Mergers & Acquisitions in Higher Education

The Journey of TTUHSC & The Cooper Institute

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TTU HSC

Agenda

- Background
  - Texas Tech University Health Sciences Center
  - The Kenneth H. Cooper Institute
- Why?
- Due Diligence & Planning
  - Steering Committees
  - Governance Structure
  - Financial Review
  - Communication Strategy
  - Operational Alignment
  - Workforce Transition
- Do’s & Don’ts
- Outcomes & Impacts

Background

Texas Tech University Health Sciences Center

"We believe that your zip code should not determine your health."

-President Dr. Lori Rice-Spearman

- Serves 121 counties across the State of Texas (~130,000 sq. miles)
- ~25% of all health-related graduates in Texas
- $1.1B annual budget
- 5,352 students
- 5,604 team members
- ~2.5m square feet of owned space
- Largest physician practice network between Albuquerque and Fort Worth
- Provides healthcare services to TDCJ in the western half of the State

TTU HSC

The Cooper Institute

"We have so much data now that you cannot deny that exercise is medicine."

-Dr. Kenneth H. Cooper

The Cooper Institute®
WELL. INTO THE FUTURE.

- Founded in 1970 and established the Cooper Center Longitudinal Study (CCLS), the world's largest, longest-running dataset on measured cardiorespiratory fitness which continues to grow to this day.
- The CCLS database includes more than 350,000 clinical records from over 125,000 patients at the Cooper Clinic.
- Published over 700 studies showing how fitness can lower mortality, reduce or prevent chronic conditions, and improve overall quality of life.
- $14M endowment and $13.6M in other assets
- Additional $10M grant covering 3 projects over 8 years

Why?

- Relationship between Drs. T. Mitchell & K. H. Cooper
- Cement Dr. Cooper’s legacy
- Expand the scope and influence of TTUHSC
- Mission alignment
- Academic & research opportunities
- What does Cooper Institute bring to TTUHSC?
- What does TTUHSC provide for Cooper Institute?

