

**THE UNIVERSITY OF TENNESSEE  
HEALTH SCIENCE CENTER  
ADVISORY BOARD**



**Meeting Materials**

**May 20, 2019**

**UTHSC ADVISORY BOARD MEETING**

May 20, 2019	OD Larry Dining Hall
Monday	Student Alumni Center, 800 Madison Avenue
1:00 CST	Memphis, TN 38163

**AGENDA**

1. Call to Order and Roll Call .....Dr. Wenk
2. **ACTION:** Approval of Minutes from the February 21, 2019 Meeting .....Dr. Wenk
3. Chancellor’s Report .....Dr. Schwab
4. **ACTION:** FY 2019 – FY 2020 Budget Review and Recommendation ..... Mr. Ferrara
5. SACS Accreditation Process..... Dr. Gonzalez
6. College Reports on Incoming Class.....Deans
7. **ACTION:** Next Meeting – Date Correction..... Mr. Ferrara
8. Other Business .....Dr. Wenk
9. Adjournment .....Dr. Wenk

## UTHSC ADVISORY BOARD MEETING

**Thursday, February 14, 2019**

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

### MINUTES

#### ***Present:***

##### *Board Members:*

Dr. Philip Wenk, Chair  
Dr. Terry Cooper (Faculty Member)  
Ms. Anna Evans (Student Member)  
Dr. Lynn Massingale  
Honorable Mark Norris  
Dr. Natalie Tate  
Dr. Michael Ugwueke

##### *Staff:*

Dr. Steve Schwab  
Dr. Kennard Brown  
Mr. Anthony Ferrara,  
*Secretary to the Board*  
Mr. Love Collins  
Dr. Steve Goodman  
Dr. Lori Gonzalez

##### *Deans:*

Dr. Marie Chisholm-Burns  
Dr. Steve Always  
Dr. Scott Strome  
Dr. James Ragain

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

#### **1. Call to Order**

Dr. Schwab called the meeting to order at 1:04 PM and Mr. Ferrara called the roll. With all members present, a quorum was declared.

#### **2. Welcome and Introductions**

Dr. Schwab welcomed everyone to the Health Science Center campus and introduced the Board to the leadership of the HSC then asking each member to introduce themselves. It was also noted a list of the Board members and the Chancellor's staff was included in the meeting materials.

#### **3. Adoption of Bylaws of the UTHSC Advisory Board**

Dr. Schwab indicated the proposed Bylaws were included in the meeting materials. Mr. Ferrara pointed out two minor corrections identified by Dr. Cooper. He also pointed to the change in the identification of the student member of the Board. Based on the recommendation of the Student Government Association Executive Committee (SGAEC), the student member will be the elected president of the SGAEC.

Dr. Ugwueke moved approval of the Bylaws and Dr. Wenk seconded. The Board voted unanimously to approve the Bylaws as presented.

##### **a. Conflict of Interest Reporting**

Mr. Ferrara referred to Article IV related to Conflicts of Interest. He indicated each Board member must complete the form provided in the meeting materials and that each member would be provided a list of contracts between their organization and the Health Science Center to aid in their completion of the form.

#### **4. Introduction of the SGAEC President as the Student Member of the Advisory Board**

With the Bylaws approved, Dr. Schwab introduced Ms. Anna Evans who serves as the current President of the SGAEC and therefore will represent the students on the Advisory Board.

**5. Election of the Chair of the Advisory Board**

Dr. Schwab indicated the next step was to elect a Chair of the Board. Dr. Massingale nominated Dr. Wenk and Dr. Ugwueke seconded the nomination. After no other nominations were put forth, Dr. Wenk was unanimously elected as Chair. Dr. Schwab then turned the meeting over to Dr. Wenk.

**6. Election of the Secretary of the Advisory Board on the Chancellor's Recommendation**

Dr. Wenk turned next to the election of a Secretary to Board. Dr. Schwab recommended Mr. Ferrara. Dr. Wenk endorsed Mr. Ferrara and asked if there were any other nominations. There being none, Judge Norris nominated Mr. Ferrara and Dr. Ugwueke seconded. The Board unanimously approved the election of Mr. Ferrara who thanked the Board for the opportunity.

**7. State of the Health Science Center Orientation**

Dr. Wenk then asked Dr. Schwab to provide his background orientation to the Board – a copy of the slide presentation was also included in the meeting materials.

