

INTERVIEW OF MIKE FERGUSON, 1994

BLAKE HAILEY: Today's date is February the 24th, 1994. I'm Blake Hailey and we're making this oral history review in the Biomed Communications Department of the Gibson D. Lewis Library at the University of North Texas Health Science Center at Fort Worth. And today we're going to spend a little time with Mr. Mike Ferguson, the vice president for fiscal and administrative affairs here at the Health Science Center. Mr. Ferguson, thanks for taking time out of your extremely busy schedule to meet with us this morning.

MIKE FERGUSON: Blake, I'm glad to do what I can here and provide any information that I might.

BLAKE HAILEY: I know you're going to provide a lot of good information for us today. If I could, could we go back and talk about all of your prior history before you even considered coming to TCOM as far as interested in kind of little background.

MIKE FERGUSON: Okay. Prior to coming to TCOM I worked at the state auditor's office for 22 to 23 years. I started out with the state auditor's office and the auditing just regular state agencies and licensing boards and river authorities, but the last 13 years that I was with the auditor's office, what we referred to is an audit manager over institutions of higher education. So the last years that I was with the auditor's office my time was spent dealing with people in higher education and reviewing the audits and so forth of which the Texas College of Osteopathic Medicine was one of the audits that I had to oversaw during that time period.

BLAKE HAILEY: Go ahead.

MIKE FERGUSON: I was fixing to say, and I was aware of the search that was going on for vice president here. I had not applied for the job at the time. As I understand they had gone through the search process and come up with a couple of candidates that did not work out so they extended the search and one of the people on the search committee, Phil Devo, who's the vice president up at North Texas, the university. And he gave me a call one day at work and asked me if I would consider applying for this job and I said, "Well, I would need to go home and at least discussion it with my wife." So I did that that night. We thought, well, why not, that's at least the talk. So I submitted an application and things worked out then I came up here.

BLAKE HAILEY: Did you start in the role you're in now at TCOM back in, I believe '86?

MIKE FERGUSON: '86. August the 1st, 1986. I became the vice president for Fiscal Administrative Affairs for the Texas College of Osteopathic Medicine.

BLAKE HAILEY: At that time, were there any events that you could recall or things like that that reflected some support for TCOM becoming the UNT Health Science Center at a later point?

MIKE FERGUSON: I think back in those days, maybe that was a dream that people here may have had, but there probably was little support or initiative at that time to us becoming a health science center. I know even then when we would look at things like the cost per student and the space --

BLAKE HAILEY: Uh-huh.

MIKE FERGUSON: -- allocation and so forth that we felt like we did not have a level playing field when we were compared to health science centers that had other programs, and usually we would be on the

high end of those calculations as people would, you know, look at that. And so the thought process was there and, I guess, the dream that at some point in time that we would become a health science center. But we knew also that there had to be other programs. Now we had the graduate program at that time through an interagency contract with North Texas and we felt like that that would be the thing that might help bring us into the health science center if we could ever get authorization to do those ourselves.

BLAKE HAILEY: What were some of the decisions and choices that you had to make when the actual process started, in regards to your position?

MIKE FERGUSON: Just when I came here at the school, some of the things that we went through?

BLAKE HAILEY: That helped the Health Science Center progress?

MIKE FERGUSON: The school had gone through some very difficult times prior to my coming here. I think they had just established a new president here at the school. My previous position had left under, I guess, not really desirable circumstances. And the financial position of the school overall, the local funds and so forth, had almost been deleted or depleted, maybe. So one of the things that I felt like we needed to do was kind of establish some internal controls over our process, bring in maybe some, you know, good people in some vacant positions that we had. We had several tiers that had been vacant for several months. And so just recruiting the right people, I think, and bringing them in and establishing some controls over, you know, our fiscal systems and so forth was one of the first things that we had to do.

BLAKE HAILEY: Were there some things that happened as you progressed along in the process as the process began for it to become a health science center, or did you have to stay on that same track?

MIKE FERGUSON: We, I guess, continued on the same track. There were a lot of things that we needed to enhance. Competing, for example, was one. Like at that time, as we currently do now, we handle most of our computing with the University of North Texas. But also, we had not received all the upgrades here at the Health Science Center -- or TCOM at that time -- that they had implemented at the University of North Texas so one of the first things that we did was try to enhance our computing, and at least get up to the same standard that they were at, at the university. I think we have continued to look and assess our needs across the institution. And one of the areas that we've identified that we need to continue to improve and maybe go even a step further in bringing in a new system is in the computing, and we have taken steps this past year to implement the banner system within the Health Science Center. This would give us, for the first time a fully, once all the parts are in place, a fully integrated system from student records to financial to payroll personnel to alumni development and also financial aid.

