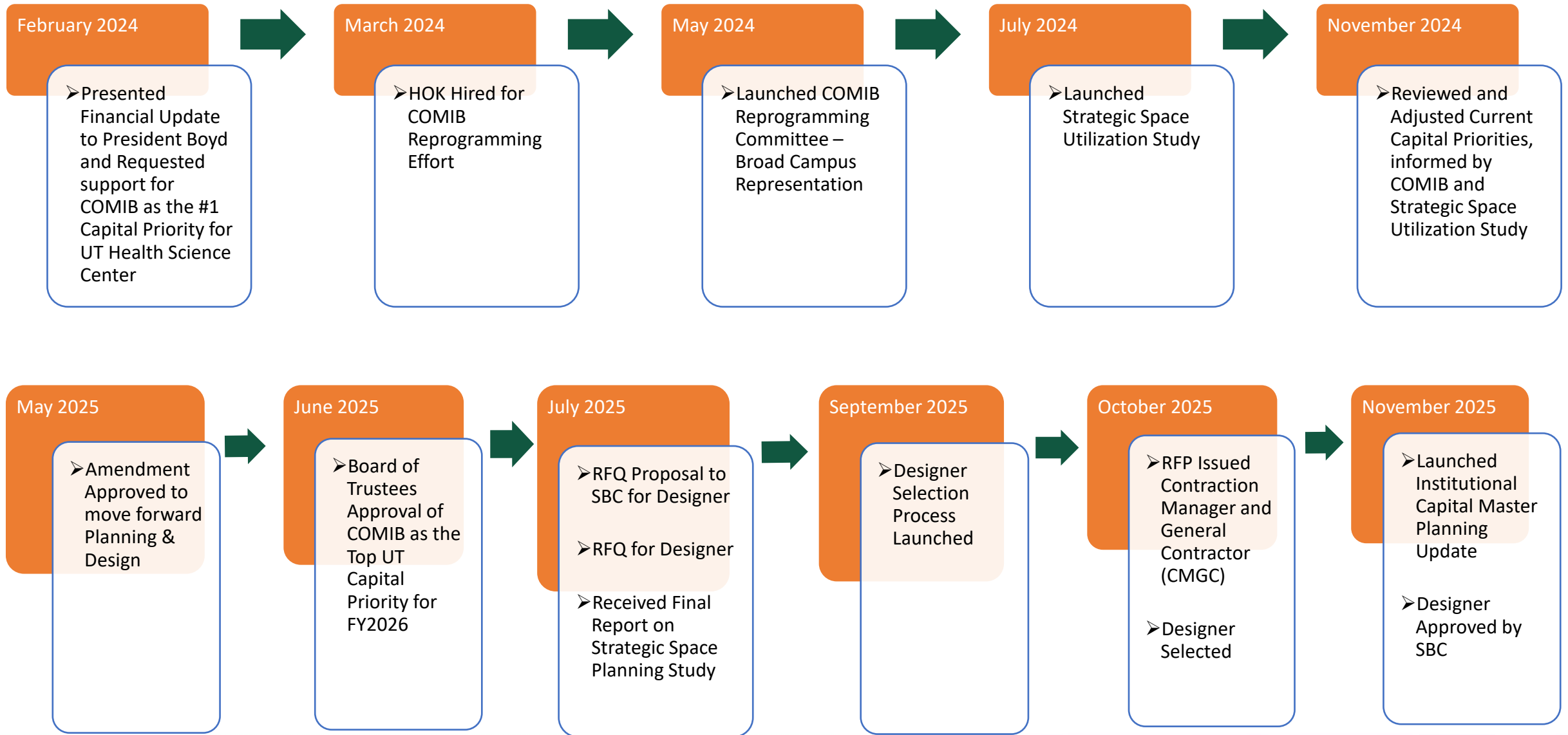
*Includes future growth – 2,750 sf

- 25 offices approx.