Following the presentation, Dr. Massingale asked about two issues: (1) the role of the Board in the approval of the campus Strategic Plan and (2) the campus' ability to manage through the changes in clinical revenue reimbursements. Dr. Schwab and Mr. Ferrara described the relationship and issues of managing the campus' faculty practice plans, which are significantly affected by the forces Dr. Massingale referred. Both indicated more detail and background on the faculty practice plans will be coming in future meetings. Regarding the Strategic Plan, Dr. Schwab said he would be happy to present the plan to the Board at a meeting of their choice.

Judge Norris raised the issue of timing and process regarding tuition and budget approval as required by the UT Focus Act. Mr. Ferrara described the particular challenges in this initial year of the Advisory Board, but promised to provide as much information as possible as the process moves forward for FY 2020.

**8. Setting Future Meeting Dates**

Dr. Wenk referred to the proposed meetings included in the meeting materials. Mr. Ferrara indicated that each of the members offices had placed holds on these dates and times on their calendars. Judge Norris moved approval of the dates, Dr. Massingale seconded and the Board unanimously approved the meeting dates for 2019.

**9. Potential Agenda Items for Future Meetings**

Dr. Wenk asked if any members had particular topics for discussion at future meetings. He noted the upcoming May meeting will include the budget discussion and recommendation. Judge Norris requested a briefing on Title VIII regarding proper procedures under the Tennessee Open Meetings Act – either as a presentation or as shared information.

**10. Adjournment**

There being no further business, Dr. Wenk adjourned the meet at 2:30PM.

## UTHSC ADVISORY BOARD MEETING

May 20, 2019	OD Larry Dining Hall
Monday	Student Alumni Center, 800 Madison Avenue
1:00 CST	Memphis, TN 38163

### AGENDA ITEM SUMMARY

Item #4: Budget Background and FY 2020 Budget Proposal

Type: Action

Presenter: Mr. Ferrara



THE UNIVERSITY OF  
TENNESSEE  
HEALTH SCIENCE CENTER



Budget Background  
and  
FY 2020 Budget Proposal


# 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

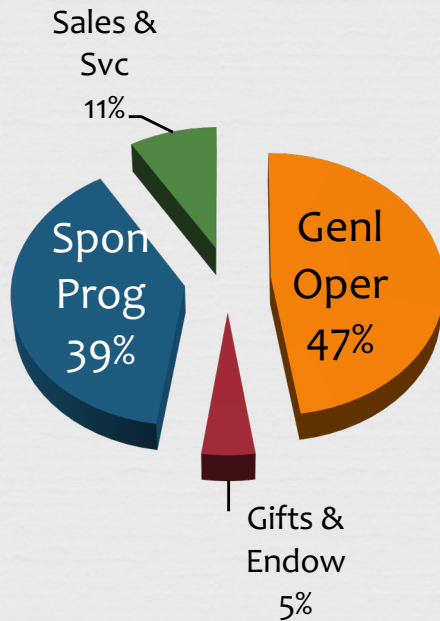
 **Physician Practice Plans:** Note that the HSC's physician practice plan partnerships (ULPS, UTMP, UTROP, UCH, etc.) which had approximately \$430 million in revenue in calendar year 2017 are EXCLUDED from all the financials we will review



