Received: from mhub0.tc.umn.edu (mhub0.tc.umn.edu [128.101.131.50])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id QAA20232
        for <courtney@mailbox.mail.umn.edu>; Wed, 31 Dec 1997 16:17:08 -0600 (CS
Received: from maroon.tc.umn.edu by mhub0.tc.umn.edu; Wed, 31 Dec 97 16:09:59 -0
Received: from pub-24-b-161.dialup.umn.edu by maroon.tc.umn.edu; Wed, 31 Dec 97
Message-ID: <34AAEC4F.63D7@maroon.tc.umn.edu>
Date: Wed, 31 Dec 1997 17:07:27 -0800
From: Carole Bland <bland001@maroon.tc.umn.edu>
Organization: University of Minnesota
X-Mailer: Mozilla 2.02 (Win16; I)
MIME-Version: 1.0
To: Vickie Courtney <courtney@mailbox.mail.umn.edu>
Subject: Re: AHC FCC Meeting Schedule for 1998
References: <66809.courtney@mailbox.mail.umn.edu>
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

Hi Vickie, I don't know if you can do anything about this, but these meetings conflict with FCC for David and I on the dates noted below. And for me, the dates that are Wednesdays, I teach all afternoon. Carole

Vickie Courtney wrote:

> Carole: The AHC FCC meeting schedule is as follows:
>
> January 14 12:00 - 1:30 A303 Mayo
>
> February 12 " "
>
> March 12 " "Fcc meets11:00-1:00
>
> April 9 " "
>
> May 14 " "Fcc meets11:00-1:00
>
> June 11 " "
>
> Happy New Year!
>
> Vickie

Received: from [134.84.203.3] (two.senate.pres.umn.edu [134.84.203.3])
by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id IAA07888;
Fri, 9 Jan 1998 08:46:42 -0600 (CST)
Date: Fri, 9 Jan 98 09:17:22 CST
From: "Vickie Courtney" <courtney@mailbox.mail.umn.edu>
Message-Id: <47115.courtney@mailbox.mail.umn.edu>
X-Minuet-Version: Minuet1.0_Beta_18A
X-POPMail-Charset: English
To: bebea001@maroon.tc.umn.edu, feene001@maroon.tc.umn.edu, fhaffert@d.umn.edu,
bitte001@maroon.tc.umn.edu, jgarrard@maroon.tc.umn.edu,
dwh@med.umn.edu, corco001@maroon.tc.umn.edu,
gross002@maroon.tc.umn.edu, landx002@maroon.tc.umn.edu, senate,
courtney
Subject: Agenda Items for the FCC Meeting Jan. 14

Hello:

The AHC FCC meets on WEDNESDAY, January 14, 12:00 - 1:30, A-303 Mayo.

AGENDA

1. Minutes of the last Meeting

2. 12:00 - Discussion with Dr. Russell Luepker, Head of Epidemiology regarding issues in the School of Public Health (look for a document in the mail)

3. Discussion regarding charges to the Finance and Planning Committee and the Faculty Affairs Committee (will be sent with the above mentioned document)

4. Other Business

Received: from mhub0.tc.umn.edu (mhub0.tc.umn.edu [128.101.131.50])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id QAA20119
        for <courtney@mailbox.mail.umn.edu>; Wed, 31 Dec 1997 16:11:40 -0600 (CS
Received: from maroon.tc.umn.edu by mhub0.tc.umn.edu; Wed, 31 Dec 97 16:04:31 -0
Received: from pub-24-b-161.dialup.umn.edu by maroon.tc.umn.edu; Wed, 31 Dec 97
Message-ID: <34AAEB07.70A2@maroon.tc.umn.edu>
Date: Wed, 31 Dec 1997 17:01:59 -0800
From: Carole Bland <bland001@maroon.tc.umn.edu>
Organization: University of Minnesota
X-Mailer: Mozilla 2.02 (Win16; I)
MIME-Version: 1.0
To: Vickie Courtney <courtney@mailbox.mail.umn.edu>
Subject: Re: MORE CHANGES!
References: <66458.courtney@mailbox.mail.umn.edu>
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

Vickie Courtney wrote:
>
> Just received a message from David informing me that the UFCC is
> meeting on the 8th and requested that the AHCFCC meeting be moved to
> January 14 (the time slot for meeting with Frank that was just moved
> to the 20th)
>
> PLEASE MAKE THIS CHANGE ON YOUR CALENDARS!!!!
>
> AHC FCC meets on WEDNESDAY, JAN. 14, 12:00 - 1:30, A-303 Mayo
>
> FYI - the meetings with Frank continue to be held from 12:00 - 1:00 in
> one of his conference rooms.

Hi Vickie, I cannot meet on Weds. from noon to 5:00 as I teach both Winter and Spring quarters during that time. Carole

Return-Path: <feene001@maroon.tc.umn.edu>
From: "Daniel A. Feeney" <feene001@maroon.tc.umn.edu>
To: bebea001@maroon.tc.umn.ed, Daniel A Feeney <feene001@maroon.tc.umn.edu>,
fhaffert@d.umn.edu, Peter B Bitterman <bitte001@maroon.tc.umn.edu>,
Judith M Garrard <jgarrard@maroon.tc.umn.edu>, dwh@lenti,
Sheila A Corcoran-Perry <corco001@maroon.tc.umn.edu>,
Cynthia R Gross <gross002@maroon.tc.umn.edu>,
Andrea D Grehan <barsn001@maroon.tc.umn.edu>,
courtney@mailbox.mail.umn.edu
Subject: AHC-FAC & AHC FPC
Date: Tue, 18 Nov 97 16:55:23 -0600

Hello,

At the AHC-FCC Meeting of 11/13/97, the topic of the AHC Faculty Affairs (FAC) and Finance & Planning (FPC) Committees came up. Shiela and I agreed to come up with a tentative slate of names for these committees. We were to include as many AHC Senators as possible. Please find below a slate to be used to start the discussion. Nobody's feelings will be hurt if changes are suggested. There may be individuals who should be on these committees that we don't know. The full list of AHC Senators is what is on the FAC and FPC lists below AND the "Remaining Senators" list. I was asked to chair the Finance and Planning Committee. However, if you know of individuals better qualified, don't hesitate to suggest them! Please note that none of these people have been contacted so we have no idea whether they would serve if asked. This is just to jump-start the discussion.

