

# **Advisory Board Meeting**

## **May 9, 2025**

### **11:00 AM CT**



# Recognition: Ascension Saint Thomas



# Chancellor's Update



# College Updates from the Deans



# College of Graduate Health Sciences

- Verified applications up 35% over the previous year (with 2 programs still open)
- Student writing retreat February 22
- GSEC Student Symposium about Career Paths
- Met with alumni in Texas March 25-28
- Graduate Research Day April 25
- Finalizing 2025-2030 Strategic Plan





# College of Pharmacy

## • College

- Hosting **Pharm Forum 2025** – Regional pharmaceutical sciences conference, with faculty and graduate students from UTHSC, and the Universities of Arkansas, Georgia, and Mississippi.
- Dr. Bradley Boucher received the 2025 Rho Chi Outstanding Service Award.
- Dr. Sudeshna Roy featured on local Memphis television show.



## • Student news:

- Harrison Thorn, a graduate student in the Pharmaceutical Sciences PhD program, was awarded an F31 grant of \$80,792 from the National Institute of Allergy and Infectious Diseases for his work to develop new treatment strategies for a dangerous and often deadly fungal infection.
- ASHP Residency Match Results – 66 PGY1 and 28 PGY2 matches for the 2025 cycle. **#1 in Tennessee**, #8 nationally for number ranked and Top 20 for percent matched (94.3%).

# College of Dentistry

- Commission on Dental Accreditation (CODA)
  - Site visit next week: May 13-15, 2025
- Curriculum Innovation/Modernization
- Faculty Bylaws update
- Kingsport Initiatives
  - Stakeholder meetings April 2-3, 2025
  - City of Kingsport has purchased 28k sq ft bldg.
  - NE State CC partnership may include moving dental assisting program into the building
  - Partnering with ETSU and Ballad Health

## UT HSC DENTISTRY Curriculum Innovation Task Force Principles of Curriculum Innovation

The curriculum will foster the attainment of the UT Health Science Center College of Dentistry Strategic Goal #2 of "Fostering Educational Excellence" by following these principles. The curriculum will:

### Promote independent study & curriculum assessment

1. Promote independent study, instill student responsibility, and create lifelong learners.
2. Be dynamic with established mechanisms so the curriculum can be continually assessed and improved.

### Integration of behavioral-biomedical-clinical sciences & systems-based biomedical sciences

3. Organize the biomedical sciences into a "systems-based" approach (e.g., heart, lung, renal, etc.) covering structure, function, pathology, and intervention.
4. Integrate the behavioral-biomedical-clinical sciences within courses and between courses and reintroduce the behavioral & biomedical sciences throughout the clinical curriculum.

### Early clinical experiences & problems solving

5. Introduce early clinical experiences (e.g., D1 train as assistants, D2 as hygienists) with the tell-show-do model of learning and exposure to the various career tracks within dentistry.
6. De-emphasize a discipline-focused approach and stress the integration of knowledge from multiple sources to solve clinical problems.

### Person-centered care with focus on prevention and disease management

7. Incorporate person-centered, holistic approaches to patient care. Emphasis will be given on using the head (knowledge), heart (empathy), and hands (clinical skills).
8. Focus on preventative dentistry and disease management.

### Technology

9. Include the electronic health record as an integral component of simulated laboratory exercises.
10. Use a modern approach to digital dentistry with incorporation of AI and emphasis on evaluating new technology.

### Comprehensive care & inter-professional education

11. Utilize communication and collaboration with other members of the health care team through inter-professional education to support comprehensive patient care
12. Promote a comprehensive care approach to patient care.

### Learner empathy & sensitivity

13. Create student experience in n emphasis on th how dental car
14. Include studen
15. Emphasize pro
16. Utilize creative entrustability s procedures ind standards.