BLAKE HAILEY: Why do you think it was necessary for the growth of TCOM to become a health science center? Do you think that was an important idea?

MIKE FERGUSON: Yes, I do. I think as we look and as we're compared to the other health science centers across the state, if we're not -- don't have, kind of a same programs and equal opportunities that they have, I think we would always come up short. One of the things that the state is looking at this point in time is to develop funding on a performance measure.

BLAKE HAILEY: Could you explain a little of that?

MIKE FERGUSON: And the performance measures as they are at least submitted at this point in time would kind of make each institution compete in total against all other institutions. And just as an example, they would make sure the number of students that came into the program and the number of students that exited the program, graduated. They were -- currently they're looking at the students that do a lot of patient indigent care services, a lot of research. There are some institutions within the state that do those and do them very well. They're affiliated with community hospitals where they carry a lot of indigent care to their programs. They do a tremendous amount of research and we're not at that level yet. We do not have an affiliation with the community hospital; and therefore our indigent care would be much less than, say, the Southwestern in Dallas. But if we had to compare the amount of indigent care our funding was based on the amount of indigent care that we provide compared to the amount that Southwestern provided, we would always come up on the short end. You know, and here again I think the becoming a health science center is our first step at maybe equalizing some of the opportunities through leveling out the playing field.

BLAKE HAILEY: How is it coming along with the situation of getting in the community hospital? Do you have any idea on that or progressing towards that?

MIKE FERGUSON: There's been some progress made. We now have a few of our faculty that's on the staff at John Peter Smith hospital. There's some opportunities for us to have some additional faculty that will be on staff there. Progressing maybe not as rapidly as we would like, but at least we're making some headway for the first time I guess in many years. So I'd have to say at least we've opened that door and now we're proceeding to see how they can help us. I would say another example that could be help in this manner would be the federal prison system that we'll be taking a hospital at Carlswell. BLAKE HAILEY: Uh-huh.

MIKE FERGUSON: If we develop and obtain the contract for that this, here again, would be one of the first kind of public hospitals where the hospital will be providing all the support staff and so forth and we'll just be providing the medical staff. And that would be a big boost in our patient volume as well as our revenue flow within our practice plan. BLAKE HAILEY: So there are a couple avenues then that the Health Science Center can pursue to get into a community or public hospital?

MIKE FERGUSON: Right. And one of the things that Dr. Richards and Dr. Coin have done here along with other people within Tarrant County is they've developed a consortium which involves not only the Health Science Center and the community hospital JPS, but it also involves the Harris Hospital, the University of North Texas and Southwestern Medical School in Dallas. And so for the first time we have several players that are involved in the health care within Tarrant County here at the same table and I think this would also open up some opportunities for the University of North Texas Health Science Center in the future.

BLAKE HAILEY: So we do have opportunities coming our way. Just takes a little timing to get where we need to be. Why do you think at the time the initiative went through? Why was it the right time? Do you think there could have been a better time or was that just the right moment to do this?

MIKE FERGUSON: I think it was the right time for us. One of the factors I think that brought this about, the coordinating board was looking at the graduate programs through the University of North Texas and

they had come down here and were reviewing the programs, and so forth. And I think they were favorably impressed with the quality of the program, but they also felt like that maybe it was time for those programs to be offered directly by the school here in Fort Worth. So I think that just provided the avenue for us to approach the legislature with and say that, hey it is time for us to merge into a health science center and give us the opportunity to offer more of our own programs here. And I think it is just the time and everything worked out and went through. I guess the reverse of that on the timing would be this was also a time that the legislature was looking at new initiatives in South Texas and since we were in the North Texas region of the state they were kind of developing a new kind of institution here for new programs and so forth when their main emphasis was on South Texas. I think that the legislature also felt like that we Texas College of Osteopathic Medicine was doing the right things that were beneficial to the state. And so I think there was support within the legislature even at the time when their emphasis was on South Texas to go ahead and like as a health science center.

BLAKE HAILEY: You kind of mentioned that the right time and all and a few things in the back of other health science centers. Do you see this being a different health science center from, for example, UT or an A & M health science center.