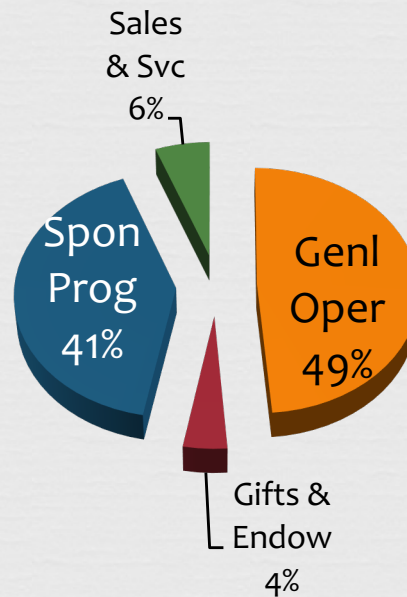
# TOTAL REVENUE



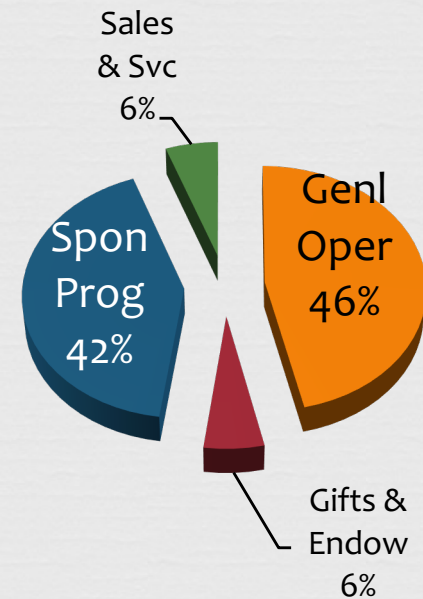
**FY 2010 Actual**  
**Total \$400.2**  
**million**



**FY 2014 Actual**  
**Total \$455.0**  
**million**

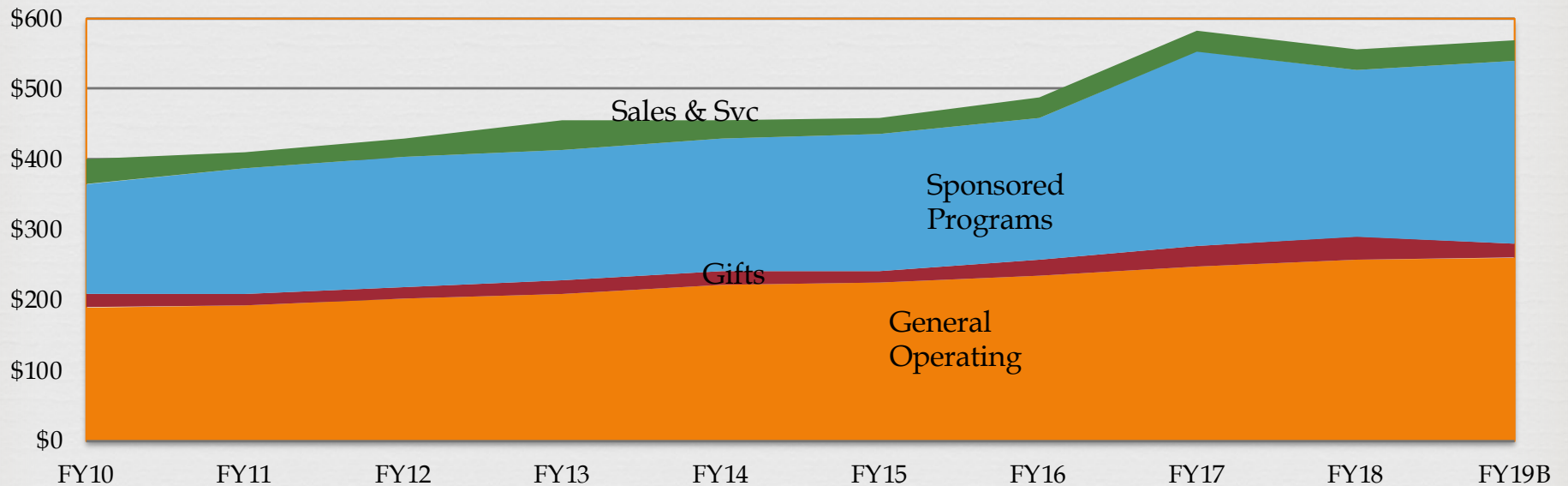


**FY 2018 Actual**  
**Total \$557.8**  
**million**



# TOTAL REVENUE

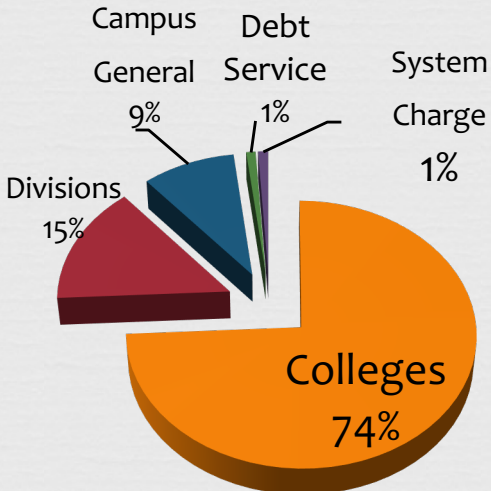
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 Budget
General Operating	\$190.5	\$192.1	\$201.7	\$207.6	\$221.9	\$225.2	\$236.5	\$246.4	\$259.1	\$260.3
Gifts & Endow Income	18.7	17.9	18.6	19.8	18.9	17.5	20.3	29.7	31.7	20.3
Sponsored Programs	156.1	176.4	185.0	187.1	187.9	192.0	203.5	277.8	236.0	261.0
Sales & Service	34.9	23.6	25.1	42.5	26.3	23.7	28.1	29.0	31.0	28.7
<b>TOTAL Budget</b>	<b>\$400.2</b>	<b>\$410.0</b>	<b>\$430.4</b>	<b>\$457.0</b>	<b>\$455.0</b>	<b>\$458.4</b>	<b>\$488.4</b>	<b>\$582.9</b>	<b>\$557.8</b>	<b>\$570.3</b>