Due Diligence

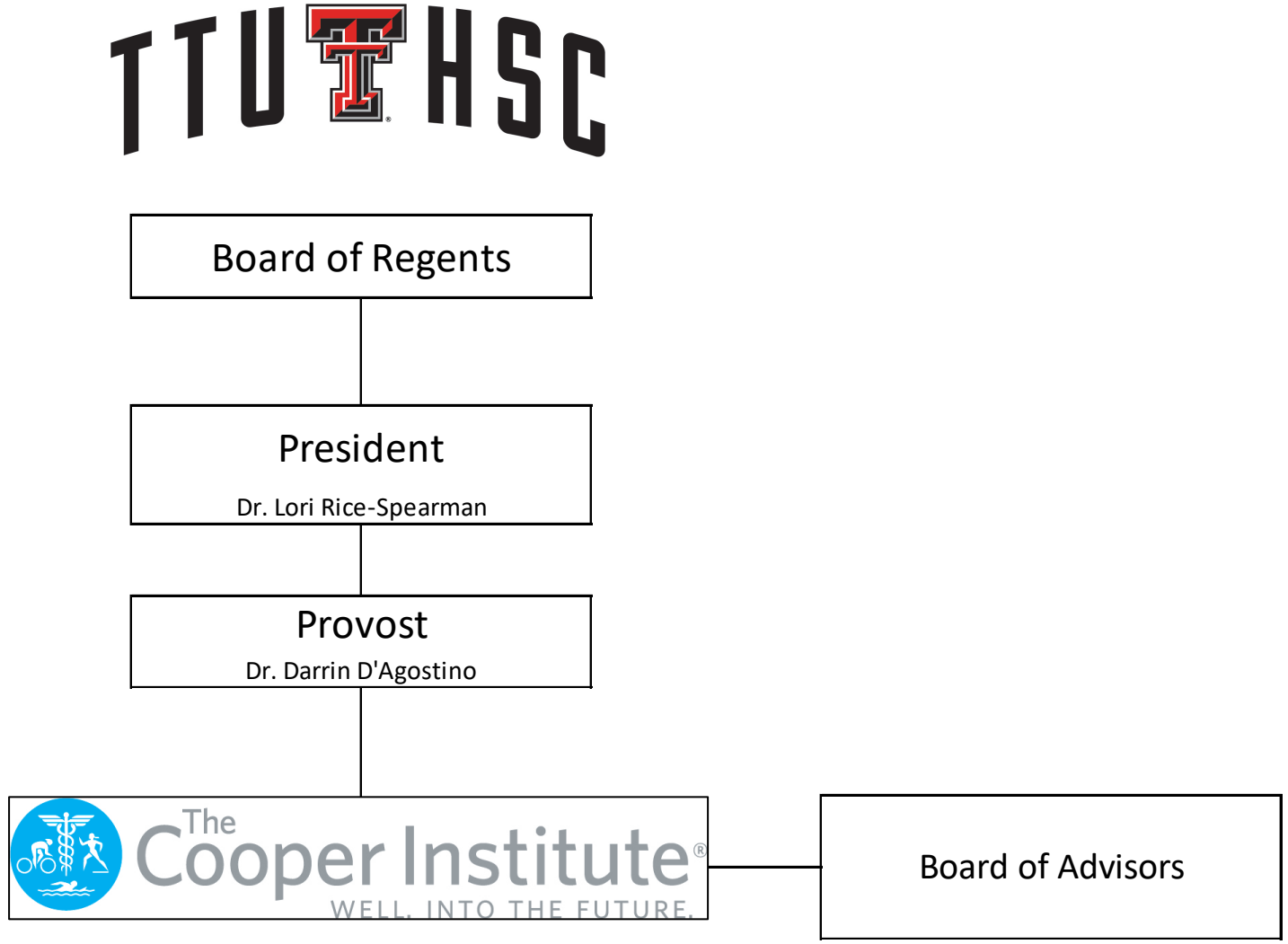
Governance Structure

- Pre Go-Live

Board of Regents	Board of Trustees
President Dr. Lori Rice-Spearman	Founder Dr. Kenneth H. Cooper
Executive Committee	CEO Dr. Laura DeFina
Project Steering Committee	Project Steering Committee

Governance Structure

- Post Go-Live



Project Steering Committees

- TTUHSC:
  - EVP External Affairs/COS
  - Provost
  - Academic Dean, Julia Jones Matthews School of Population & Public Health
  - VP Human Resource/CHRO
  - AVP Budget & Resource Planning
- TTU System/TT Foundation:
  - VC Institutional Advancement & CEO Texas Tech Foundation
  - General Counsel
  - Texas Tech Foundation Counsel
- The Cooper Institute:
  - CEO
  - CFO
  - General Counsel
  - Executive Committee of Board of Trustees

