

UNT Health Science Center Budget Overview

Executive Summary and Highlights

Strategic Impact and Major Goals Addressed by FY 2018 Budget

UNT Health Science Center is committed through extraordinary teamwork to become ***One University, built on values, defining and producing the providers of the future***. Reflecting UNTHSC's core values, this year's budget process was more transparent and inclusive than ever before.

All Cabinet members were invited to budget review sessions, along with members of the president's councils, which are advisory teams who address specific issues to offer input and potential solutions to UNTHSC leadership.

Budget decisions were tied to the strategic plans of the university and the UNT System, as well as to the top funding priorities of the Cabinet. Those institutional priorities are:

- Applying market adjustments for faculty and staff salaries, reflecting our commitment to People and Teamwork
- Funding additional positions for our compliance team, reflecting our commitment to Sustainable Growth, Finance and Resources
- Bolstering our research office, reflecting our commitment to Learning and Discovery
- Investing in faculty positions for the School of Health Professions, reflecting our commitment to Quality Experiences for Lifetime Success

Significant resources continue to support UNTHSC's capital improvement plan, which includes one major construction project underway and a necessary education renovation set to begin. Progress continues on the Interdisciplinary Research and Education Building (IREB), which will be home to the UNT System College of Pharmacy, the TCU and UNTHSC School of Medicine and the North Texas Eye Research Institute when it opens in late 2018. In March, the institution plans to begin renovations on the anatomy lab, which was built in 1982 and serves more than 560 students each year, although originally designed for about half that number.

The last fiscal year included several milestones, including:

- The UNT System College of Pharmacy reached full accreditation in July, less than two months after graduating its first class of 68 student pharmacists.
- The TCU and UNTHSC School of Medicine hired the first dean-level position in the nation devoted solely to the art of communication with patients.
- A new State law was passed to repeal the prohibition of UNTHSC awarding an M.D. degree.

In the coming year, UNTHSC plans to strengthen its research and compliance teams, continue the hard work toward accreditation of the TCU and UNTHSC School of Medicine, and create new affiliations with regional hospitals and health care systems in North Texas, along with working toward a community solution to bring more residency slots to the area.

Revenues

Overall, UNTHSC expects to generate \$245.2 million in revenue over the next fiscal year. This represents a net decrease of \$50.5 million (-17%) from FY 2017. The majority of this decrease is attributable to the partnership with Acclaim, in which a significant number of UNTHSC faculty transferred employment and patient base to Acclaim. Moreover, the budget reflects the discontinuation of the Fort Worth prison contract.

State Appropriations

State appropriations, including HEF, reflect an increase of \$6.1 million (6%) from the FY 2017 budget. This change is attributable to additional Tuition Revenue Bond (TRB) proceeds specific to the Interdisciplinary Research and Education Building, as well as State-paid benefits.

Tuition and Fees

Net tuition and fees are expected to increase by \$2.1 million (7%) from the FY 2017 budget, primarily due to increased UNT System College of Pharmacy enrollment.

Sales of Goods & Services

Sales of Goods & Services reflect a net increase of \$23.5 million (150%) from the FY 2017 budget. This is primarily the result of the reclassification of revenue – previously reported as Grants and Contracts – generated by medical services provided to incarcerated patients.

Grants and Contracts, Professional Fees

Grants and contracts are expected to decrease from the FY 2017 budget by \$58.8 million (-62%), while Net Professional Fees are expected decreased by \$19.3 million (-58%). Both are mostly attributable to the partnership with Acclaim, in which the patient billings, along with its associated revenue, are handled and collected by Acclaim.