Respond by 9 pm

As I understand it, a request may be made to the AHC Assembly to grant the AHC-FCC the one-time option to appoint these committees because there is not time for an election this year. Whether everybody will agree to that remains to be seen, but we have to decide first if that is how we want to go. I assume we provide our input to David Hamilton.

Best wishes,

Dan Feeney

****

4 fr
2 mins

Jean Forster Epidemiology foster@epivax.epi.umn.edu

AHC Faculty Affairs Committee (FAC): SUGGESTIONS
Carole Bland, Chair [bland001@tc.umn.edu]
Family Practice
Bernie Feldman [feldm001@maroon.tc.umn.edu]
Nursing
Carolyn Williams [williams_c@epivax.epi.umn.edu] (not an AHC Senator)
Public Health
Bert Stromberg [b-stro@tc.umn.edu]
Veterinary Medicine
Kathleen Dusenbery [dusen001@maroon.tc.umn.edu]
Therapeutic Radiology
Carol Wells [wells002@maroon.tc.umn.edu]
Lab Medicine & Pathology

AHC Finance and Planning Committee (FPC): SUGGESTIONS
Dan Feeney, Chair [feene001@tc.umn.edu]
Veterinary Medicine
Rick Purple [purpl001@maroon.tc.umn.edu]
Physiology
Pat Tomlinson [tomli001@maroon.tc.umn.edu]
Nursing
Ted Oegema [oegem001@maroon.tc.umn.edu]
Orthopedic Surgery
Tim Wiedmann [wiedm001@maroon.tc.umn.edu]

Dr. Daniel A. Feeney
SACS
C350 VTH

To: College of Veterinary Medicine Faculty
From: CVM Faculty Council
Subject: Annual Survey
Date: July, 1997

The Faculty council is preparing for their annual review of the College of Veterinary Medicine, which will include meetings with faculty of all departments. Prior to these meetings we would like to receive your views on the current state of affairs in several areas. The attached survey will provide the Faculty Council with a basis for discussion in the meetings with the departments and with Administration. Information gathered from this survey will also be summarized for use in preparing the annual report to the Senior Administrator of the Academic Health Center.

We ask you to take a few minutes to respond to the questions in the survey, to indicate items you consider as priorities for the coming year and to provide any additional written comments you care to add.

The questionnaires are color coded by department in order to assist in tabulating the information in a useful manner. Otherwise the comments and responses are considered anonymous.

To facilitate timely tabulation an analysis of the information, please return your survey in the attached envelope to Mike Murphy or Will Marsh by:

Thursday July 31.

Thank you for your assistance.

State of the College - Faculty Survey
(Summer 1997)

Please circle the choice that best describes how you feel about each of the statements below. **Please** note that statements are grouped into sections for your convenience.

		Strongly Disagree		Agree		Strongly Agree	No Opinion
	Financial						
1	I am satisfied with my salary	1	2	3	4	5	☐
	(In the following questions, "assets" refer to items such as space, funding, equipment, etc)						
2	**College** assets are allocated fairly	1	2	3	4	5	☐
3	**Department** assets are allocated fairly	1	2	3	4	5	☐
	Communication - *Includes areas such as style, content, clarity format and timeliness.*						
4	Communications within **the College** are effective and appropriate for my needs	1	2	3	4	5	☐
5	Communications within our **Department** are effective and appropriate for my needs	1	2	3	4	5	☐
	Academic Affairs						
6	I am satisfied with our rate of progress in revising the D.V.M. curriculum	1	2	3	4	5	☐
7	Adequate opportunities for faculty development are available to me	1	2	3	4	5	☐
	Recruiting Practices						
8	An appropriate mix and quality of D.V.M. students are being recruited	1	2	3	4	5	☐
9	An appropriate mix and quality of graduate students are being recruited	1	2	3	4	5	☐
	Administration						
10	**College** administration shows vision, credibility and productivity	1	2	3	4	5	☐
11	**College** administration effectively represents the College's interests with the A.H.C., University, profession, etc.	1	2	3	4	5	☐
12	**Department** administration shows vision, credibility and productivity	1	2	3	4	5	☐
13	**Hospital** administration shows vision, credibility and productivity	1	2	3	4	5	☐
14	**V.D.L.** administration shows vision, credibility and productivity	1	2	3	4	5	☐
	Facilities - *includes space, equipment learning resources and support staff*						
15	Facilities and support meet my needs for **teaching**	1	2	3	4	5	☐
16	Facilities and support meet my needs for **research**	1	2	3	4	5	☐
17	Facilities and support meet my needs for **service**	1	2	3	4	5	☐
	Strategic Plan						
18	The College strategic plan has been clearly communicated to me	1	2	3	4	5	☐
19	Adequate progress is being made on implementing the strategic plan	1	2	3	4	5	☐
	Faculty						
20	Faculty in my department communicate and cooperate with each other	1	2	3	4	5	☐
21	Faculty in my department have ample opportunity for communication and cooperation with other departments	1	2	3	4	5	☐
22	I am satisfied with the productivity of my colleagues	1	2	3	4	5	☐

Please circle the numbers of three (3) of the above items that you would consider priorities for next year's Faculty Council

Please use the other side for additional comments.

☞

Please use this page to provide additional comments. In order to help us understand the context of your comments, please preface each comment with the number(s) of the corresponding statement(s) in the questionnaire.