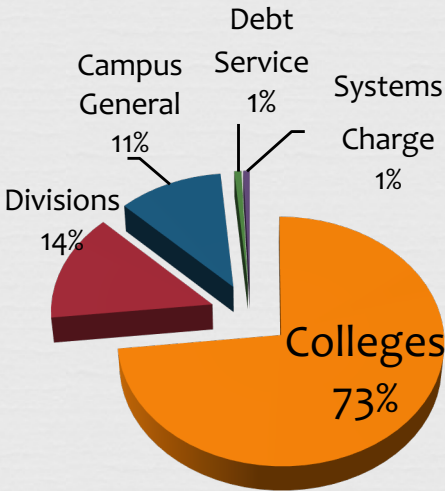
# TOTAL EXPENDITURES



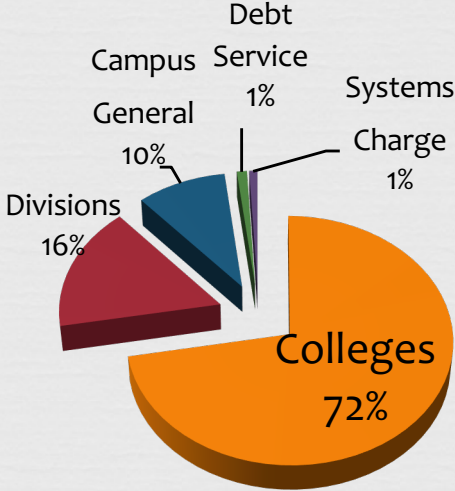
**FY 2010 Actual**  
**Total \$388.1**  
**million**



