

Dr. Scott Ransom Presentation to Board of Regents

Good morning ladies and gentlemen,

It has been an honor to serve as the President of the UNTHSC for the past 6 ½ years. We have made unbelievable progress in the past several years. Our research has doubled since my arrival to over \$40M per year. Our research funding this year should be around \$50M. Our clinical practice has tripled in size and has been profitable for six years in a row. This is amazing given the unparalleled economic environment in which we have lived. Our student population has grown from 1000 to 1949 and we should be at 2150 this fall. We have also grown to 10 degree programs including the MHA, PhD in public health studies, DPT, and PharmD. And we have raised all the money necessary to create a new MD granting school in six months. Our financial stability has grown from almost no cash reserves to 16 weeks of cash on hand.

The Board provided my evaluation at the Spring Board retreat at the ranch. I only heard positive comments and accolades across the board. Several Regents said “great job” including the Chairman. And then in August you approved a new three year renewal on my contract. As far as I have been told, everything was going very well under my leadership through the middle part of October. I did not receive one negative comment or even one area of need for improvement. In fact, the Chancellor and a few Regents asked me if I would be interested in serving as the combined UNT/UNTHSC President. This prospect was not something that I had envisioned for my career. Lane Rawlins and I had several concerns and believed that more study was required to consider the merger.

I was surprised and saddened to receive a letter drafted by Chancellor Jackson, but over Chairman Wall’s signature, dated December 18th. The letter is full of misstatements, factual errors and untruths. I received the letter on Tuesday and have not had sufficient time to prepare a full response. Therefore, what I say here today is preliminary to a full and complete response to the inappropriate personal attacks on me by the Chancellor. This is a personal outrage to me!

The issues that you have raised seem to be in three categories. 1) issues related to the evaluation of the merger; 2) issues related to the concerns from the HSC regarding the BSC; and 3) a personal conflict between me and the Chancellor. A new issue was raised last evening by a few of the Regents to many community leaders and that is of the need to get rid of me to support the creation of the MD-granting medical school. Nothing could be farther from the truth! Moreover, that allegation, like many contained in the December 18th letter, is absolutely false!

Let’s talk about the merger. I did everything the Chancellor asked me to do. We compiled a preliminary evaluation of the proposed merger at the HSC into a 30+ page document that was completed on August 30th. This was a more detailed business assessment than the Chancellor actually requested. Lane Rawlins and me to complete a week or so after this first evaluation was completed. The Chancellor wrote specific questions for Lane, me and our key leaders to answer. Over a dozen clarifying e-mails were completed among Lee, Lane and me to assure we were all on the same page. No specifics were

discussed about the actual parts of the organization that would be merged, what the outcome should be, campus specific issues, etc. A group of 27 key leaders from Denton, Fort Worth and the system had consensus on the findings. While some differences of opinion existed on the tone of the points, the direction of the issues had 100% consensus, including President Rawlins and me. The report seems to have been well received by the Chancellor as he commented on the “good work” that Dr Rawlins and I did along with the other administrators in the Board Briefing to the Regents on November 11th.

The Fort Worth community did not like the merger from the beginning. I explained this to the Chancellor several times. The new Senior Vice President for Community Engagement wrote an e-mail highlighting community concerns and I forwarded that to the Chancellor on October 19th.

The Foundation Board wanted to meet and discuss the issue. I told the Chancellor that many of the members did not like the merger. The Chancellor agreed to meet with the Foundation Board and he and two Regents met with the group for about 2 ½ hours. As a result of the unanimous recommendation of the Foundation Board, the Executive Committee of the Foundation Board wrote a letter to Chairman Wall about their concerns related to the merger. I did not put anyone up to writing the letter. And I certainly did not persuade the Board to not like the merger idea. This Board is made up of significant leaders of the Fort Worth community. They independently made their decision.