Gift Income

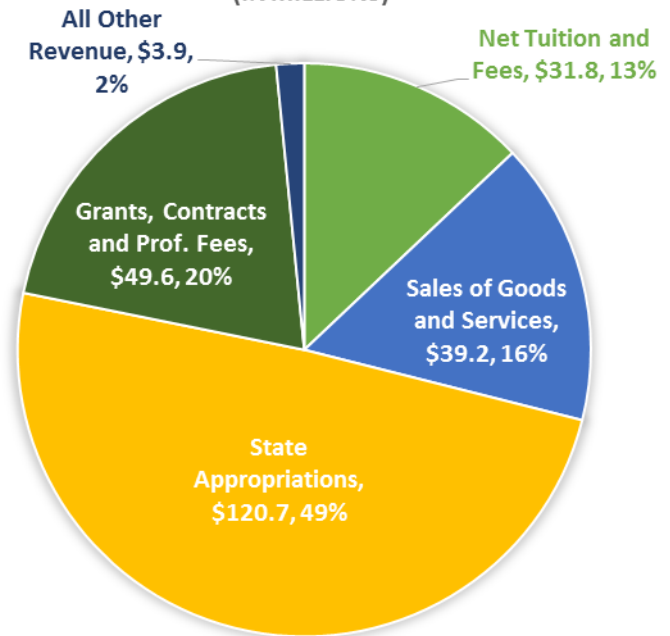
Gift income will decrease from the FY 2017 budget since UNTHSC will provide for some of TCU and UNTHSC School of Medicine's expenses, such as salaries and facility costs, based on the revised collaboration agreement.

Expenditures

Total expenditures are estimated at \$210.6 million over the next fiscal year. This represents an overall decrease of \$52.8 million (-20%) from FY 2017. The majority of this decrease is attributable to the partnership with Acclaim, in which a significant number of UNTHSC faculty transferred employment to Acclaim.

FY 2018 BUDGETED REVENUES

(IN MILLIONS)



Personnel Costs

Personnel costs represent 70% of the UNTHSC expenditure budget. Overall, UNTHSC is projecting a net decrease of \$29.2 million (-17%) from the FY 2017 budget driven by the partnership with Acclaim, in which a significant number of UNTHSC faculty transferred employment to Acclaim. This reduction is being offset by an increase to staff salaries for market adjustments, as well as additional hiring to augment the DNA Laboratory and to strengthen the compliance programs.

FTE Categories	FY 2016 Budget	FY 2017 Budget	FY 2018 Budget
Administrators	30.0	27.7	26.6
Faculty	458.4	454.5	308.0
Other Staff	1099.4	1017.2	974.4
Total FTE	1587.8	1499.4	1309.0

Professional Fees and Services

Professional fees and services are expected to decrease by \$9 million (-23%) from the FY 2017 budget, as a significant contract to provide medical services to incarcerated patients was not renewed.

Materials and Supplies, Rentals and Leases

Materials and supplies, along with rentals and leases, are expected to decrease by \$6.1 million (-37%) from the FY 2017 budget, as expenditures which had been borne by UNT Health are now being assumed by Acclaim.

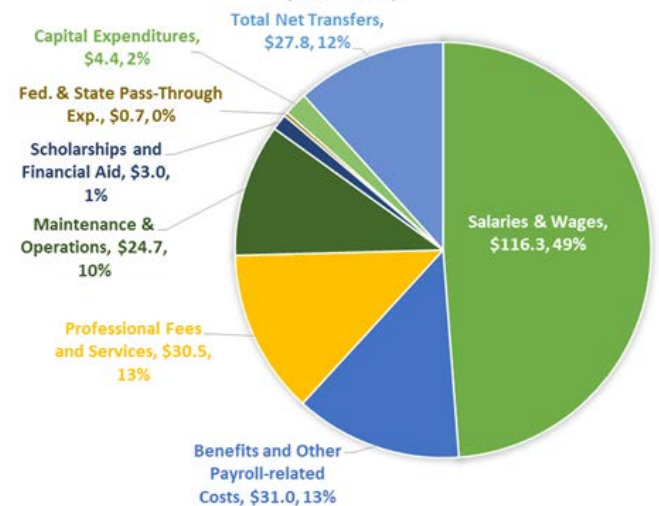
Scholarships, Exemptions and Financial Aid

Scholarships and financial aid are expected to decrease by \$2.1 million (-41%) from the FY 2017 budget, due to a reclassification of expenditures.

Transfers

Net Transfers increased \$4.8 million (21%) from FY 2017, a part of which reflects UNTHSC’s portion of the shared UNT System costs (\$0.3 million increase), as well as additional debt service cost associated with bond issuances from the prior fiscal year.