Do

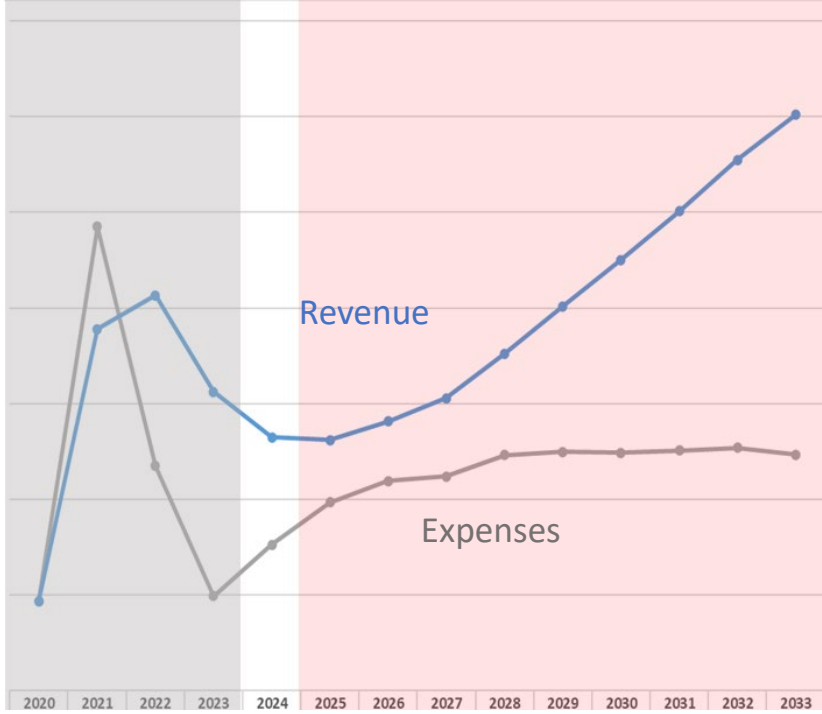
- …Set a hard target deadline

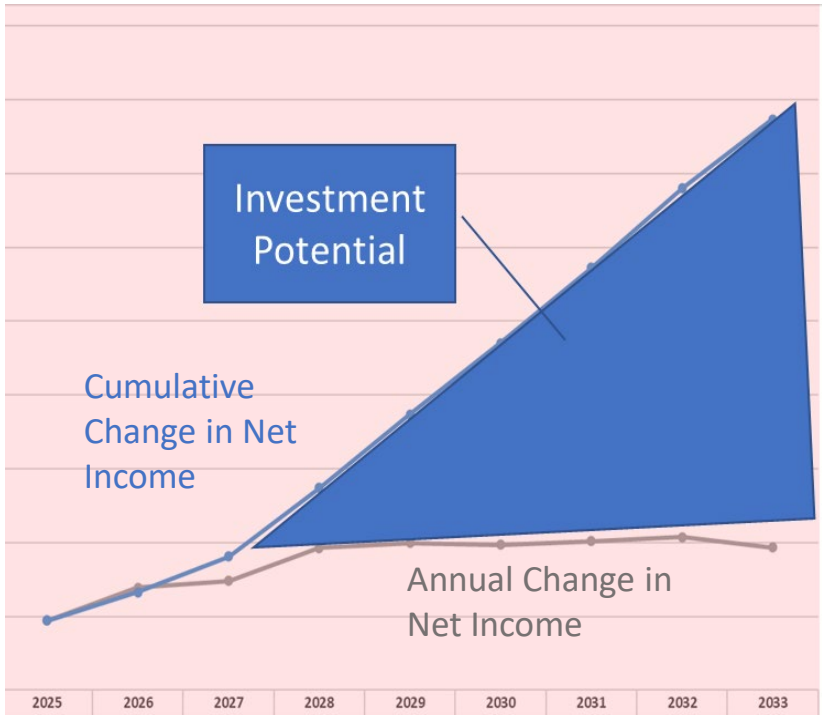
Don’t

- …Expect to be able to keep it

Financial Review

- Prior to Go-Live
  - Cooper Institute and TTUHSC both brought strong financial foundations
  - What does the long-term financial partnership look like?
  - Can Cooper Institute support itself as an independent institute of TTUHSC?
  - Can TTUHSC provide other financial benefits to Cooper?





Financial Review

- Post Go-Live
  - What TTUHSC received:
    1. Funds from sale of certain Cooper assets.
       - Used to establish Kenneth H. Cooper Institute Endowment at TTUHSC
         - Used for operations and research initiatives of the new Institute
    2. Transfer of Existing Endowments & Current Use Gift Funds
       - Existing Endowments
         - Allocated in accordance with preexisting donor agreements
         - Not all endowed gifts were subject to prior restrictions
           - Institute now uses these endowments in accordance with Cooper's prior operation and use
           - Merged into Kenneth H. Cooper Institute Endowment at TTUHSC
       - Current Use Funds
         - Used to support ongoing operations and research activities
    3. Assignment of Rights Under Existing Grants and Contracts

Financial Review

- Post Go-Live
  - About $22M in assets transitioned to TTUHSC
  - After the dust settled, the new Kenneth H Cooper Institute at TTUHSC had:
    - 14 Restricted Funds
    - 2 Permanent Endowment Funds
  - Since joining TTUHSC, the Institute has generated the following:
    - $92K Gift Revenue
    - $1.1M Investment Income
    - $2.5M Research Expenditures
  - Cooper Clinic Longitudinal Study value

Do

- …Have a target deadline
- …Produce detailed financial projections

Don’t

- …Expect to be able to keep it
- …Expect them to be “right”

Communication Strategy

- Prior to Go Live
  - Create Communication Plan
    - Audiences / Platforms
      - Leadership
      - Team Members and Learners
      - Community Stakeholders and Partners
      - Media
      - Social Media
- Post Go Live
    - Host Celebration and PR Event
    - Distribute Media Package
    - Engage in Continued Storytelling

Do

- …Have a target deadline
- …Produce detailed financial analyses
- …Develop a detailed communication's and roll-out plan
- …Continue to find stories to share
- …Be flexible and creative

Don't

- …Expect to be able to keep it
- …Expect them to be "right"
- …Expect it will stay the same
- …Expect to think of everything

Operational Alignment

- Reporting relationship for the Institute
- Budget integration
- Revenue & expense reconciliation
  - All property inventory at CI was already fully depreciated
- Purchasing authority & training
- Travel training
- Laptops & Freezers… *SMH*
- Contract management
- Grant management
- IRB approval and certification
- IT integration
- Cooper Clinic Longitudinal Study (CCLS)

Do

- …Have a target deadline
- …Produce detailed financial analyses
- …Develop a detailed communication's and roll-out plan
- …Continue to find stories to share
- …Be flexible and creative
- …Expect a significant amount of facility and logistic related issues

Don't

- …Expect to be able to keep it
- …Expect them to be "right"
- …Expect it will stay the same
- …Expect to think of everything
- …Be surprised if you all have to go on blood pressure meds

Workforce Transition

- Hiring Process
  - Faculty versus staff
  - Title alignment
- Compensation & Benefits
  - Pay Alignment
  - Benefit impacts
  - Medical coverage
- Onboarding & Culture
- Be Welcoming!

Do

- …Have a target deadline
- …Produce detailed financial analyses
- Develop a detailed communication's and roll-out plan
- Continue to find stories to share
- Be flexible and creative
- Expect a significant amount of facility and logistic related issues
- Follow all institutional HR policies, procedures, and guidelines

Don't

- …Expect to be able to keep it
- …Expect them to be "right"
- Expect it will stay the same
- Expect to think of everything
- Be surprised if your VP Facilities has to go on blood pressure meds
- Expect it to be a short turnaround

Flexibility

Agility

Collegiality

Outcomes & Impacts

Questions?

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the FUTURE of HEALTH