Comments:

Received: from mhub0.tc.umn.edu (mhub0.tc.umn.edu [128.101.131.50])
by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id RAA18298;
Wed, 17 Dec 1997 17:12:27 -0600 (CST)
Received: from x158-132.pharmacy.umn.edu by mhub0.tc.umn.edu; Wed, 17 Dec 97 17:
Message-Id: <3.0.3.32.19971217165814.0077abf8@gross002.email.umn.edu>
X-Sender: gross002@gross002.email.umn.edu
X-Mailer: QUALCOMM Windows Eudora Light Version 3.0.3 (32)
Date: Wed, 17 Dec 1997 16:58:14 -0600
To: ahcfcc96-97@tc.umn.edu, Cynthia R Gross <gross002@maroon.tc.umn.edu>,
courtney@mailbox.mail.umn.edu
From: Cynthia Gross <gross002@maroon.tc.umn.edu>
Subject: Re: Dean's Council Synopsis
In-Reply-To: <66894.courtney@mailbox.mail.umn.edu>
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"

Synopsis of Open Session of Dean's Council Meeting 12/16/97

1. A large stack of interesting handouts were provided.
a. Overheads of the final Fairview-U Hosp merger as presented by Frank C. See the new Mission statement, Report Card, and Impact on Faculty pages.
b. Enterprise System Project update - this is the computer-info services upgrade which is wide-reaching and will cost big bucks. Note the outcome of the project/ audit review requested by Yudof. Apparently several large changes are being made in response to the auditors' concerns.
c. PDIP Manual. a lengthy document which needs a 2-page exec summary. There is widespread U interest in this.
d. Yudof's cost reduction memo. Note the cautions against cost shifting, raising internal service costs, and firing only the lowest paid staff who are those typically providing direct services. Goals request meaningful reduction in processes which do not add needed services, and 'vertical' shrinkage - eliminate top as well as bottom positions.
f.Space report - Bitterman policy draft circulated, expectation that space strategic plan reports will be done in January.
g. Communications report - U 'roadshow' for outstate PR, agreement with Fairview for naming and marketing joint programs.

h.Human Resources - describes UMP practice plan timeline, gives staff directory
i. Finance - budget projection software for Deans and administrators is being distributed (this was also a demo)
Discussion: Laura C Koch spoke about U-wide need for curriculum planning to address IMG pressures - Will Carlson offer English and math to retain tuition? How will faculty who give lectures in colleges other than their own get 'credit' if the fees are not split but go only to the college with the course designator? What are the dis-incentives of the new program for interdisciplinary courses? What are interdisciplinary courses anyway? Lots of questions were raised, no actions taken.

Not a particularly interesting session. (unless the closed session was)

UNIVERSITY OF MINNESOTA

University Senate

427 Morrill Hall
100 Church Street
Minneapolis, MN 55455-0110

612-625-9369
Fax: 612-626-1609
E-mail: senate@mailbox.mail.umn.edu

December 12, 1997

To: AHC FCC Members

From: Vickie Courtney

For your information.

Frank B. Cerra, MD

Senior Vice-President for Health Sciences, University of Minnesota Medical School

Though the effects of managed care can be seen all across the country, the state of Minnesota has clearly been in the forefront of change. While this has presented an opportunity to be on the leading edge of health reform, it has also had a revolutionary impact on all previously held ways of doing business.

A long-time faculty member at the University of Minnesota, Frank Cerra was named Dean of the medical school in May of 1995, a time which found the University of Minnesota Hospital in a precarious position. The day-to-day financial workings of the institution soon became his major focus and in 1997 he became the Senior Vice-President for Health Sciences. In this position much of the restructuring and strategic planning of the school is now under his supervision, and he has dealt with several daunting challenges both within the school and the state. Interviewed in his office in Minnesota, Cerra candidly reflected on the power of market-based health reform and the frustrations involved in turning a slow moving public institution towards the future.

JIM: A leading health care executive said last year, "The Twin Cities are 10 to 20 years ahead of the rest of the country in health reform efforts." Why do you think this area is so far out in front of everyone else?

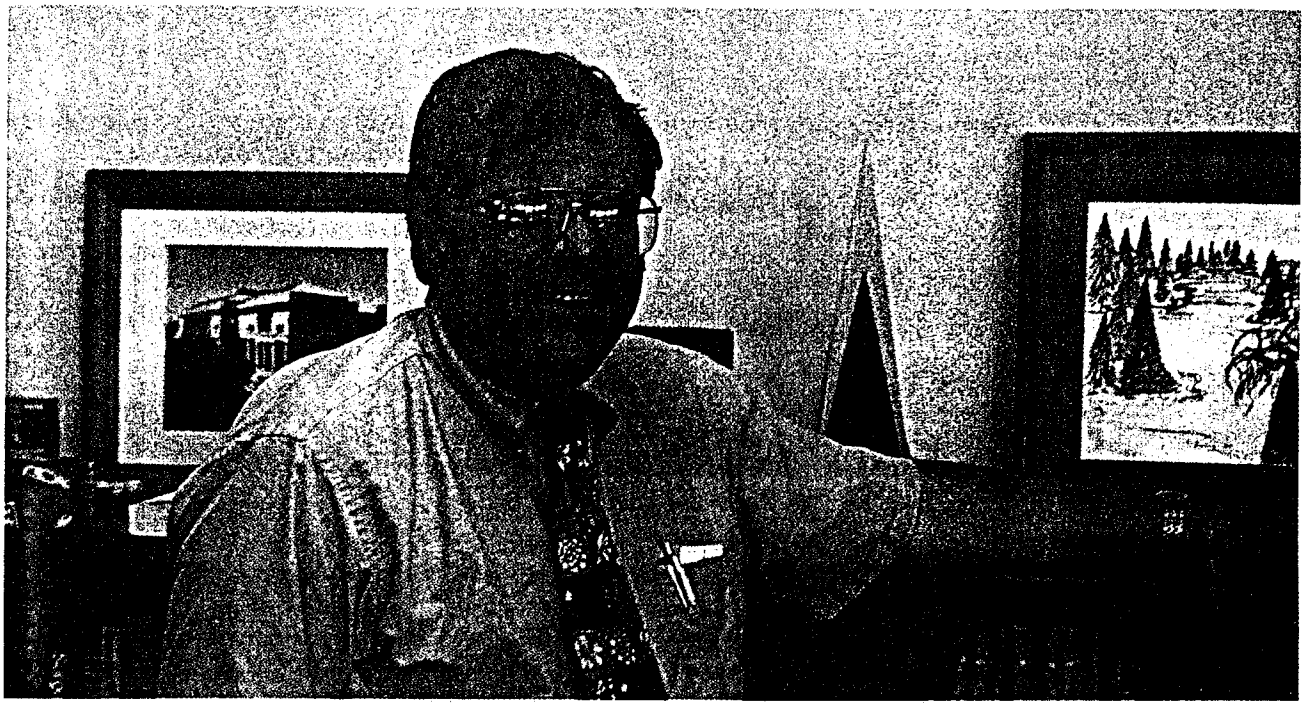
Cerra: (Laughing) I just have to object to the use of the word reform, just so you know, I don't see it as reform. I think there are some innovative things happening here for health care but reform implies that the old system was broken. My answer to the question is that it is an expression of the Minnesota culture of values. That's how the state is and I think there were people here who got interested in this issue early, who saw the limitations of the current form of health care delivery, and who had some greater goals in mind that were more population-oriented, if you will. This state shouldn't have uninsured and underinsured and everybody ought to have access to quality health care. I think those were the motivating values that drove the development of the concept that we call managed care, which I will tell you straight out I don't know what that is because I think it changes on a day-to-day basis.