Our Approach: Architectural Concepts, Estimated Cost, Timeline, and Economic Impact

The Approach



Updated Schedule

GATHER

GENERATE

SYNTHESIZE

APPROVALS

SEPT – JAN
2025



Workshop 1:

- Project Kick-off (virtual)

Workshop 2 (Memphis):

- Tours and Interviews (in-person)
- Space Needs (virtual)

Workshop 3 (other campuses):

- Tours and Interviews (in-person)
- Space Needs (virtual)

Meetings with:

- Working Group (3)
- Executive Committee (1)
- Stakeholder Groups (as needed)

DEC – MARCH
2025 – 2026



Workshop 4:

- Analysis Summary, Principles, & Concept Plan (virtual)

Workshop 5:

- Scenario Planning (in-person)

Meetings with:

- Working Group (2)
- Advisory Committee (2)
- Executive Committee (2)

APRIL – AUG
2026



Workshop 6:

- Draft Plan with Phasing/Implementation (in-person)

Workshop 7:

- Refine Draft Plan with Cost Estimate (virtual)

Workshop 8:

- Final Plan Review (in-person)

Meetings with:

- Working Group (3)
- Advisory Committee (3)
- Executive Committee (3)
- Open Houses and Stakeholder Groups (as needed)

SEPT – DEC
2026



Presentations:

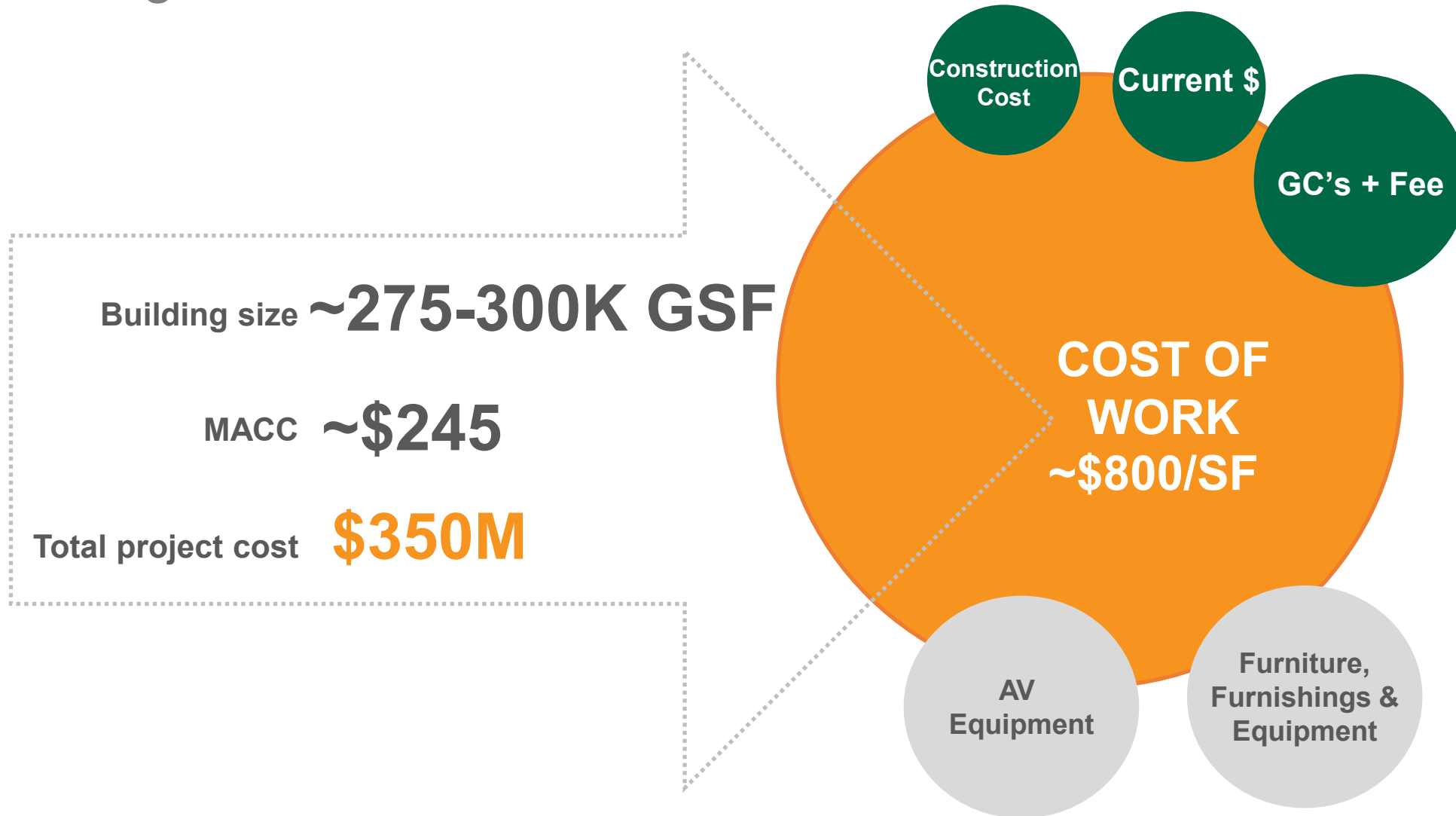
- UTHSC Campus Advisory Board (Sept)
- UT Board of Trustees (October)
- Tennessee Higher Education Commission (November)
- State Building Commission (December)