FY 2018 BUDGETED EXPENDITURES AND TRANSFERS
(IN MILLIONS)



Reserves and Capital Expenditures

Capital Expenditures

As part of the capital plan, UNTHSC will issue Revenue Financing System (RFS) bonds and commercial paper (CP) for both new endeavors and previously-approved projects.

New project: Gross Anatomy Lab Renovation (\$2.47 million-RFS)

Previously-approved project: Interdisciplinary Research & Education Building (\$12.57 million-CP)



Fiscal Year 2018 Summary – Current Funds

Budget for Revenues, Expenditures & Other Changes in Fund Balances

	FY 2017 Forecast (Actuals)	FY 2017 Budget	FY 2018 Budget	Budget Increases (Decreases) from FY2017 to FY2018	
				Amount	Percent
Revenues					
Net Tuition and Fees	30,341,000	29,642,154	31,750,280	2,108,126	7.1%
Sales of Goods and Services	42,000,000	15,715,337	39,225,000	23,509,663	149.6%
Grant and Contracts	34,686,000	94,703,991	35,900,000	(58,803,991)	-62.1%
State Appropriations	99,326,000	97,544,669	103,643,662	6,098,993	6.3%
Capital Appropriations - HEF	17,091,856	17,091,856	17,091,856	-	-
Net Professional Fees	17,349,000	33,013,420	13,722,182	(19,291,238)	-58.4%
Gift Income	2,559,000	4,879,994	1,500,000	(3,379,994)	-69.3%
Investment Income	2,491,000	2,998,587	2,240,000	(758,587)	-25.3%
Other Revenue	350,000	94,662	120,000	25,338	26.8%
Total	246,193,856	295,684,670	245,192,980	(50,491,690)	-17.1%
Expenditures					
Personnel Costs	139,000,000	176,504,067	147,300,000	(29,204,067)	-16.5%
Supplies and Other	26,957,000	30,619,902	22,670,000	(7,949,902)	-26.0%
Travel	2,001,000	2,337,015	2,000,000	(337,015)	-14.4%
Purchased Services	36,395,000	39,465,623	30,500,000	(8,965,623)	-22.7%
Scholarships, Exemptions, and Financial Aid	3,000,000	5,103,243	3,000,000	(2,103,243)	-41.2%
Debt Service - Principal	-	-	-	-	-
Capital Outlay	5,125,000	4,561,270	4,400,000	(161,270)	-3.5%
Federal and State Pass-Through Expense	650,000	-	700,000	700,000	-
Interest Expense and Fiscal Charges	4,773,000	4,772,770	-	(4,772,770)	-100.0%
Total	217,901,000	263,363,890	210,570,000	(52,793,890)	-20.0%
Excess Income Over Expenditures	28,292,856	32,320,780	34,622,980	2,302,200	7.1%
Transfers					
<i>Interfund Transfers and Transfers Between UNTS Components</i>					
Transfers In/(Out)	(17,954,427)	(23,357,198)	(20,509,643)	2,847,555	-12.2%
<i>Other Transfers</i>					
Transfers to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	(602,325)	397,675	(7,289,981)	(7,687,656)	-1933.2%
Total	(18,556,752)	(22,959,523)	(27,799,624)	(4,840,101)	21.1%
Estimated Impact on Fund Balance	9,736,104	9,361,257	6,823,356	(2,537,901)	-27.1%
Planned Use of Fund Balances	-	-	-	-	-

Fiscal Year 2018 – UNT Health Science Center
Budget Detail by Fund Group – Current Funds