MIKE FERGUSON: I think we are different. To start with we're the only D.O. medical program in the state. All of the other health science centers within the state are the allopathic or the MD programs. They all have their individual missions. Our primary mission, we feel like, is to produce primary care doctors that will serve in rural areas within the state. Most of the other health science centers have emphasis more on specialty care as well as the larger emphasis on research and other programs. And here again, a uniqueness about our program is, as I mentioned previously, is that we have not had an affiliation with a county or public hospital for we have had to assist in taking care a lot of the indigent care. While we do provide indigent care, it is not the magnitude that we would if we had a full affiliation with the community hospital. So basically we have had to generate our own patient volume a lot more so than some of the other health science centers have. Where they've had that kind of direct influx of patient volume through the county.

BLAKE HAILEY: It sounds like we're coming up in that respect.

MIKE FERGUSON: Right.

BLAKE HAILEY: And we really have a lot of that already covered then.

MIKE FERGUSON: We've done a lot of work in that direction. We still need to do a lot more, I think. But I think there are people here. And Dr. Richards, Dr. Coin are making a strong effort to, you know, address those issues and help to bring some of those things about.

BLAKE HAILEY: What were some of the concerns and decisions that you had to make to help this proposal along on the fiscal administrative end?

MIKE FERGUSON: I guess the big thing or from the fiscal administrative is to show the support that we didn't want to do the right thing. We've got our fiscal administrative affairs in order and we were in a position that we could take on the additional responsibilities in the new programs and so forth and be able to handle those well. I think the main emphasis would come from people like Dr. Richards and Danny Jenson as they work with the legislature and kind of sold the proposal to them what it meant to us as an institution.

BLAKE HAILEY: Are there some concerns now that we're a health science center in progressing in that regard? Are there some other concerns you have concerning the fiscal administrative as we move into the next few years?

MIKE FERGUSON: I think one of the key things for us from the fiscal administrative areas is to make sure that we have the support programs in place that can handle the increasing needs that will be coming about in the future. Even with the changes at the national level with the health care and so forth. I think we're going to see more and more information is going to be required, more opportunities where we have to quickly come up with data to see how we can fit into a particular situation and so forth. And I think one of the key elements for us will be the upgrading of our computing here at the Health Science Center. And the other thing would be just to make sure that we continue to provide the support staff, you know, to handle the increase workloads and so forth. And that we need to continue to be as efficient as we can and to maximize through computing or whatever means. You have to be efficient in handling, you know, just transactions and so forth here at the Health Science Center as best we can. Because I don't see a large influx of state dollars coming to the Health Science Center in the near future. I think the state will continue to experience some very difficult budget times until the state realizes that they have to come up with new revenue sources. I think we will continue to struggle for the state dollars with all the other state needs.

BLAKE HAILEY: What is the fundin right now? Since there is a problem, how much of our funding comes from the state and how much do you look at having to get outside of a state funding?

MIKE FERGUSON: Currently about two-thirds of our budgets come from state funds. And the remaining third comes from the practice plan revenues, some student fees, research, gifts and grants. In comparing this to most of the other health science centers, that's about reversed. Probably 25 percent to a third of their budget comes from state funds. The majority of it then comes from, you know, either their practice plan or their research efforts and so forth. So when the state resources are tight they affect us much more so than they affect the other health science centers because they have such a much larger source of external funding. You know, other than the state resources. So what we need to do is continue to build a practice plan, continue to increase our research efforts and also to develop opportunities through our development office on gifts that can help support the institution. We need chairs. Right now we have no chairs within the institution providing funds or the departmental operations and so forth. And we need to continue to develop our, you know, private funding and institutional funding to those avenues.

BLAKE HAILEY: Do you see the state decreasing our funds as time goes on? Us having to, like other medical schools, look for that other 75 percent or so from outside?

MIKE FERGUSON: I think we will have to continue to do that. Now I don't know that the state will decrease our revenues, but for us, for you are budget to grow in proportion that it needs to I think the other revenues will have to grow at a faster pace than what the state revenues are. Our budget right now, for example, the Texas Tech University Health Science Center that took on about the same number of medical students that we do, their budget is twice the size of ours.

BLAKE HAILEY: Twice the size?

MIKE FERGUSON: That is correct. So we need to develop, you know, our internal programs and also be able to, you know, develop external funding sources and so forth. So we'll be able to compete in our programs on an equal footing with the other health science centers.

BLAKE HAILEY: So there's a lot of work that needs to be done outside of the state budget to get ours up with the states level of Texas Tech?

MIKE FERGUSON: That is correct.

BLAKE HAILEY: Have you ever thought of any ideas that you could give to development that might help in that respect?

