

**Dean's Faculty Advisory Council
University of Tennessee, College of Medicine**

April 1, 2024

Call to Order

The meeting was called to order by the president, Dr. Thad Wilson, at 12:06 PM on April 1, 2024, in person and on the Zoom online platform.

Attendance

The following members were present:

Mark Bugnitz, MD, Mace Coday, PhD, Terry Cooper, PhD, Jay Fowke, PhD, MPH, MS, Bruce L. Keisling, PhD, FAAIDD, Khyati Kothari, MD, Chris Ledbetter, MD, Francesca-Fang Liao, PhD, Haavi Morreim, JD, PhD, Lawrence Pfeffer, PhD, Crystal Pourciau, MD, Phyllis Richey, PhD, Burt Sharp, MD, Claudette Shephard, MD, Laura Sprabery, MD, Joe Willmitch, MPAS, PA-C, Thad Wilson, PhD, Nikki Zite, MD, Paul J Koltnow, MS, MSPAS, PA-C

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

Raaj Kurapati, AIFA, Teresa Hartnett, EdD, MPA, Nick Verne, MD, Andrea Malkin, JD, Mike Whittm PhD, Alicia Diaz-Thomas, MD

Approval of minutes

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

Business

Raaj Kurapati, UTHSC's Executive Vice Chancellor and Chief Operating Officer, informed the DFAC that one of his major responsibilities has been to explore UTHSC's finances, which he has been undertaking in depth. Our current debt is roughly \$55 million. It has accumulated over many years, at a current rate of approximately \$15 million per year. To avoid additional deficit a planning and budget council was created to address, first, how to balance our budget, going forward and, second, to begin to chip away at the accumulated debt. It is important to recognize, he emphasized, that we look toward growing our way out of the deficit, not just cutting costs. That is, revenue opportunities are part of the equation, not just finding economies. On the cutting side, the most immediate need is to cut our budget by 3.5%, which will save around \$7 million.

Mr. Kurapati then opened the floor to questions. He noted that we are not contemplating declaring a financial exigency. Still, we are in a difficult, albeit manageable, situation. Mr. Kurapati anticipates that, within the next three years, we will be in a very different situation - - figuring out how to spend our money, more than how to save it. He indicated that as of June 2023, we have roughly \$40 million in "carryover", but that this money is not actually available for use.

As to the matter of where the deficiencies come from: The \$15 million institutional deficit is partly from utilities (annually \$11 million), staff benefits (35% added onto salary) that have not been properly funded (and comprises about \$5 million). We have a roughly \$9 million loan from the system that needs to be repaid at some point because, when we committed to build and equip the Plough Center, we did not have the full funding, short by over \$8 million.

Another question concerns who will make the necessary cuts. Part of the answer comes from a fairly large reorganization of operations and finance, which included eliminating around 60 positions as a RIF, then re-hiring only 24 of those. Additionally, Finance and Administration will take its own 3.5% cut, alongside everyone else. We have also asked the Board for a 2.9% tuition increase. Indirect costs associated with research are also going to be a focus, with a goal to increase these toward a 60% F&A rate. This latter would bring in \$3.5 million, if successful.

At this time, he noted, unlike many institutions we do not have a formula for addressing annual cost increases. This deficiency needs to be addressed, so that we don't have to request annual increases in funding. In September we proposed a formula to the Governor's office. While it was not included this year, we were granted around \$750,000, and the plan is to address it next year. The formula as proposed focuses on basic operations and costs, largely growing in response to inflation, rather than focusing on graduation rates, as other institutions commonly do.

Teresa Hartnett then described the budget process for the CoM. She noted that if something budgetary needs to be signed, only Raaj can do so. Additionally, she reminded faculty that any/all leave must be properly registered on the Faculty Leave form. For the current fiscal year Ms. Hartnett anticipates a cut of over \$2 million for the CoM, statewide. A planning group prepared for several scenarios: 2%, 5% and 10% cuts, although we will not come close to the 10% scenario. Three committees considered faculty, staff, and operations, and the membership of those committees will evolve in the new process of budget evaluation. She noted that a number of actual expenses are lower, post-Covid, such as travel for recruitment of new faculty. Some of the cuts can fairly easily come from expenses that are no longer incurred to the extent that they were, pre-Covid.

Mr. Kurapati then briefly addressed questions about security, as the crime rate in Memphis has become an increasing concern. Some risks are very much local, e.g. instances of UTHSC personnel engaging in violence or threats upon each other, or making negative posts on social media. Plans are to engage the UTHSC community more broadly, to learn what the greatest concerns lie. The greatest crime spike on UTHSC's campus is auto thefts. For the city of Memphis, most crime statistics, including for our precinct, have gone up. However, within the UTHSC campus we have very limited amounts of crime, with the exception of auto thefts.

Going forward, one major component of our strategy will be to emphasize our police force. UTHSC has only 1/4 the territory compared with U of M, yet a far larger police force, proportionately. We have an emergency operations center with state-of-the-art technology (including 3000 cameras), but we are not using it fully, hence posing an opportunity for significant improvement. We are also implementing information and notification systems for managing incidents, including decision trees for how to communicate various events to the campus.

Finally, Mr. Kurapati identified a potential fencing project. Currently, many parking lots only have chain link fencing and flimsy gates, both of which can easily be breached. More secure fencing is planned for several areas of UTHSC's campus - - something that was done at University of Memphis, with notably successful results.

Next Meeting

The next meeting of the committee will be held on May 6, 2024, at 12:00n CT / 1pm ET by Zoom and in person in room 502, 910 Madison building.

Adjournment

There being no further business, the meeting was adjourned at 1:06 PM.

Respectfully submitted,

Haavi Morreim, JD, PhD
Secretary