## UT HSC DENTISTRY

### College of Dentistry Faculty Bylaws

Article I. Name .....	1
Article II. Purpose .....	1
Article III. Membership .....	1
Article IV: Meetings, Amendments of the Bylaws, and Election of Officers.....	1
Article V: Participation in the Academic Governance of the College .....	2
Article VI: Leadership Councils .....	3
Article VII: College Promotion & Tenure Committee: .....	4
Article VIII: Appointments.....	5
Appendix A: Promotion & Tenure .....	8

Revised March 25, 2025



# College of Health Professions

- UT Grand Challenges Grant awarded to UTHSC Audiology and Speech Pathology and UTK Social Work enables comprehensive services to 9 rural, underserved counties in East Tennessee (so far).
- New OTD (Doctor of Occupational Therapy) program approved by THEC
  - 1<sup>st</sup> class will start this summer.
- Path A program graduated 1<sup>st</sup> class in December.
  - Full accreditation site visit on May 1<sup>st</sup> and 2<sup>nd</sup>.
- Four programs ranked by *US News and World Reports*.
  - Audiology: 23<sup>rd</sup> in nation
  - Speech Language Pathology: Top 15%
  - Physical Therapy: Top 20%
  - Occupational Therapy: Top 25%
- MS in Clinical Lab Sciences program reaccredited for full 10 years
- Physical Therapy and Occupational Therapy occupying completely renovated, state-of-the art teaching lab spaces in the General Education Building





# College of Nursing

- \$3.6 million grant awarded by TN Department of Health Rural Resiliency program to provide a second nursing mobile health unit serving primarily Hardeman and Haywood counties.
- Dean Likes receives \$300,000 grant from TN Department of Labor/Workforce Development for Rural Nurse Scholars program.
- In 9<sup>th</sup> year, NightinGala sells out at 310 tickets, with 8 sponsors.
- Nearly 400 students from 9 schools attend 2<sup>nd</sup> Mid-South Student Nursing Summit.
- SWTCC
- Several grants in the pipeline- rural, mobile units

# College of Medicine Updates

- **94.5%** of MS I & MS II satisfied with preclinical curriculum
  - August 2025: Element 7.1 report to LCME
- USLME **Step I** pass rate: **99.3%** (Nat pass rate: 91%)
- USLME **Step II** scores: **252** (Nat mean: 249) **100%** pass rate (Nat pass rate: 98%)
- 2025 AAMC Graduate Questionnaire (GQ) closes June 8, 2025
  - Response Rate: **89%** (Nat response rate: 68%)
- Chair Search Updates:
  - Medical Education: Tony Nicholas MD, PhD from UAB to start June 1<sup>st</sup>, 2025
  - Pathology: 4 candidates visited campus
  - Pediatrics: Launching search
- Medical Student Events:
  - May 11, 2025, Awards Banquet
  - May 12, 2025, Graduation

# **Legislative Session Report**

**David Mills  
Director of Health Sciences  
Government Relations and Advocacy**





# **FY 2026 Budget Proposal**

**Raaj Kurapati  
Executive Vice Chancellor and COO**



# FY2026 Budget Strategy

## Goals:

1. Continue to build transparency around our finances
2. Follow the established budget process (Planning and Budget Council)
3. Balance the budget
4. Invest in our future
5. Appropriately plan and prepare for impacts given the evolving federal policy/funding landscape

# Key Assumptions and Drivers

1. Stable enrollments and application of board approved tuition and fee increase
2. FY26 State approved budget and related funding adjustments:
  - \$950K in recurring funding for operations
  - 2.6% funding pool for compensation adjustments and investment in health insurance cost increases and 401k contributions
  - One-time funding increases for capital maintenance and medical equipment - \$7.8M
3. Address remaining base budget funding gap - \$3M
4. Adjust for FY25 drop in Indirect Cost Revenue Generation (IDCR) - **-\$2M**
5. Increases in auxiliary fees (Parking) - \$300K



# Key Challenges

1. The evolving federal landscape and funding environment on our finances:
  - Proposed reduction in IDCR rate to 15% (National Institutes of Health and Department of Energy). Estimated impact if implemented **-\$10.5M** over the **-\$2M** already realized in FY25.
  - Overall slow down in issuance of renewals of continuation grants and new awards.
  - Termination of current awards/contracts and stop work orders (**~\$3M** terminated to date).
  - Federal student aid/loan program changes under consideration.
2. Ongoing challenges with the DASH ERP implementation and lack of access to timely financial reports.