MIKE FERGUSON: Well, of course we've just, you know, instituted a new program here, Mike Davenport has come on as our development officer. I think he's putting things together. And we also realize that a lot of the development activity is not -- you do not get immediate results. A lot of the efforts that are being made now through, you know, maybe people leaving funds to us in their wills and so forth. We won't realize that until sometime in the future. Although I think he also has done some things that has helped some through the foundations and so forth to get funds on a more permanent basis, but we need to continue in those efforts and just allow him the time that it will take to develop some things there.

BLAKE HAILEY: Are there are some other steps that you need to take on your position as the Health Science Center advances along you haven't already mentioned?

MIKE FERGUSON: I think the key for us in the future is to stay on top of the increasing workload think how we can continue to administer our duties and responsibilities. As I mentioned previously, I don't see a large influx in the state appropriation that will be coming to us that will allow us to increase the numbers of people that we have. And I think the key for us at this time in institutions life is to become more efficient, although I think our staff has done a good job of that. I think we have to continue to look at ways in which we can do our job better and less costly.

BLAKE HAILEY: Out of curiosity, do you happen to know the number of the staff, support staff, here at the health science center?

MIKE FERGUSON: I don't know offhand. I would assume the support staff would be somewhere around 200 employees.

BLAKE HAILEY: Oh, my. That's quite a number of them. There's a ten million dollars bond proposal I guess in the future, y'all are looking at for the future. Is that one of the future projects you're working on and where will that go?

MIKE FERGUSON: Yes, the legislature in this life's legislative session offered us to issue ten million dollars in tuition revenue bonds. And so we would pledge the tuition that we collect from our students to retire those revenue bonds. And the state has appropriated funds to makeup that difference in our operating budget. Those moneys were given to us or that authorization was given to us so that we would have the opportunity to increase the space need that we have here at the institution. Our first thought on how to utilize those funds would be to add two floors to Med-Ed 2. We have a committee that's in the process of looking at what our needs are here. We also have hired some outside consultants that are helping us look at how we're currently utilizing our space and how we compare to kind of the norm at the national

level. Some of the other health science centers and so provide some guidance for us in what would be the best direction for us to go at this time. Ultimately we will need to get a master plan, have an architect or someone that would come in and look at our campus. We would have to provide them with what future programs we anticipate having, the other number students that we would anticipate in those programs, the additional faculty and support staff that would be necessary and develop a master plan for our overall campus. And that should be one of the things that will need to be done at the latter part of this year or at least initiate in the latter part of this year and finalize maybe in the beginning of the following fiscal year.

BLAKE HAILEY: So it would be another two years before you can get some of these changes underway then in the future?

MIKE FERGUSON: It would be sometime in the future, even to add two floors to Med-Ed 2 if we started on that say the latter part of this year or early next year. It would probably take two years or 18 months to construct that. So whatever we do, you know, it's going to take a significant time period for us to accomplish that and add that space to our institution.

BLAKE HAILEY: Are there some other things in the works of the future that you're aware of?

MIKE FERGUSON: I know they're looking at some public health programs, allied health programs, seeing what opportunities that might be there. Of course before we can offer any new programs, we would have to go to the coordinating board and get their approval. And to also offer these programs the coordinating board has as one of their requirements that we have to provide institutional funding that would not require state funding for those programs for the first two years and we could also only give state support to tie into the funding of those programs for the next two years.

BLAKE HAILEY: So even to develop new programs we also have to develop a funding source to support those programs. And that would be, you know, part of the things that we need to be working on within the next couple years.

BLAKE HAILEY: So like the grants and the developments and all that?

MIKE FERGUSON: Right, development area or through private gifts and grants.

BLAKE HAILEY: So some of these things are in the works, but of course takes a few years to get the money together and an accreditation and all the that. I guess this is something that just can't happen overnight. It really can be two or three years.

MIKE FERGUSON: That is correct. And that is I heard someone compare it. You know, a lot of the things in changing and reshaping in the institution, higher education like a large ship on the ocean. It takes a lot of room and time and space to turn it or to change directions. And so I think that would apply for the institution. It will take time and energies and efforts for us to, you know, expand and turn the institution in different directions and so forth.

BLAKE HAILEY: That's a good analogy. It would be nice if it could all happen overnight.

MIKE FERGUSON: Right.

BLAKE HAILEY: But I can see your point. It definitely does take time and money and a slow and probably painful process sometimes. You probably can see things move faster.

MIKE FERGUSON: Any time you have change I think there's a certain amount maybe resistance or just reluctance on people's part. I guess it's just human nature to have some reluctance to change. We were comfortable maybe in the way that we do things, but I think to survive and to really be a Bible player that we have to change. I think any institution that doesn't change will ultimately not be a player in the medical field and so forth.