I think that those innovative developments of the marketplace are driven by the people of the State at all levels. I think you see this in the State Statute on Health Care. It permits the formation of managed care organizations, if you will, and initially promotes consolidation in the formation of these big health systems.

We put that on hold and said "Well let's focus more on a community-based health system. I'm not sure these big conglomerates are really the way we ought to go." It doesn't really meet all the needs of rural Minnesota, which is a big problem for us. I think you see the physicians sort of figuring out how to respond to this because the paradigm of managed care that evolved here put the provider and the patient progressively apart and put the insurer in the middle. That sort of comes to the next innovation, which is a business coalition, which is pushing the direct contract option between business and providers. Now you have a university that is sort of figuring out how to respond to this.

JIM: You mentioned one of the innovations that is occurring in the Twin Cities is that this large consortium of employers, buyers, and health care providers are bypassing HMOs and seeking to contract directly with roughly 90% of the physicians in the area. How is that plan coming along?

Cerra: I think it's too early to say how it's doing. It certainly causes ripples. They put out their RFPs and I think, the docs are starting to look at this and say "Boy, this opens some opportunities now for docs." The phenomenon that's going to happen in this community is that docs are consolidating into larger, and larger



A surgeon by training, Frank Cerra uses a hands-on approach to lead the University of Minnesota towards a more stable future.

groups in a sense forming their own "purchasing cooperatives" for contracts. And what's now allowed under Minnesota law is that the physicians can do two things that they couldn't do before.

First, they can bring in other providers such as nurses, pharmacists, midwives, you name it. Second, at the same time they can become the responsible agent for a population of people in both disease and in health so they can become, if you will, "their own health system." They assume the risk. It's a weird form of contracting we have in Minnesota where the contracts are awarded on a per-member, per-month comparison of expenses. It's sort of a back-door capitation. But with that methodology around, it really opens the door if physician groups are big enough, have a stable enough population base that they can become responsible to develop the information systems, management systems, and all of that kind of stuff. That's beginning to happen.

JIM: Where does the financing come from for physicians, even a large group of physicians, to take on that degree of risk?

Cerra: That's a good question. How do you capitalize that? How do you insure it essentially? The state is not capital poor. It's a pretty capital-rich state and the business folk are pretty astute. I think that is one answer. The second is physicians still generate a lot of revenue. That is the second piece. The third piece is given the asset base, they have borrowing capacity. The fourth piece is tied up in the other side of that question, which is: What is going to be the relationship between this physician group that is trying to do this and other health systems and how are those managers going to respond to it? They are going from more of a control-market position to a respond to the market position.

"We like to talk about the quality of care but I'm afraid that it's still going to be a while before we have things other than consumer satisfaction or business efficiency feedback as indicators of quality."

JIM: Have any of the managed care companies tried to put pressure on providers to not participate in this consortium?

Cerra: I don't know what the answer to that is. It raises an excellent question. My guess is that given the competitiveness of the market, there probably have been clear, frank discussions on those issues. I haven't

"We remain disengaged from the marketplace. Big mistake. For a whole variety of reasons to this day we are just at the point where we have a small cadre of physicians who really understand the Minnesota marketplace."

been involved at that level.

JIM: Do you think an academic medical center has any greater leverage when dealing directly with a group of employers than with an HMO?

Cerra: I think the answer is yes and no. The variable there is how prepared is the physician and provider organization of that medical school to act as an integrated health system and does it have the capacity to manage populations? Because it comes down to that kind of competition when contracts are awarded, whether we like it or not—on the basis of the per-member, per-month cost and how that compares for the same population base. We like to talk about the quality of care but I'm afraid that it's still going to be a while before we have things other than consumer satisfaction or business efficiency feedback as indicators of quality.

JIM: Do you anticipate any antitrust problems associated with this venture if 90% of physicians in the Twin Cities join together to essentially set their prices?

Cerra: Yes. I don't know where the threshold is. For instance, there are some specialty groups right now that are so big that they essentially control pricing for certain kinds of surgical interventions. On the other hand, even though that's true, they have contracts with all the insurers. I think you get very much involved in the complexities of what antitrust is about and how you actually evaluate that. I think it's the legal minds that are really going to decide that.