## Contingency Planning

1. Created the Contingency Planning Workgroup
2. Instituted a strategic hiring review process
3. Developing potential scenarios for reduction in IDCR rate and impacts (see above)
4. Developing potential scenarios for enrollment impacts from student aid program changes

# Planning and Budget Council (PBC)

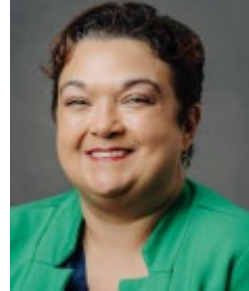
Develop broad appreciation for UT Health Science Center finances and recommend actions to Executive Leadership for budget allocations



Raaj Kurapati  
Finance and Administration  
Chair



Dr. Cindy Russell  
AFSA



Dr. Jessica Snowden  
Research



Dr. G. Nick Verne  
Medicine



Dr. Wendy Likes  
Nursing



Dr. Ashley Harkrider  
Health Professions



Mike Ebbs  
Financial Strategy



George Ninan  
Financial Operations



Dr. Reggie Frye  
Pharmacy



Dr. Ken Tilashalski  
Dentistry



Dr. Tracy McClinton  
Faculty Senate



Keshia Giboney  
Staff Representative



Dr. Charlie Snyder  
Student Success



Melisa Moore  
General Counsel



Benjie Harmon  
Financial Planning

# Balancing the Budget

## Actions to Balance the Budget - -\$3M Budget Gap

### Expense Management

Continuing efforts to identify and implement operational efficiencies

- Review of contracts and eliminating redundant services (IT/Facilities)
- Address deficit operations (Forensic Center, Plough Center, etc.)
- Manage attrition and realize base salary savings (Accounting/Bursar/Facilities)
- Strategic Hiring Review Process instituted in April 2025

### Revenue Generation

- Operations & Maintenance formula-funding (approved in the FY26 State Budget - \$950K)
- Strategic tuition and fee increase (Approved in March 2025) - ~ \$2M
- Strategic/Tiered increase in parking fees (~ \$300K)
- Targeted student enrollment growth



# Balancing the Budget

## Investments to Balance the Budget (\$3M)

### Base Budget Adjustments

- Debt Service and Central Deficits (\$2M)

### One-Time Support

- Forensic Center (\$500K)
- Plough Center (\$500K)
- Bookstore (\$100K)

# AY26-27 Tuition Increase

## Strategic Tuition Increase

- Planning and Budget Council approved a recommendation to bring this to the Advisory Board at a meeting held on January 22, 2025.
- UT Health Science Center Advisory Board approved the strategic approach to adjusting tuition rates, including the establishment of an international rate, at the Advisory Board meeting held on February 7, 2025.
- This recommendation was also approved by the UT Board of Trustees at their meeting held on February 28, 2025.
- Budgeted to yield approximately \$2,000,000 in net new revenue.

# Summary of Fee Changes

## **Mandatory Fees (Only Mandatory Fees require Board Approval)**

- Student Activity Fee increase of \$24 per student was approved to fund current and new student activities
- Campus Recreation Fee increase of \$25 per student was approved to fund recreational equipment replacement and upgrades.

## **Student Health Insurance Premiums**

- Cost has increased from prior year by \$554 from \$3,670 to \$4,224.

## **Nursing**

- Adding SANE fee for 1<sup>st</sup> Year Nursing students. \$700

## **Dentistry**

- Adjusted fees for Dental Kits to allow all kits to actual projected cost for the upcoming year.

## **Medicine**

- Added clinical background check for M2 and M3 students so they do not have to pay out of pocket.

## **Pharmacy**

- Added Assessment Fee and 1<sup>st</sup> Year, Fall Term Skills Fee so the students do not have to pay out of pocket.

## **Other**

- Health Professions and Graduate Health Sciences did not have a fee change or addition proposed for 2025/2026.



# Investments to Move Strategic Plan and Vision Forward

## Pillar 2: Educational Excellence

- Fostering growth in Nursing (BSN) and Health Professions (Audiology and Speech Pathology), increasing student enrollments:
  - Nursing
    - **\$110K** – Faculty line to grow enrollments (recurring funds)
    - **\$35K** – One-half of remaining funding for faculty position funded in previous year (recurring funds)
    - **\$67K** – One-half of remaining funding for faculty position funded in previous year (recurring funds)
  - Audiology and Speech Pathology
    - **\$82K** - UT Health Science Center Investment – AuD instructor (recurring funds)
    - **\$23K** – UT Health Science Center Investment – ASP Administrative Support (recurring funds)
- Maintaining functionality of the Dental Central Sterilization Processing Area (total cost \$500K) to sustain clinic operations and replacement of dental chairs.
  - **\$250K** – Central investment - \$250K investment by Dentistry – (One-time funds)
  - **\$250K** – Replacement of Dental Chairs - (Central - One-time funds)
- Investment in standardized patients for our Medical, Dentistry and Nursing Students in CHIPS labs for real-life training.
  - **\$75K** - UT Health Science Center Investment (recurring funds)
- Invest in warranties for GME Surgical Subspecialty equipment to ensure compliance with ACGME/Board Certification and enable surgical residents to complete required testing.
  - **\$28K** - UT Health Science Center Investment (recurring funds)