**FY 2014 Actual**  
**Total \$451.9**  
**million**

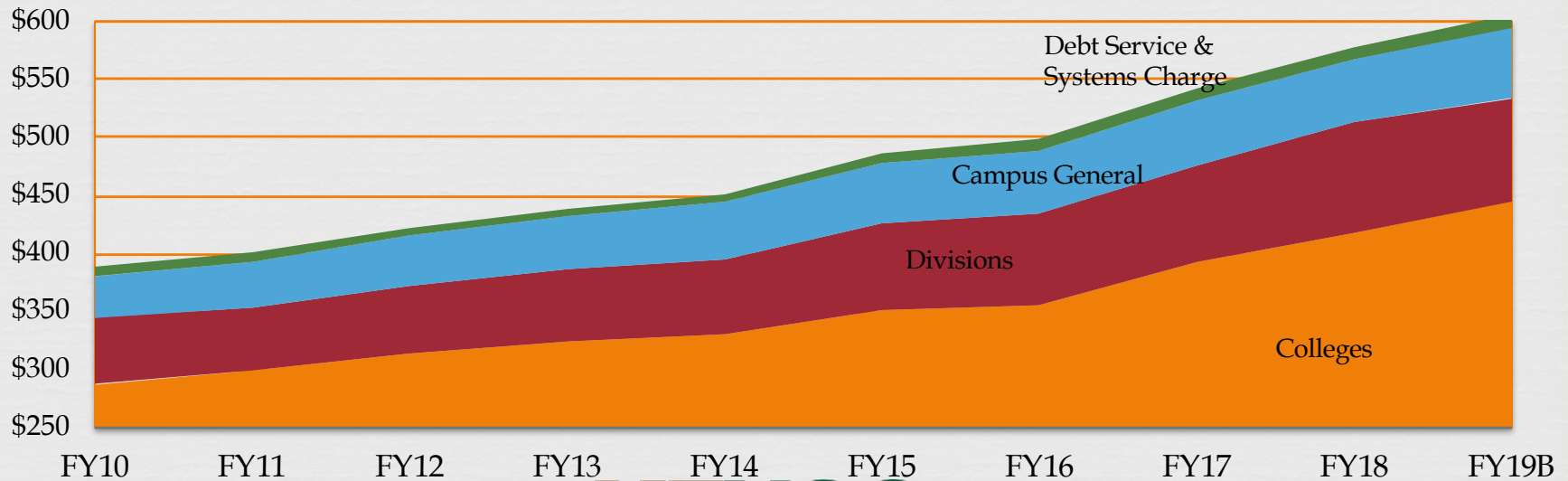


**FY 2018 Actual**  
**Total \$578.7**  
**million**



# TOTAL EXPENDITURES

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 Budget
Colleges	\$288.0	\$299.6	\$313.4	\$324.5	\$331.1	\$351.2	\$355.5	\$393.4	\$417.6	\$445.2
Divisions	56.6	54.4	58.6	62.1	63.9	74.0	79.7	83.4	94.8	88.2
Campus General	36.0	37.9	43.1	45.6	50.4	52.8	53.3	54.8	55.1	61.3
Debt Service	3.6	4.3	4.2	2.8	3.4	4.5	6.5	6.3	6.2	6.2
Systems Chrg	3.9	3.9	2.8	3.0	3.1	3.0	4.0	4.5	5.0	5.4
<b>TOTAL Expenditures</b>	<b>\$388.1</b>	<b>\$400.1</b>	<b>\$422.1</b>	<b>\$438.0</b>	<b>\$451.9</b>	<b>\$485.5</b>	<b>\$499.0</b>	<b>\$542.4</b>	<b>\$578.7</b>	<b>\$606.3</b>



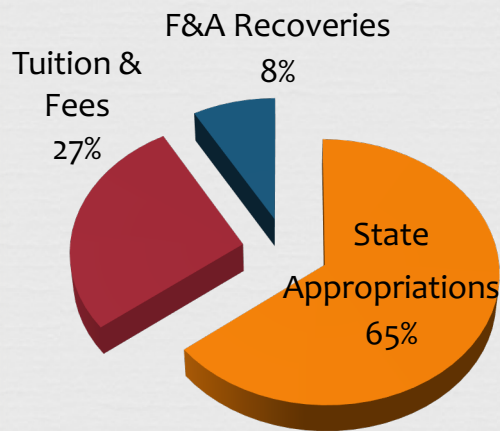
May 13, 2019



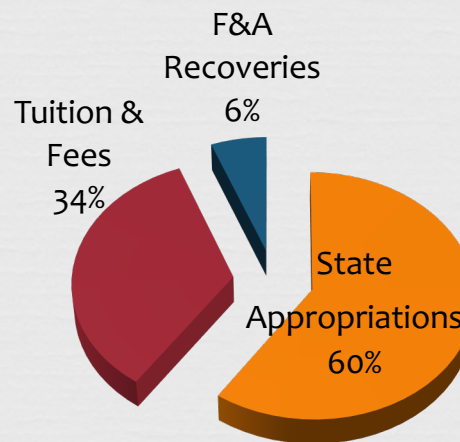
# TOTAL GENERAL OPERATING



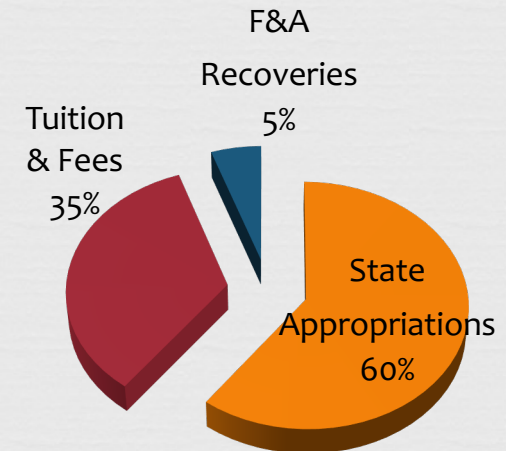
**FY 2010 Actual**  
**Total \$190.5**  
**million**