I would say there is a clear risk that it's going to trigger some of those thresholds where they are going to have to be looked at. I don't see how it can't. On the other hand, you will see the Minnesota legislature and Medicare saying, "Well we are going to open the door to these type of things. We are going to make it legal because we think it improves the competition." Now you have all of these forces clashing and somebody sort of has to weed out where you are with antitrust and what's now permitted under the new laws. I don't know the answer. The legal community needs to weed all that out. Us lesser minds will sort of work with it.

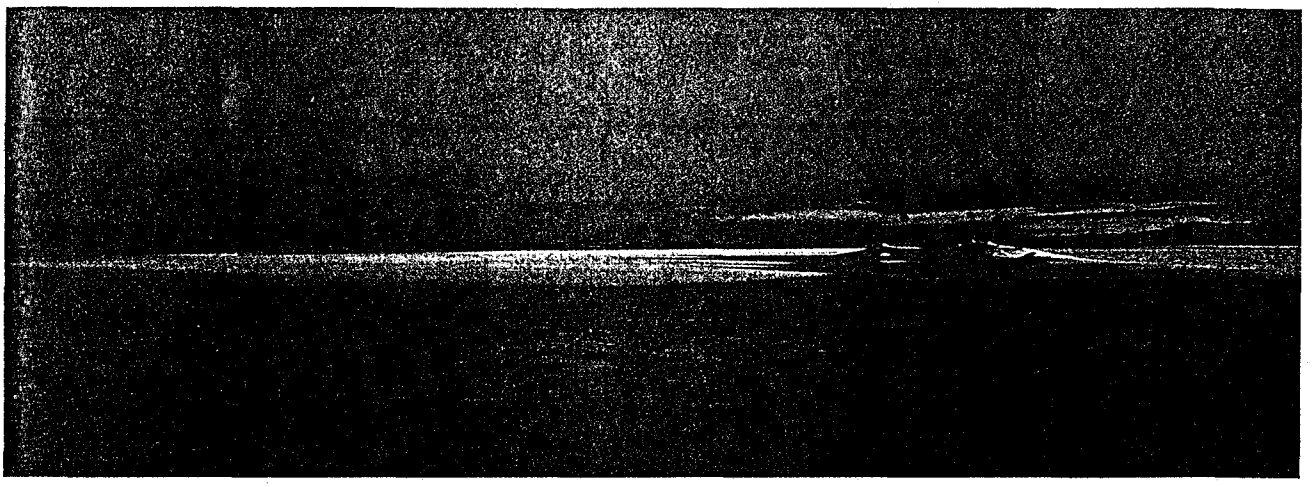
JIM: Speaking with several faculty members here, things were pretty bleak in terms of the financial picture several years ago. Was there anything that made the University of Minnesota particularly vulnerable to the effects of managed care?

Cerra: Yes, yes, and yes. Some were of our doing, some the markets doing. It is an area I've pondered an enormous number of times and I'm trying to telescope it down to what I think are a few key points. One, we remain disengaged from the marketplace. Big mistake. For a whole variety of reasons to this day we are just at the point where we have a small cadre of physicians who really understand the Minnesota marketplace—what it is and where it's going—and a fewer number of people in the administrative positions that have to work with that. That's a very important piece.

The second is, of course, the marketplace itself. It adopted a position that it simply is not going to pay for education and research activities going on in the university hospitals. That is a big problem. We know that in 1996, which is the year we have the best data from because that is the data we used for the basis of the Fairview relationship, the University Hospital paid $52 million for education and research expenses. If you look at the revenue offsets and pull them all out, there is a net cost of $26 million. That was for services rendered. Nonetheless we owned and operated it. It was inside the house and that's the traditional way you approach that. It's reflected in your charges.

At the same time our medical school like most medical schools grew off physicians' income. It didn't grow off the state line. The state line is only about 18% of the budget where the clinical income is about 40% of the revenue. We end up with a group of clinical physicians in clinical departments who work through

"When you have a hospital inside an academic health center and it is essentially driven by academic programs where the leadership positions in the hospital are the same people who are chiefs of academic departments, you have a problem."



The financial climate of Minnesota medicine remains frigid and inhospitable.

patient care, pay their own salaries and fringe benefits, essentially support their own research, do the teaching, and support 40% of the medical school budget.

Now you get the managed care people as well as all the other payers who are ratcheting down what they are going to pay per case and moving into more of population-based contracting, where of course the incentives are all different. We began to pick up some big hits. I can't remember the numbers exactly. In 1996 the hospital was losing money and we projected that we were going to lose $100 to $150 million over the next 3 or 4 years. Where do you get that? Do you use up the University's reserves? That's what got us into this whole business. What are we going to do? Do we close and turn into a research institute? Sell it, or sell it and partner?

The marketplace places no premium on research. They could care less who pays for the research. That is not true in all areas of research. They are sort of interested in looking at outcomes research and cost effectiveness research but there aren't a lot of examples where they've actually anted up and developed those protocols and paid for them. We're not sure how much is lip service and how much is something we could actually bring to completion.