The Board of Visitors also met and extensively discussed the proposed merger. The BOV Chairman and a few other members did not want to invite the Chancellor, Regents and new members. They thought it would pose a conflict of interest because it was these folks that would ultimately vote on the merger proposal. Also, a few of the BOV members had heard Lee speak of the merger at one or more community events. Again, I provided information but attempted to stay completely neutral during the discussion of the merger. The Board of Visitors members are very savvy business and academic leaders and made up their own mind on this subject. Dr. Anderson wrote the BOV letter with unanimous support from all participants.

I have done nothing wrong. As one Regent highlighted to me, “The Chancellor’s pride and ego were damaged through the merger discussion.” I followed all directives from the Chancellor and the Board. Lee’s only directive to me and President Rawlins was to complete an analysis and highlight the benefits and challenges.

Throwing me under the bus will not convince the Board of Visitors or Foundation Board to support the merger.

The Regents moved forward with the BSC a couple of years ago. I fully support the governance concept of the BSC. However, we were promised better, cheaper and faster. We got quite the opposite. In my opinion as a line administrator, the Chancellor simply does not know how to do operations. If you want the UNT System to do operations, you need someone with the temperament and skills to lead that type of effort.

The BSC is a failure on the HSC campus. The BSC has cost the UNTHSC about double the money as it did in the past and at much lower quality. As the President and chief executive of the UNTHSC, I have a

fiduciary responsibility to assure all aspects of the campus is functioning well and attempt to remedy issues. This is a core responsibility for my role.

At the Chancellor's request in a Shared Services Governance Council meeting, he said he did not want to hear about all of the anecdotal stories of problems about the BSC. Rather, he wanted data. I had staff develop a balanced document comparing the direct and indirect costs and employee perception of quality from 2010 verses 2012--the year before the BSC was implemented and immediately after the BSC was operational for one year. Fortunately, we had strong comparable data sources through the finance system and an employee satisfaction survey for the direct costs and the employee perceptions comparing the pre-BSC and post-BSC impact.

Over the past six years, I have asked Internal Audit to review and verify all kinds of data ranging from student performance, research numbers, clinical performance, budgets, etc. Including Internal Audit in the process assures an accurate and balanced data source that has been audit approved. Keep in mind, Internal Audit does not report to me, but to the Regents. I asked Audit to review this BSC document to verify accuracy and balance. Michael Humphries of Internal Audit can verify this request.

When the Chancellor heard of the report to audit he exploded. He was unbelievably angry and told me to pull the report from audit or I would be fired. Clearly, he did not like the results of the study and was trying to cover up the study. This is a fact of which the Regents should be aware. The report showed that BSC costs were roughly double the cost as when the Health Science Center did the services.

More concerning were the slowdowns and quality concerns. Payroll was not paid on time, impacting many employees. Electric and water bills not paid on time. The Electronic Medical Record shut down for two days, causing harm to patients. In my opinion, the Chancellor was really angry because he knows that the document proves that he has been misstating the facts regarding the BSC to the Regents and various state agencies.

I have followed all directives and recommendations regarding the BSC, period.

A few Regents told a few community leaders yesterday that part of the reason for my termination was related to trading my job for the MD program. This certainly does not describe a for cause termination. I did everything the Regents asked me to support the MD program and raised the money and hospital support. I personally support the MD program, and trading my job for the MD program is not appropriate.

I have followed all directives and policies to the best of my ability. All of the allegations in the Chancellor's letter are false. Being fired for a difference of opinion is simply not acceptable. Being fired for creating a report that has conclusions different than the Chancellor is not appropriate. Being fired for the strong opinions from the citizens of Fort Worth related to the merger proposal is not appropriate.

I have served this institution faithfully and successfully for 6 1/2 years. Indeed, my contract was just renewed for 3 years from September 1, 2012 to August 31, 2015. Recently, I have given my best

advice and counsel to the Chancellor on a number of policy issues. But he has taken any disagreement at all personally. And now he asks you to fire me for cause. I most respectfully object and request a postponement of any such consideration until I have had a reasonable amount of time to prepare my defense and you have had a reasonable amount of time to fully consider my side of the inappropriate allegations that have been leveled against me. I have many witnesses from the Fort Worth community that can easily highlight the truth.

Thank you for allowing me to have this opportunity to be heard today.

9041169v.1