University of Tennessee Health Science Center



Building Cost - Size



Key Findings



Source: IMPLAN, 2025

Key Findings

\$364M

**Gross Domestic
Product (GDP)
Contribution**

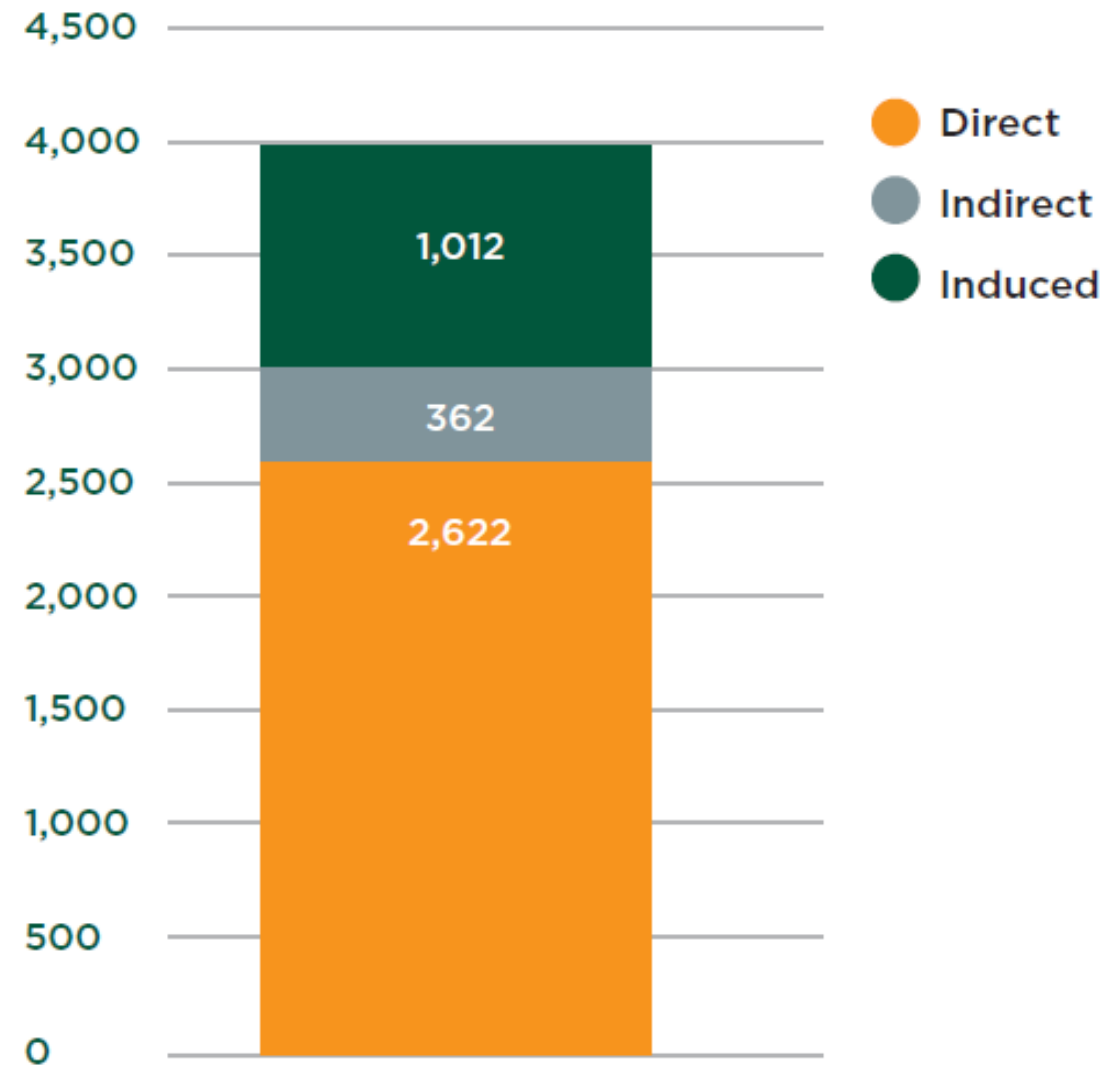
\$75M