	Current Funds				
	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Current Funds
REVENUES					
Net Tuition and Fees	11,594,750	20,155,530	-	-	31,750,280
Sales of Goods and Services	-	38,800,000	425,000	-	39,225,000
Grants and Contracts	-	-	-	35,900,000	35,900,000
State Appropriations	103,643,662	-	-	-	103,643,662
Capital Appropriations	17,091,856	-	-	-	17,091,856
Net Professional Fees	-	13,722,182	-	-	13,722,182
Gift Income	-	-	-	1,500,000	1,500,000
Investment Income	40,000	2,200,000	-	-	2,240,000
Other Revenue	-	120,000	-	-	120,000
Revenues	132,370,268	74,997,712	425,000	37,400,000	245,192,980
EXPENDITURES					
Salaries - Faculty	31,271,344	8,543,004	-	8,185,652	48,000,000
Salaries - Staff	36,238,530	13,063,489	231,168	11,766,814	61,300,000
Wages and Other Compensation	1,895,443	3,529,887	54,800	1,519,871	7,000,000
Benefits and Other Payroll-Related Costs	18,711,720	7,558,187	55,480	4,674,614	31,000,000
Cost of Goods Sold	-	18,613	-	1,387	20,000
Professional Fees and Services	3,840,875	18,962,972	10,600	7,685,554	30,500,000
Travel	-	1,170,677	-	829,323	2,000,000
Materials and Supplies	2,681,554	5,995,108	13,344	309,994	9,000,000
Communication and Utilities	133,822	2,159,023	5,503	101,653	2,400,000
Repairs and Maintenance	481,657	2,493,701	13,095	511,546	3,500,000
Rentals and Leases	6,600	1,379,411	-	113,989	1,500,000
Printing and Reproduction	96,722	503,356	5,147	144,775	750,000
Debt Service - Principal	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-
Capital Expenditures	3,318,510	519,510	20,000	541,980	4,400,000
Federal and State Pass-Through Expense	-	-	-	700,000	700,000
Scholarships, Exemptions, and Financial Aid	1,063,745	1,617,407	-	318,848	3,000,000
Other Expenditures	1,807,740	2,697,236	8,863	986,161	5,500,000
Expenditures	101,548,261	70,211,578	418,000	38,392,161	210,570,000
TRANSFERS					
<i>Intra-campus Transfers Between Funds:</i>					
Debt Service Transfer In (Out)	(15,891,925)	-	-	-	(15,891,925)
Inter-Fund Transfer In/(Out)	(4,000,000)	400,000	-	1,000,000	(2,600,000)
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	-	-	-	-
Core Services	-	(2,017,718)	-	-	(2,017,718)
Other Inter-Unit Transfers In/(Out)	-	-	-	-	-
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	(7,289,981)	-	-	-	(7,289,981)
Transfers	(27,181,906)	(1,617,718)	-	1,000,000	(27,799,624)
Estimated Impact on Fund Balance	3,640,101	3,168,416	7,000	7,839	6,823,356
Planned Use of Fund Balance & Debt Proceeds					
Auxiliary Funded Projects	-	-	-	-	-
GR-D Fund Balance (State Treasury)	-	-	-	-	-
Residence Hall	-	-	-	-	-
Facilities Construction & Development	-	-	-	-	-
Debt Proceeds	-	-	-	-	-
Planned Use of Fund Balance & Debt Proceeds	-	-	-	-	-

Fiscal Year 2018 – UNT Health Science Center
Budget Detail by Fund Group – Non-Current Funds