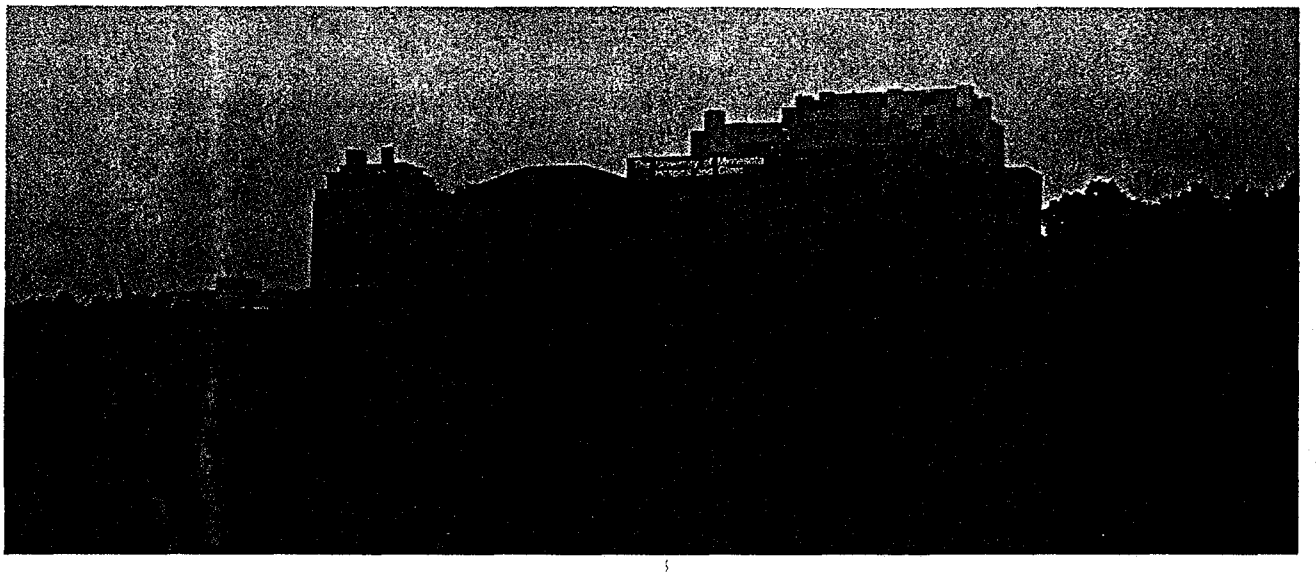
Research is expensive. We have roughly 1200 to 1300 clinical research protocols on any given day in this institution, most of which run out of that hospital. We know that somewhere between $5 and $9 million a year of hospital operations went towards supporting research. When you have a hospital inside an academic health center and it is essentially driven by academic programs where the leadership positions in the hospital are the same people who are chiefs of academic departments, you have a problem. You have to ask the question: Can you really effectively manage this hospital so that it meets all the community benchmarks of performance? It's not only the inability to manage but the inability to recognize that you can't manage until you're way down the road to a bleeding health system that hurt us as well.

"The marketplace places no premium on research. They could care less who pays for the research."

JIM: Most academic centers view clinical income as a method for supporting research and education but people here have told us that there is a "fire wall" between clinical income and other activities within the University. Do you think the days are over where clinical income can be used to support education and research?

Cerra: The short answer is yes. A vehement yes. What they are telling you is an outgrowth of the major elements of a strategic plan that was developed and implemented here. Ultimately, I had to make decisions concerning what we were going to do. First we had to go from 18 different practice plans and 18 different departments to a single integrated group practice, not a multidisciplinary group practice, but an integrated group practice. The emphasis is on unity.

To do that we've got to give departments a greater scope of decision making and autonomy on the front end while we still maintain the appropriate oversight. That was one decision. The next decision was to partner with Fairview Health System. We had to sell them our hospital but that was the minor piece. The real issue was to maintain con-



A rose by any other name: The renowned University of Minnesota Hospital is now called Fairview University.

trol of the resources for education and research. The third piece was to make a fundamental decision that strategically we can't be everything to everybody so where do we want to be positioned in this marketplace. And then piece number four, each academic or clinical component needs a definition of what it is, their own evaluation process, its own source of revenue, its own source of rewards, and these need to be coordinated.

We have the added complexity here that the private practice plan is legally outside the University. Everything else is inside the University so we have to develop this common paymaster system, which is now all done. In that sense, yes there is a fire wall between clinical revenue and the revenues that pay for education, research, and administrative work. That is evolving but we don't have that system running yet. It's going to take another couple of years because it's a very complex thing to set up.

JIM: Given the very intense pressure that you have been under here clinically for the last few years, is there a reason why some of these things such as having one practice plan haven't come together a little bit quicker? Are you surprised it takes so long to do something like that?

Cerra: Yes. I'd say it has been one of the biggest learning experiences that I've gone through. The complexities and time lines of what is straight-out changing an established culture, which is what we are doing. When I was a department chair I had absolute control over academic programs and the revenue streams. Today a chair doesn't. The revenue streams are state money and come through my office and the dean and then down. We have a lot of decision makers up front—a different environment in decision making. It's no longer saying "Well this year I'm going to hire three new cardiac surgeons." We're going to the practice plan now and saying: What does the work force need here? What is it we really need?

"The [Fairview] deal wasn't done to make money or lose money, it was done to stop the bleeding and to preserve our mission, because the census was getting to the point where we couldn't support the education and research mission. If you can't do that, then you might as well be in private practice."

JIM: You've mentioned the arrangement with Fairview. Could you describe exactly the nature of the affiliation or partnership with Fairview?

Cerra: Fairview owns and operates the hospital. They manage the hospital. The governing board of the hospital is 51% university. The Fairview system has 800,000 or 900,000 covered lives, soon to be a billion dollar corporation. We control about 25% of the board of the Fairview system, and we are well positioned. I'm on the executive committee; the senior vice

president for finance is on the finance committee. I chair the research and education committee that generates policy on research and that kind of stuff. The affiliation agreement is the soul of the agreement. The deal wasn't done to make money or lose money. It was done to stop the bleeding and to preserve our mission, because the census was getting to the point where we couldn't support the education and research mission. If you can't do that, then you might as well be in private practice.