**Tax
Revenues**

Source: IMPLAN, 2025

Jobs Breakdown

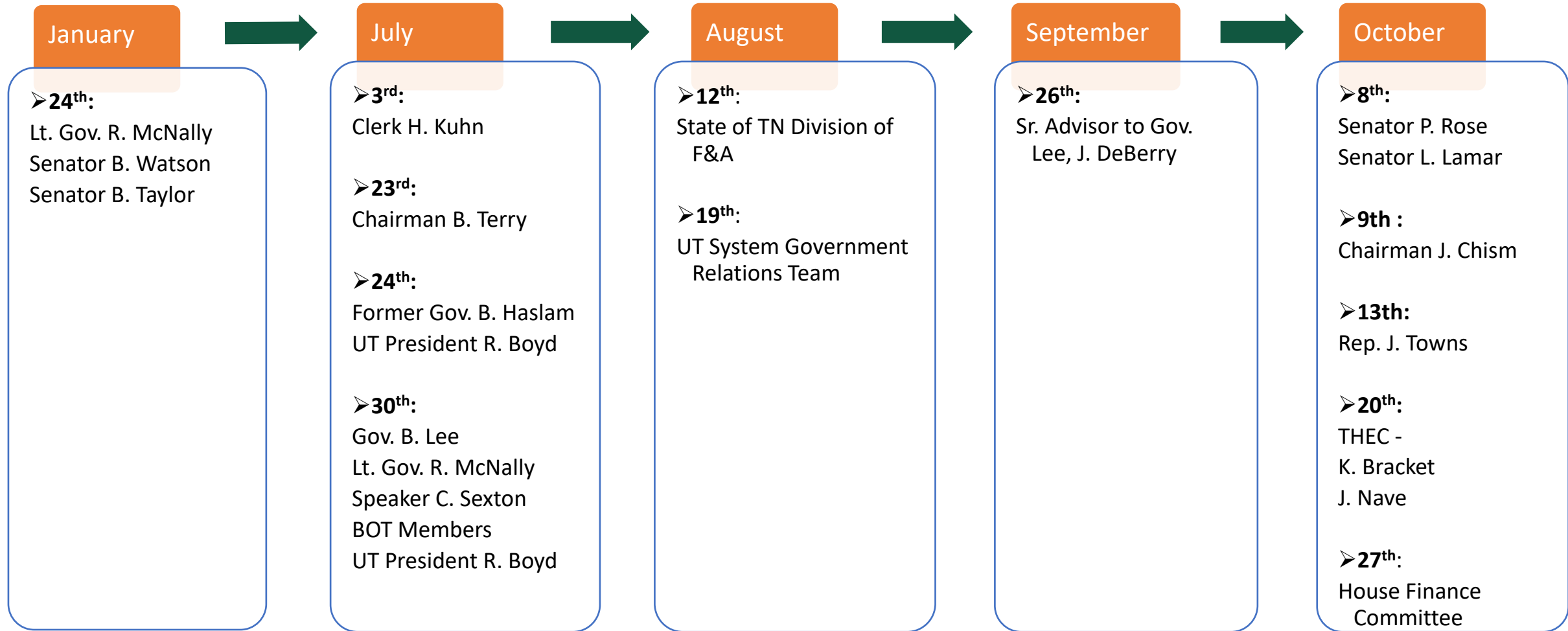
- Direct: 2,622 jobs (construction & on-site work)
- Indirect: 362 jobs (suppliers & vendors)
- Induced: 1,012 jobs (spending ripple effects)