**FY 2014 Actual**  
**Total \$221.9**  
**million**

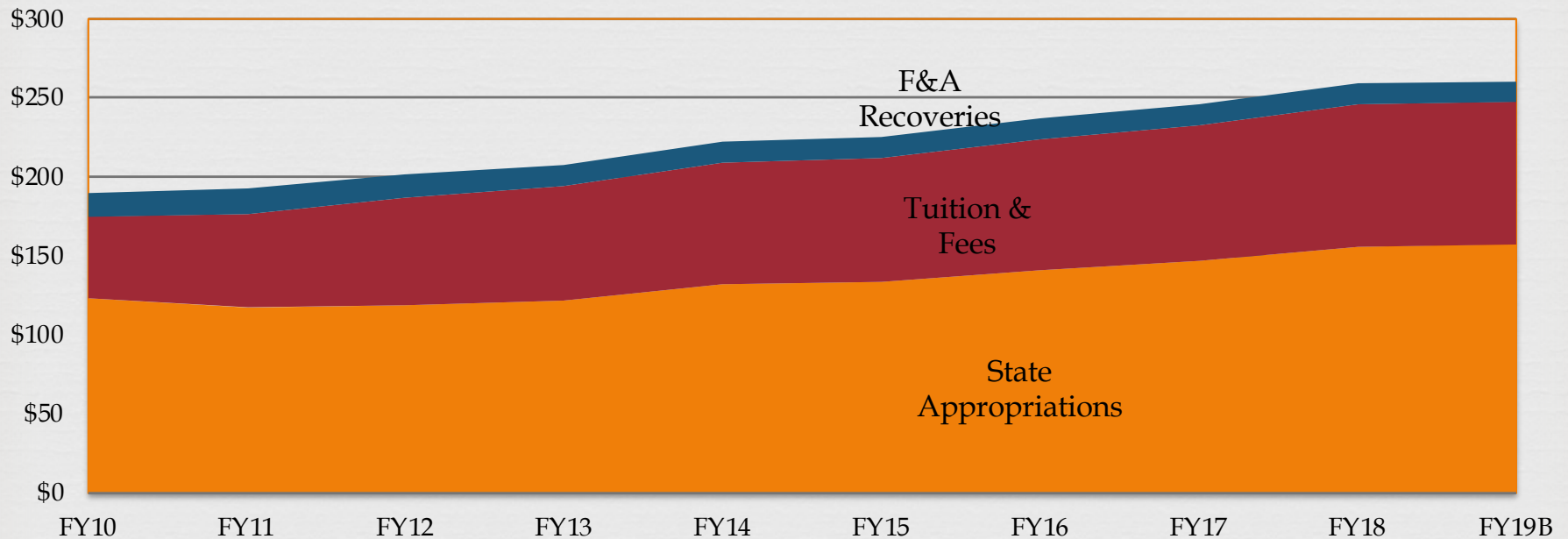


**FY 2018 Actual**  
**Total \$259.1**  
**million**



# TOTAL GENERAL OPERATING

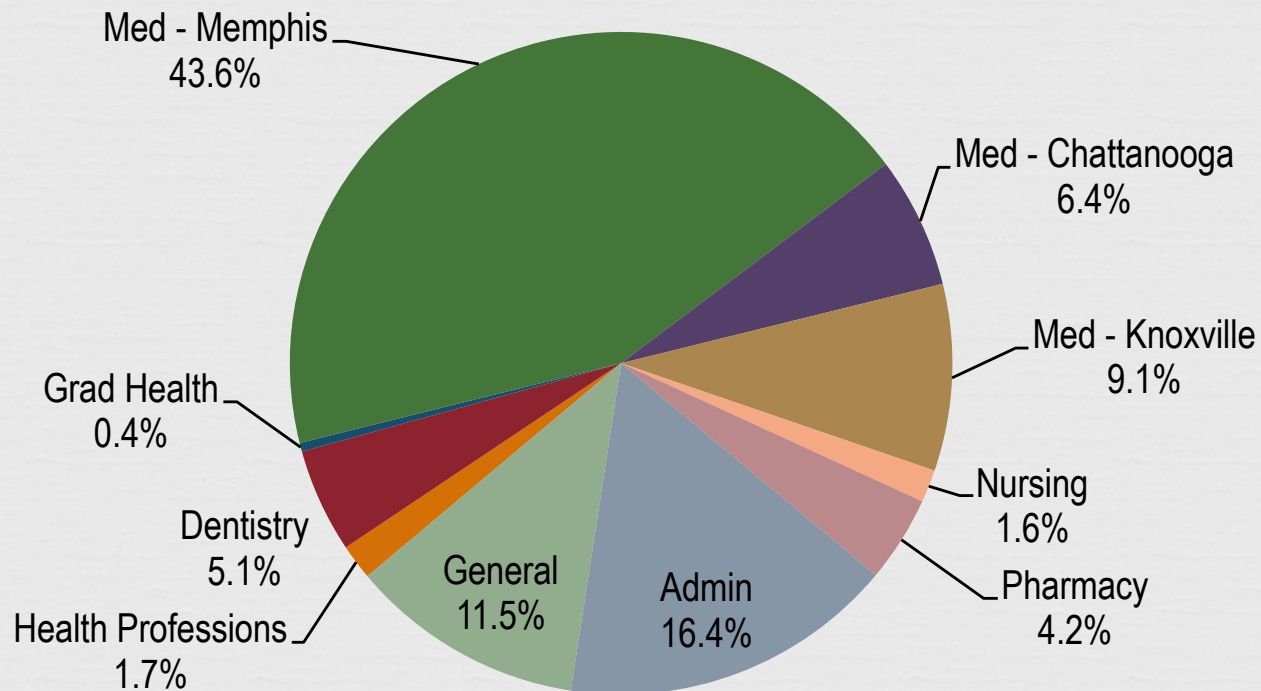
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 Budget
State Appropriations	\$122.7	\$117.6	\$119.2	\$122.5	\$132.2	\$133.9	\$140.8	\$147.1	\$156.1	157.7
Tuition & Fees	52.1	58.6	68.3	72.1	76.6	78.8	83.2	86.1	89.2	90.0
F&A Recoveries	15.7	15.9	14.2	13.0	13.1	12.5	12.5	13.2	13.8	12.6
<b>TOTAL General Operating</b>	<b>\$190.5</b>	<b>\$192.1</b>	<b>\$201.7</b>	<b>\$207.6</b>	<b>\$221.9</b>	<b>\$225.2</b>	<b>\$236.5</b>	<b>\$246.4</b>	<b>\$259.1</b>	<b>\$260.3</b>



# FY 2018 ALL FUNDS EXPENDITURES



**\$578.7 million**



# EXPENDITURES BY COLLEGE / DIVISION

FY 2018 FINAL		Unrestricted Funds	Restricted Funds	TOTAL ALL FUNDS
Colleges	Health Professions	\$8,391,338	\$1,637,818	\$10,029,156
	Dentistry	27,548,771	1,888,446	29,437,217
	Graduate Health Sciences	2,114,314	379,302	2,493,616
	<u>Medicine</u>			
	Memphis	65,162,009	187,098,667	252,260,676
	Chattanooga	2,279,414	34,828,086	37,107,500
	Knoxville	14,650,175	38,001,197	52,651,372
	Nursing	8,846,769	383,724	9,230,493
	Pharmacy	15,350,982	8,920,279	24,271,261