	Non-Current Funds				FY18
	Endowment Funds	Loan Funds	Plant and Debt	Non-Current	Allfunds
REVENUES					
Net Tuition and Fees	-	-	-	-	31,750,280
Sales of Goods and Services	-	-	-	-	39,225,000
Grants and Contracts	-	-	-	-	35,900,000
State Appropriations	-	-	-	-	103,643,662
Capital Appropriations	-	-	-	-	17,091,856
Net Professional Fees	-	-	-	-	13,722,182
Gift Income	-	-	-	-	1,500,000
Investment Income	1,400,000	-	-	1,400,000	3,640,000
Other Revenue	-	43,150	-	43,150	163,150
Revenues	1,400,000	43,150	-	1,443,150	246,636,130
EXPENDITURES					
Salaries - Faculty	-	-	-	-	48,000,000
Salaries - Staff	-	-	-	-	61,300,000
Wages and Other Compensation	-	-	-	-	7,000,000
Benefits and Other Payroll-Related Costs	-	-	-	-	31,000,000
Cost of Goods Sold	-	-	-	-	20,000
Professional Fees and Services	-	-	-	-	30,500,000
Travel	-	-	-	-	2,000,000
Materials and Supplies	-	-	-	-	9,000,000
Communication and Utilities	-	-	-	-	2,400,000
Repairs and Maintenance	-	-	-	-	3,500,000
Rentals and Leases	-	-	-	-	1,500,000
Printing and Reproduction	-	-	-	-	750,000
Debt Service - Principal	-	-	10,490,808	10,490,808	10,490,808
Debt Service - Interest	-	-	5,401,117	5,401,117	5,401,117
Capital Expenditures	-	-	62,390,000	62,390,000	66,790,000
Federal and State Pass-Through Expense	-	-	-	-	700,000
Scholarships, Exemptions, and Financial Aid	-	-	-	-	3,000,000
Other Expenditures	-	15,000	-	15,000	5,515,000
Expenditures	-	15,000	78,281,925	78,296,925	288,866,925
TRANSFERS					
<i>Intra-campus Transfers Between Funds:</i>					
Debt Service Transfer In (Out)	-	-	15,891,925	15,891,925	-
Inter-Fund Transfer In/(Out)	(1,400,000)	-	4,000,000	2,600,000	-
<i>Transfers Between UNTS Components:</i>					
Shared Services	-	-	-	-	-
Core Services	-	-	-	-	(2,017,718)
Other Inter-Unit Transfers In/(Out)	-	-	-	-	-
<i>Other Transfers:</i>					
Transfer to Other State Agencies In/(Out)	-	-	-	-	-
Other Legislative Transfers In/(Out)	-	-	-	-	(7,289,981)
Transfers	(1,400,000)	-	19,891,925	18,491,925	(9,307,699)
Estimated Impact on Fund Balance	-	28,150	(58,390,000)	(58,361,850)	(51,538,494)
Planned Use of Fund Balance & Debt Proceeds					
Auxiliary Funded Projects	-	-	-	-	-
GR-D Fund Balance (State Treasury)	-	-	-	-	-
Residence Hall	-	-	-	-	-
Facilities Construction & Development	-	-	-	-	-
Debt Proceeds	-	-	59,740,000	59,740,000	59,740,000
Planned Use of Fund Balance & Debt Proceeds	-	-	59,740,000	59,740,000	59,740,000

Budgeted Revenue Breakout by Fund – Current Funds

	Educational & General	Designated Operating	Auxiliary	Restricted Expendable	Current Funds
Resident Undergrad Tuition	-	-	-	-	-
Non-resident Undergrad Tuition	-	-	-	-	-
Other Undergrad Tuition	-	-	-	-	-
Waivers Undergrad Tuition	-	-	-	-	-
Gross Undergraduate Tuition	-	-	-	-	-
Resident Graduate Tuition	11,230,854	12,677,006	-	-	23,907,860
Non-resident Graduate Tuition	3,621,496	1,273,146	-	-	4,894,642
Other Graduate Tuition	-	-	-	-	-
Waivers Graduate Tuition	(1,921,226)	(620,100)	-	-	(2,541,326)
Gross Graduate Tuition	12,931,124	13,330,052	-	-	26,261,175
Fees - Instructional	23,000	4,056,077	-	-	4,079,077
Fees - Mandatory	-	3,709,548	-	-	3,709,548
Fees - Incidental	-	356,375	-	-	356,375
Waivers - Fees	-	-	-	-	-
Gross Fees	23,000	8,122,000	-	-	8,145,000
Disc & Allow-Tuition and Fee	(1,359,374)	(1,296,521)	-	-	(2,655,895)
Discount and Allowances	(1,359,374)	(1,296,521)	-	-	(2,655,895)
Tuition and Waiver Conversion	-	-	-	-	-
Net Tuition and Fees	11,594,750	20,155,530	-	-	31,750,280
Athletics	-	-	-	-	-
Auxiliary Enterprises	-	-	425,000	-	425,000
Discounts and Allowances - Auxiliaries	-	-	-	-	-
Other Sales of Goods and Services	-	38,800,000	-	-	38,800,000
Sales of Goods and Services	-	38,800,000	425,000	-	39,225,000
Federal Programs and Contracts	-	-	-	28,500,000	28,500,000
Federal Financial Aid	-	-	-	-	-
State Programs and Contracts	-	-	-	4,400,000	4,400,000
State Financial Aid	-	-	-	-	-
Other Grants and Contracts	-	-	-	3,000,000	3,000,000
Grants and Contracts	-	-	-	35,900,000	35,900,000
State Appropriations - General	88,550,583	-	-	-	88,550,583
State Appropriations - Additional	15,093,079	-	-	-	15,093,079
State Appropriations	103,643,662	-	-	-	103,643,662
Capital Appropriations - HEF	17,091,856	-	-	-	17,091,856
Capital Appropriations	17,091,856	-	-	-	17,091,856
Gross Professional Fees	-	27,764,438	-	-	27,764,438
Contractual Allowances and Discounts	-	(14,042,256)	-	-	(14,042,256)
Net Professional Fees	-	13,722,182	-	-	13,722,182
Gift Income	-	-	-	1,500,000	1,500,000
Investment Income	40,000	2,200,000	-	-	2,240,000
Other Revenue	-	120,000	-	-	120,000
Revenues	132,370,268	74,997,712	425,000	37,400,000	245,192,980