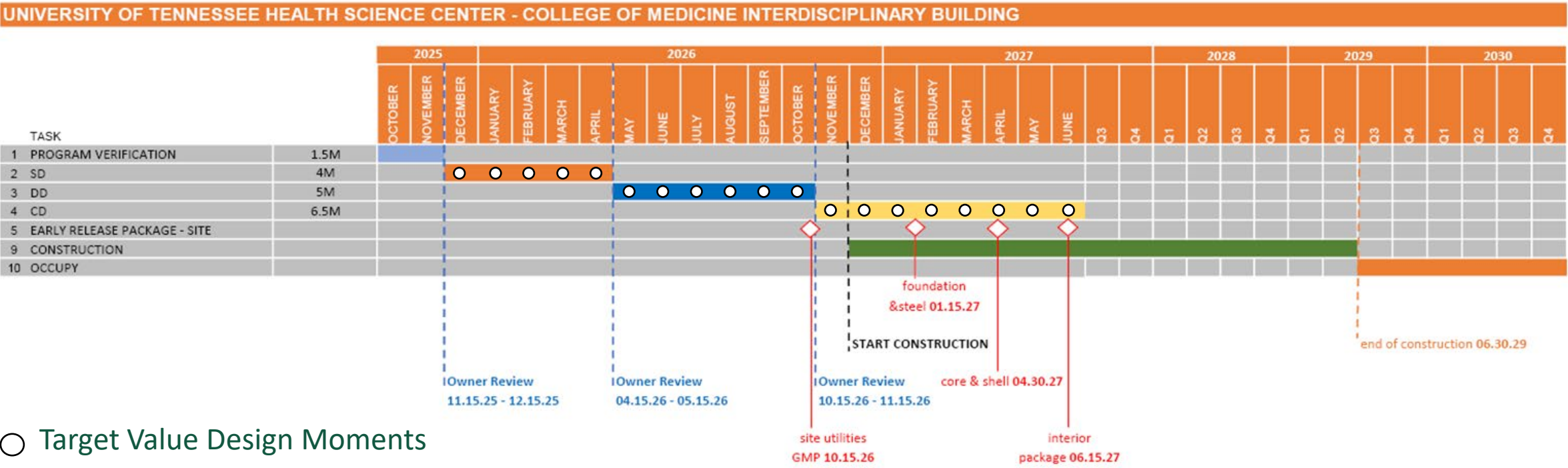
Short-Term vs. Long-Term Impact

- Short-Term (2026-2031):
 - One-time stimulus from construction
 - Nearly 4,000 jobs created
 - \$609M in economic activity
- Long-Term:
 - Expands MD (Medical Doctor) class size (175 to 225) or 30%
 - Expands PA (Physician Assistant) class size (30 to 60) or 100%
 - Expands academic offerings in College of Health Professions and College of Graduate Health Sciences
 - Strengthens research capacity
 - Generates sustained workforce & state-wide health outcomes benefits

Executive & Legislative Branch Advocacy (Campus Visits)



Project Schedule



- Target Value Design Moments
- ◇ Construction Package Releases



NATIONAL LEADERS IN
HEALTH SCIENCES
FACILITY DESIGN

11

Lab of the Year
Awards

10M SF

of Health Education
Projects in the past
10 years

Top 5

Science +
Technology Firm by
BD+C



ENR Award
of Merit

For Shelby County
Health Department

Award of
Excellence

AIA Memphis, 2018

60+

Projects across the
UT System

brg3sarchitects

100 + YEARS LEGACY OF DESIGN EXCELLENCE

ROOTED IN MEMPHIS



NATIONAL LEADERS IN HEALTH SCIENCES FACILITY DESIGN



University of Kentucky,
Health Education Building



NAIOP Tampa Bay,
Best Healthcare Project



University of South Florida Health,
Morsani College of Medicine + Heart Institute



ENR New York, Higher Education
Award of Merit



University at Buffalo, Jacobs School of Medicine +
Biomedical Sciences



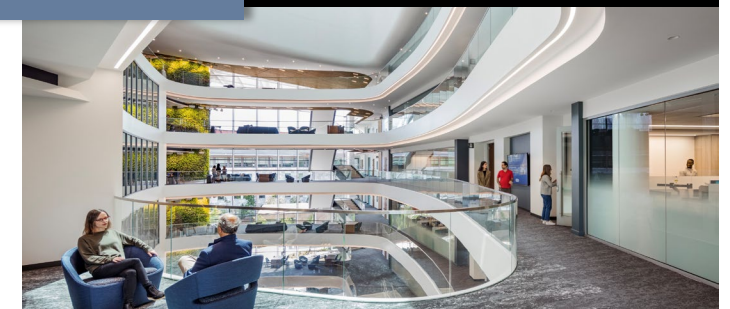
Morgan State University,
Health and Human Services Center