BLAKE HAILEY: I guess it would apply then to any university would probably not be a player if they didn't want to make major changes.

MIKE FERGUSON: I think that's correct. I think we're going to see that we're going to have to do a lot -- excuse me -- a lot of the things that we currently do. We're going to have to find different ways in which to do them in the future.

BLAKE HAILEY: Your role here since '86, sounds like it has changed over time. Where do you see, what other changes do you see happening with what you're doing, in your personal job? What personal changes will be happening in the next few years? Or is it going to stay about like it has and move along?

MIKE FERGUSON: I think the big change will be the continuing effort that we'll need to make and look for additional funding, working with the legislature and providing the information and data that they need. One of the things that a lot of people do not realize is the amount of information that an institution has to provide to other agencies such as the coordinating board, the legislative budget board, the state auditor's office, as well as granting agencies and so forth. There was a review done of the reports that institutions have to do and present to outside agencies and I think it was close to 200 reports per year and some of those reports had to be presented more than once during the year. And I think we looked at the number of times that reports had to be sent out. It was between four and 500. So there's a tremendous amount of information that has to flow in and out of the institution. And I think one of our biggest challenges will be to be in a position to be able to continue to provide that information accurately and timely to those requesting agencies.

BLAKE HAILEY: My god. There are quite a few! There's a lot of paperwork then that generated throughout the years.

MIKE FERGUSON: A lot of paperwork. A lot of that is done through computer tapes and disks now also. And I think that's another thing that, not only we, but the state and agencies overall have to look at how's it's the best way to transmit this information data. The state has just implemented, for example, a statewide accounting system.

BLAKE HAILEY: Uh-huh.

MIKE FERGUSON: They're also in the process of implementing a statewide payroll system, where they would gather all of this information in a center location in Austin so that they could generate maybe a lot of the reports that we are currently having to prepare and send information.

BLAKE HAILEY: So will that take a little bit of the workload off of you and maybe help to make things easier for you?

MIKE FERGUSON: Well it could, but at this point it hasn't. The only thing that's done to date is created additional work and so forth, but maybe at some point in the future when these programs are perfected

it does have a possibility to reduce some of the reporting and outside the data information that we have to send, that they can provide that information.

BLAKE HAILEY: Go ahead.

MIKE FERGUSON: I was going to say, but the other side of that we just have to make sure that the information that they then in turn provide that it is accurate and that we're aware of it. And also on the manner in which they provide it so that we know when the questions, data comes back to us, you know, what their basing it on and so forth.

BLAKE HAILEY: You're constantly having to keep up then with these changes in the technology, so to speak --

MIKE FERGUSON: Correct.

BLAKE HAILEY: -- in working with that. Mr. Ferguson, we've covered a lot of ground here today in regards to what you do and your views on the Health Science Center, where you see it going. Are there some things, I'm sure I missed somewhere in asking questions for you. Are there some things you'd like to bring up?

MIKE FERGUSON: Well I just think that we have a lot of new challenges for us in the future. There's a lot of effort and work that needs to be done. I think the staff and I have to commend my staff because they're the ones that really do the work and get the information together now, pay our bills, get our payrolls out on time and so forth. We just need to continue to be aware of the workloads, I think, through the institution as we grow. We have to make sure that we continue to provide the support staff that meets the needs as we increase the research, for example, that increases the paperwork through purchasing, through accounting, the bills and everything else. I just see that the future looks pretty bright, I think, for the institution here. Or at least we have the opportunities in depending on how what we make of those opportunities will determine the outcome of this institution.

BLAKE HAILEY: And it sounds like you're planning to be a part of it for a number of years to come then?

MIKE FERGUSON: Well I think we all have an opportunity to, you know, make an impact on what we do here. And I think in turn we'll make an impact on the state of Texas in providing the needs for the populace of our state.

BLAKE HAILEY: Mr. Ferguson, I do appreciate you taking time out and I know that your comments will be valuable for a long time to come and I do appreciate, again, you taking your time. You've been a, I know, a big help to the institution and will continue to be so even as your role changes and hopefully maybe a little easier in some respects, but you've been a big help and I know will continue to do so. Thank you again for meeting with us this morning.

MIKE FERGUSON: Okay Blake. And thank you for taking this time to, you know, bring this information together and I'm sure that what you're doing will be a benefit to the Health Science Center in getting this data for us in the future.

BLAKE HAILEY: Well I know all these comments will be used later and again very helpful. Thank you very much. And that will conclude this interview. Thank you and have a nice day.

MIKE FERGUSON: All right.