Fiscal Year 2018 – UNT Health Science Center
Budget - Current Funds by Quarter



Revenues	Q1 FYTD Estimate	Q2 FYTD Estimate	Q3 FYTD Estimate	Q4 FYTD Budget
Net Tuition and Fees	12,000,000	26,020,000	28,010,000	31,750,280
Sales of Goods and Services	5,240,000	25,780,000	31,100,000	39,225,000
Grants and Contracts	8,980,000	18,220,000	26,930,000	35,900,000
State Appropriations	98,720,583	100,360,583	102,000,583	103,643,662
Capital Appropriations	17,091,856	17,091,856	17,091,856	17,091,856
Net Professional Fees	4,500,000	7,500,000	11,500,000	13,722,182
Gift Income	300,000	530,000	980,000	1,500,000
Investment Income	560,000	1,120,000	1,680,000	2,240,000
Other Revenue	30,000	60,000	90,000	120,000
Total Revenues	147,422,439	196,682,439	219,382,439	245,192,980
Expenditures				
Salaries - Faculty	11,535,000	23,207,000	34,658,000	48,000,000
Salaries - Staff	14,773,000	29,644,000	45,223,000	61,300,000
Wages and Other Compensation	1,865,000	3,556,000	5,065,000	7,000,000
Benefits and Other Payroll-Related Costs	8,258,000	17,297,000	25,529,000	31,000,000
Cost of Goods Sold	5,000	9,000	13,000	20,000
Professional Fees and Services	7,350,000	14,749,000	22,501,000	30,500,000
Travel	414,000	727,000	1,377,000	2,000,000
Materials and Supplies	1,562,000	2,995,000	4,576,000	9,000,000
Communication and Utilities	497,000	1,016,000	1,653,000	2,400,000
Repairs and Maintenance	1,005,000	1,714,000	2,725,000	3,500,000
Rentals and Leases	358,000	629,000	1,091,000	1,500,000
Printing and Reproduction	133,000	186,000	393,000	750,000
Capital Expenditures	2,229,000	3,216,000	3,372,000	4,400,000
Federal and State Pass-Through Expense	-	-	-	700,000
Scholarships, Exemptions, and Financial Aid	960,000	2,033,000	2,312,000	3,000,000
Other Expenditures	1,064,000	2,380,000	3,786,000	5,500,000
Total Expenditures	52,008,000	103,358,000	154,274,000	210,570,000
Transfers				
<i>Intra-campus Transfers Between Funds:</i>				
Debt Service Transfer In (Out)	(3,970,000)	(7,950,000)	(11,920,000)	(15,891,925)
Inter-Fund Transfer In/(Out)	(270,000)	(730,000)	(1,680,000)	(2,600,000)
<i>Transfers Between UNTS Components:</i>				
Shared Services	-	-	-	-
Core Services	-	(2,017,718)	(2,017,718)	(2,017,718)
Other Inter-Unit Transfers In/(Out)	-	-	-	-
<i>Other Transfers:</i>				
Transfer to Other State Agencies In/(Out)	-	-	-	-
Other Legislative Transfers In/(Out)	(7,289,981)	(7,289,981)	(7,289,981)	(7,289,981)
Total Transfers	(11,529,981)	(17,987,699)	(22,907,699)	(27,799,624)