Administration	Chancellor's Office	742,100	241,910	984,010
	Chief of Staff	13,409,454	4,467,318	17,876,772
	Academic, Faculty, & Student Affairs	16,292,651	1,626,031	17,918,682
	Facilities & Utilities	32,102,705	0	32,102,705
	Finance & Operations	3,953,359	0	3,953,359
	Information Tech Services	8,778,265	0	8,778,265
	Research	12,413,800	796,944	13,210,744
	Campus General	63,103,491	133,820	63,237,311
	Development & Alumni Aff	3,108,095	0	3,108,095
<b>TOTAL HSC</b>		<b>\$298,247,692</b>	<b>\$280,403,542</b>	<b>\$578,651,234</b>



To be presented at  
the meeting

# FY 2020 Proposed Budget



THE UNIVERSITY OF  
**TENNESSEE**  
HEALTH SCIENCE CENTER

## UTHSC ADVISORY BOARD MEETING

May 20, 2019	OD Larry Dining Hall
Monday	Student Alumni Center, 800 Madison Avenue
1:00 CST	Memphis, TN 38163

### AGENDA ITEM SUMMARY

Item #7: Approval of a change of the date for September meeting

Type: Action

Presenter: Mr. Ferrara

At the February meeting, the Advisory Board approved September 20, 2019 as the next meeting of the Board. The correct date that has been coordinated with all members calendars is Monday, September 30, 2019 at 1:00PM CST.

**MOTION: I recommend approval of the revised September 2019 meeting date.**