Augusta University,
Medical Education Commons



Lab Design,
Lab of the Year Excellence Award



Emory University,
Health Sciences Research Building II

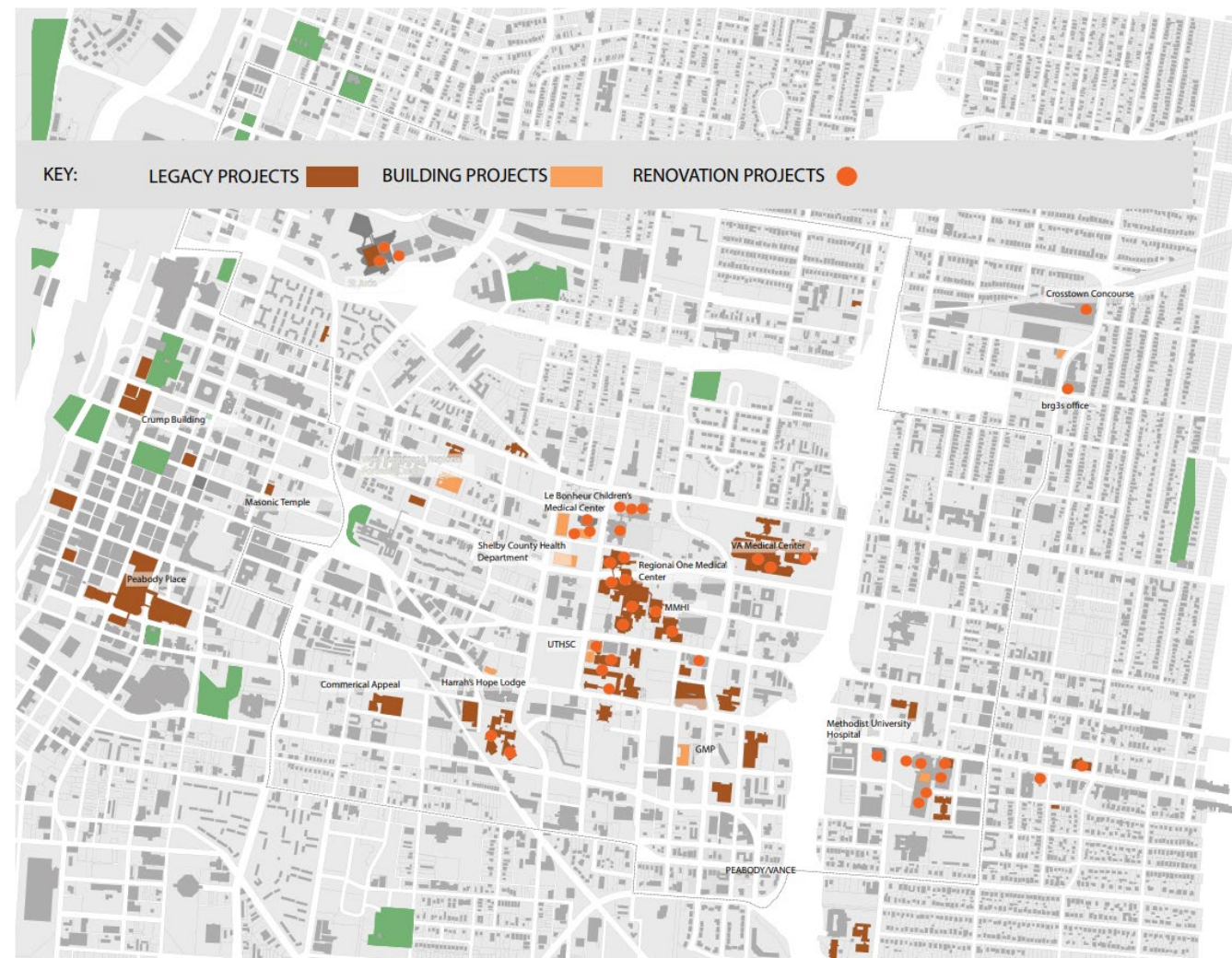
brg3s architects 100 + YEARS LEGACY OF DESIGN EXCELLENCE ROOTED IN MEMPHIS



University Of Tennessee Health Sciences Center,
Center For Healthcare Improvement And Patient Simulation



Shelby County, Health Department



Current Rendering





THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

Questions?



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

2026 Proposed Meeting Schedule:

February 6 (*10:30 a.m. start*)

May 8

August 14

November 13



THE UNIVERSITY OF
TENNESSEE
HEALTH SCIENCE CENTER.

Other Business, Feedback and Discussion