# Investments to Move Strategic Plan and Vision Forward

## Pillar 2: Educational Excellence

- 1. Funding compensation increases for eligible faculty and staff
  - Pay increase for eligible faculty and staff (2.6%)
  - Faculty promotions support (\$250K)
- Fully funding increases in health insurance premiums (\$1.9M)

# Other Investments

- Funding for system charge increase for cybersecurity
  - **\$200K** (recurring)
- Funding for system charge increase for operational services
  - **\$369K** (recurring)
- Upgrading School of Dentistry patient software AxiUm to the cloud
  - **\$35K** (Year 1 recurring)
- SIMS Center Technology Upgrades
  - **\$1M** (one-time funds)
- Funding for the comprehensive institutional Capital Master Plan
  - **\$750K** (one-time funds)

# Investments in our Facilities

## Committed/Ongoing Major Capital Projects:

- Gross Anatomy Lab
  - **\$30.2M** - State Support and UT Health Science Center
- NASH Vivarium, 4<sup>th</sup> and 5<sup>th</sup> Floor Buildout (Remaining Commitment)
  - **\$21M** – State Support and UT Health Science Center
- Holiday Inn Demolition
  - **\$10.5M** - State Support and UT Health Science Center
- Jefferson Renovation
  - **\$8M** – State Support and UT Health Science Center
- Parking Fencing, Lighting and Other Security Upgrades
  - **\$2.1M** - UT Health Science Center Investment
- Campus Boiler System Upgrades
  - **\$7.4M** – State Support and UT Health Science Center
- Campus Elevator Upgrades
  - **\$8.2M** – State Support
- CRB 4<sup>th</sup> Floor Renovation
  - **\$5M** – State Support and UT Health Science Center
- Dunn Dental – Multiple Projects
  - **\$1.2M** – UT Health Science Center
- Preventive Medicine & Library
  - **\$0.8M** – UT Health Science Center
- Other repair and maintenance investments based on needs

## Future Projects (Capital Outlay):

- College of Medicine Building
  - **\$350M** - UT Health Science Center and State Support
- Coleman Renovation
  - **38.6M** - UT Health Science Center and State Support
- Parking Upgrades
  - **\$20M** - UT Health Science Center (Auxiliary/P3)



# Summary of FY26 Budget Actions

## FY26 Operating Investments:

- Balancing the Budget - **\$3.1M** (Internal allocations)
- Compensation - **\$6.2M** (State & internal allocations)
  - 2.6% compensation adjustment pool - **6M**
  - Faculty Promotions - **\$200K**
- Health Insurance Premium Increases – **\$1.9M**
- Academic Investments
  - Faculty and other support - **\$920K** (Internal allocations)
- Operating Investments
  - System Charges - **\$569K** (Internal Allocations)
  - Capital Master Plan development – **\$750K** (internal allocations)
  - Sims Center Technology Upgrades - **\$1M** (internal allocations)
  - Other - **\$35K** (Internal allocations)

## Operating Investments:

- Balancing the budget - \$3.1M
- New investments - \$11.4M
- Total = **\$14.5M**

## FY26 Capital Investments (new):

- Capital Maintenance
  - **\$2.6M** (State Support)
- NASH Buildout (5<sup>th</sup> floor and Vivarium)
  - **\$3.5M** (UT Health Science Center & UTSA)
- CRB 4<sup>th</sup> Floor Buildout
  - **\$2M** (UT Health Science Center & UTSA)
- Planning for COM Interdisciplinary Building
  - **\$10M** (UT Health Science Center & UTSA)

## Capital Investments:

- New investments - **\$18.1M**

# Summary of Major Revenue Sources

## *Recurring Base - Budgeted FY25 and FY26*

	<u>FY2025- Revised</u>	<u>FY2026</u>
State Appropriations – Recurring Base	\$224,418,824	\$234,660,072
Tuition and Fees	\$95,682,476	\$97,682,476
F&A/Indirect Cost Recovery	\$21,503,800	\$19,500,000
Sales & Service	\$19,738,627	\$20,133,400
Other Unrestricted Sources	<u>\$4,881,086</u>	<u>\$4,885,057</u>
Total Unrestricted – Recurring Base Revenue	\$366,224,813	\$376,861,005