So the affiliation agreement in a nut shell guarantees that the control of education and research reside in the University Health Center. It provides financial support for medical education and for education and research, and it provides access rights so that the hospital still functions as an education and research facility. We retain the "public utility" rights. We are a public land grant institution. The institution can't totally align itself with just Fairview. We still have to service other health systems in Minnesota. As a practical matter if you've got 800 medical students, 600 of which are in the field, and 1300 to 1400 fellows and residents even though you are cutting those positions by 25%, they can't all be trained at this hospital and shouldn't all be trained at this hospital. They need the exposure of the VAs, of the private sector hospitals, of the public hospitals. The other big piece I guess I would call the reserve rights of the Board of Regents, where Fairview can't sell itself to another health system. That's sort of the reserved right of the Regents. They would have to approve that.

JIM: You are still going to be dealing with other health systems in the area. Why are they going to want to continue dealing with you if it makes one of their major competitors, ie, Fairview, stronger?

"One of the things I've championed is that if you continually tie education and research to the flow of patients and who has the contract for patients, then you have killed the university. You've killed the Academic Health Center. Because education and research systems can't respond in most time frames and they will die, they'll go bankrupt."

Cerra: Well, this is a good question. I'm going to answer it on several levels. First on the level of patient care, there are certain niche markets that we do—transplant, bone marrow. You know that is how the market is. So that's one answer. There are certain services that can only be done here. I think the second reason is their future is heavily dependent on the work force that we turn out: be it physicians, nurses, pharmacists, dentists, you name it. I think part of what is happening is the big health systems, if you follow their original philosophy, should have their own medical schools. I think they figured out that they cannot do that. They realized it is too expensive.

It is not really the business they are in and if you don't know how to manage that business you lose your shirt. The question is who needs to be trained and how long it takes to train them. I think they know you need to support the cutting edge research that goes on in this hospital and drives the economic engine of the state. The final reason, which I wouldn't minimize just because it's last, is politics.

JIM: Do you have any thoughts about how an academic medical center can continue to constantly train new specialists with cutting edge skills who go out into the community and become your competitors?

Cerra: This is an interesting question. We don't have trade secrets. I think the answer to that is the marketplace. In several levels, the marketplace is only going to support a certain number of specialists and subspecialists. I would say in the next couple of years primary care doctors will be in the same oversupply mode. That's number one. I think number two, the marketplace wants a medical school and a nursing school and an academic health center for other kinds of benefits.

There are other benefits to the academic health center or medical school in technology transfer, in new therapy development, in prestige, in politics, in its relationship to the State. The State is not going to dump the kind of money it dumps into here and let the thing go down the tubes—can't afford that. If for nothing else it is the realization that as an institution, the University brings 350 to 400 million new dollars to the state and research money from outside the state. It generates tens of thousands of jobs. It creates the Medtronics of the world. Now that's the University. So you've got that piece which means you have the potential to begin to separate patient care contracts from education and research functions. That's one of my big things.

One of the things I've championed is that if you continually tie education and research to the flow of patients and who has the contract for patients, then you have killed the university. You've killed the acade-

mic health center. Because education and research systems can't respond in most time frames and they will die. They'll go bankrupt. They've got to be separated. That is the practical argument. The other end of the spectrum is the ethical argument that you shouldn't tie education and research to business decisions in the sense of contracting in the marketplace. That's a mistake.

JIM: Your predecessor, Bill Brody told us last year that the day of the gatekeeper in managed care was nearing the end. Do you see any evidence of that in Minneapolis?

Cerra: No. If you ask me do I think it will end? The answer is yes. If you say when, I'll probably say early in the next Millennium, which isn't that far away. For a whole lot of reasons, the business coalition, the direct contract option is going to drive it. I think the managed care consortia as a group are beginning to realize the effect their initiatives had on making physicians more cost conscious and cost effective. Soon it will be a reasonable risk to say, "Well really we don't need the gatekeeper anymore." I think there are evolving areas that actually show for certain kinds of diseases you are better off being treated by a specialist or a subspecialist.

JIM: We've spoken almost exclusively about financial things. How significantly have all the financial worries and machinations necessary to deal with managed care impacted the ability of the University of Minnesota to concentrate on its academic mission?

Cerra: That is in the category of a core question. It's a really good one. There is no question that it has been a distraction from the core mission on one hand. On the other hand, it facilitates you hunkering down and deciding quite rapidly who it is you are and where it is you want to go. What can you invest in getting over a lot of the problems of public universities that have not made major investments in infrastructure, in information systems and the like, to support decision making and financial planning. I think it has facilitated a lot of that, but at the same time you had to focus more on how you balance your budget, which is a distraction.

For the academic health center here, I can tell you we are now out of the woods. All of our schools are solvent and in pretty good financial shape as of the end of this fiscal year. We've done very well over the last two or three years and it comes from being conscious about where you are spending dollars, getting people to think about what they are buying, and when to buy. Nobody has ever said if you really need something you can't have it. But we have a structural problem here that we have to fix. As of about a month ago everybody's in the black.

ACADEMIC HEALTH CENTER FCC
Minutes of the Meeting
November 13, 1997

These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes reflect the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

PRESENT: David Hamilton (chair), Dan Feeney, Sheila Corcoran-Perry

REGRETS: Fred Hafferty, Muriel Bebeau, Cynthia Gross, Peter Bitterman

The minutes of the October meeting were approved.

Professor Hamilton provided an update on the Faculty Revitalization and Renewal Program. He reported that he received a memorandum from Senior VP Cerra regarding AHC-wide early-exit program and that after reviewing the options, decided not to proceed with the development of a new AHC-wide early exit program, and will continue to employ the existing University programs.

Professor Corcoran-Perry reported that the Governance Task Force hopes to get the report done by the end of fall quarter. Principles to guide consultation are needed, she said. Her sense is that the members of the Task Force believe that the AHC FCC is important.

Dean's Council Meetings: AHC FCC members who attend the Dean's Council meetings should use the AHC FCC listserve to send a brief summary of what happened at the meeting. Handouts along with the agenda should be sent to Vickie Courtney.