# UT Health Science Center

## FY 2025 Total Budget

Fund Group	FY25 Original	FY25 Revised	Change \$	Change %
Unrestricted Educational & General (E&G) Funds	\$ 370,248,181	\$ 366,224,813	\$ (4,023,368)	-1%
Unrestricted Auxiliaries	4,125,312	4,151,808	26,946	0.6%
<b>Subtotal: Unrestricted</b>	<b>\$ 374,373,493</b>	<b>\$ 370,376,621</b>	<b>\$ (3,996,872)</b>	<b>-1%</b>
Restricted Funds	322,067,910	322,091,494	23,584	0.1%
<b>Total Revenues</b>	<b>\$ 676,410,188</b>	<b>\$ 685,169,509</b>	<b>\$ 8,759,321</b>	<b>-1%</b>

# UT Health Science Center

## FY26 Proposed Educational and General (E&G) Budget Summary

Revenues	FY 2024-25	FY 2025-26	Change \$	Change %
	Revised Budget	Proposed Budget		
Tuition & Fees	\$ 95,682,476	\$ 97,682,476	\$ 2,000,000	2%
State Appropriations – Base	224,418,824	234,660,072	\$ 10,241,248	5%
State Appropriations –non-recurring	-	7,802,300	\$ 7,802,300	-
<b>Total State Appropriations</b>	<b>224,418,824</b>	<b>242,462,372</b>	<b>\$ 18,043,548</b>	<b>8%</b>
Grants & Contracts	25,374,557	23,374,557	\$ (2,000,000)	-8%
Sales & Service	19,738,627	20,133,400	\$ 394,773	2%
Other Sources	1,010,329	1,010,500	\$ 171	0%
<b>Total Revenues</b>	<b>\$ 366,224,813</b>	<b>\$ 384,663,305</b>	<b>\$ 18,438,492</b>	<b>5%</b>

Expenditures & Transfers	FY 2024-25	FY 2025-26	Change \$	Change %
	Probable Budget	Proposed Budget		
Total Expenses	\$ 353,475,184	\$ 363,552,429	\$ 10,077,245	3%
Total Transfers	12,749,629	21,110,876	\$ 8,361,247	66%
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 366,224,813</b>	<b>\$ 384,663,305</b>	<b>\$ 18,438,492</b>	<b>5%</b>

# UT Health Science Center

## Proposed FY 2026 Total Base and Non-recurring Budget

Fund Group	FY25 Revised	FY26 Proposed	Change \$	Change %
Unrestricted Educational & General (E&G) Funds	\$ 366,224,813	\$ 376,861,005	\$ 10,636,192	3%
Unrestricted E&G - nonrecurring	-	7,802,300	7,802,300	-
<b>Total Unrestricted E&amp;G</b>	<b>366,224,813</b>	<b>384,663,305</b>	<b>18,438,492</b>	<b>5%</b>
Unrestricted Auxiliaries	4,151,808	4,451,818	300,000	7%
<b>Subtotal: Unrestricted</b>	<b>\$ 370,376,621</b>	<b>\$ 389,115,113</b>	<b>\$ 18,738,492</b>	<b>5%</b>
Restricted Funds	322,091,494	322,146,179	54,685	0%
<b>Total Revenues</b>	<b>\$ 692,468,115</b>	<b>\$ 711,261,292</b>	<b>\$ 18,793,177</b>	<b>3%</b>



# Advisory Board Action Item

**We recommend and request the Advisory Board's approval of the Operating Base and Non-Recurring Budget for FY2026 of \$711,261,292**

Unrestricted Educational & General – Base Funds	\$376,861,005
Unrestricted Auxiliary Funds	\$4,451,808
Unrestricted Educational and General – Non-recurring	<u>\$7,802,300</u>
<b>Subtotal – Unrestricted</b>	<b>\$389,115,113</b>
Restricted Funds	<u>\$322,146,179</u>
<b>Total</b>	<b>\$711,261,292</b>

# Questions?



# Other Business, Feedback and Discussion

**Please Remain in the  
Mooney Library for Lunch**