Dan Feeney and Sheila Corcoran-Perry agreed to write the column for the December edition of AHC Community News. Deadline for submission is December 9.

Members present then spent time reviewing and discussing the proposed composition for the Review Committee for Review and Evaluation of AHC Dean. Some of the concerns raised about the composition include: 1) the number of staff on the review committee; 2) the dean serving as chair of the review committee; 3) the senior staff member from the Senior VP's Office sitting on committee. Members agreed to raise these concerns with VP Cerra at their upcoming meeting and will recommend that the number of staff be reduced to 1; that a faculty member outside of the AHC serve as chair; and that the director of human resources serve as advisory to the committee.

The agenda for the November 25 Faculty Assembly meeting was discussed. Those present then talked about the establishment of a Faculty Affairs and Finance and Planning Committee of the AHC. The following motion will be presented to the AHC Assembly: To grant the AHC Fcc the authority to appoint a Finance and Planning Committee and a Faculty Affairs Committee of the AHC for this academic year because an election for members of the AHC Committee on Committees will not take place until spring quarter, 1998. Dan Feeney agreed to serve as chair of the Finance and Planning Committee.

OTHER BUSINESS

- The report of the ad hoc committee on Faculty Revitalization and Renewal will go on the WEB.

. A meeting with the student AHC FCC will be scheduled during the first part of winter quarter.

Professor Hamilton adjourned the meeting at 1:15 p.m.

- Vickie Courtney
University of Minnesota!

To: Vickie Courtney 6-1609

From: Dan Feeney

Re: Administrative Explanation Piece for the AHC Newsletter

Vickie,

I wrote this while in Chicago. It was faxed to my wife so I could get it to Sheila before she left town, but that faxed Sheila was already gone. I'm not comfortable with having Sheila's name on it if she has not seen it. Please forward it to the newsletter editor. I have it on disk, but wanted to get it through you to the ~~AHC~~ communications person. Obviously, having been gone for a week and now facing a weekend clinic duty and final week on top of it.

Thanks, Feeney

Received: from mhub2.tc.umn.edu (mhub2.tc.umn.edu [128.101.131.52])
by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id KAA02724
for <courtney@mailbox.mail.umn.edu>; Fri, 12 Sep 1997 10:14:12 -0500 (CD
Received: from maroon.tc.umn.edu by mhub2.tc.umn.edu; Fri, 12 Sep 97 10:10:06 -0
Received: from x244-58.hsr.umn.edu by maroon.tc.umn.edu; Fri, 12 Sep 97 10:10:05
Message-Id: <v03007810b03f0bb07382@[128.101.244.58]>
In-Reply-To: <63090.courtney@mailbox.mail.umn.edu>
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
Date: Fri, 12 Sep 1997 10:14:28 -0500
To: "Vickie Courtney" <courtney@mailbox.mail.umn.edu>
From: Judy Garrard <jgarrard@maroon.tc.umn.edu>
Subject: Re: Dean's Council Meetings - Sign Up Time

Dear Vickie,
I can attend the Council of Deans meetings on the following dates. I have these down on my calendar now. If someone else has taken any of the dates, let me know and I'll change.

>
>October 7 Judy Garrard
>
>November 25 Judy Garrard

>December 30 Judy GArrard

Also, I will be out of town for the following AHC-FCC meetings (DAvid asked us to let you know this): November 13

and out of town for one of the meetings with Frank: Wed, June 17.

So far, everything looks o.k. right now, but things come up, so I'll keep you posted. Thanks,
Judy

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Judith Garrard, Ph.D.
Professor, Institute for Health Services Research
School of Public Health
Box 729 UMHC
420 Delaware Street, S.E.
University of Minnesota
Minneapolis, MN 55455

Telephone: (612) 625-9169
FAX: (612) 624-2196

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Received: from mhub2.tc.umn.edu (mhub2.tc.umn.edu [128.101.131.52])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id JAA19682
        for <courtney@mailbox.mail.umn.edu>; Wed, 5 Nov 1997 09:15:13 -0600 (CST
Received: from maroon.tc.umn.edu by mhub2.tc.umn.edu; Wed, 5 Nov 97 09:09:42 -06
Received: from x84-27-153.ejack.umn.edu by maroon.tc.umn.edu; Wed, 5 Nov 97 09:0
From: "Muriel J. Bebeau" <bebea001@maroon.tc.umn.edu>
Reply-To: "Muriel J. Bebeau" <bebea001@maroon.tc.umn.edu>
To: courtney@mailbox.mail.umn.edu
Subject: Re: AHCFCC Business
Message-Id: <34608c361987077@mhub2.tc.umn.edu>
Date: Wed, 5 Nov 97 09:09:42 -0600

The 3:15 time works for me. Mickey

In message <71112.courtney@mailbox.mail.umn.edu> "Vickie Courtney" writes:
> Hello:
>
> 1) The deadline for submitting the column for the Nov. AHC Community
> News is Nov. 11 - Any volunteers????
>
> 2. The Student (AHCSFCC) would like to meet with you - one suggestion
> is Monday, Nov. 10 3:15 - 4:00 - Let me know what you think.
>
> 3. Pete Bitterman will attend the Dean's Council Meeting tomorrow.

Muriel J. Bebeau, Ph.D.
Professor, School of Dentistry
Faculty Associate, Center for Bioethics
Director of Education, Center for the Study of Ethical Development
University of Minnesota
15-136 Moos Tower
515 Delaware S.E.
Minneapolis, Minnesota 55455
Phone: (612) 625-4633
FAX: (612) 626-6096
E-Mail bebea001@maroon.tc.umn.edu

Received: from mhub1.tc.umn.edu (mhub1.tc.umn.edu [128.101.131.51])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id RAA10649
        for <courtney@mailbox.mail.umn.edu>; Mon, 3 Nov 1997 17:41:30 -0600 (CST
Received: from x158-132.pharmacy.umn.edu by mhub1.tc.umn.edu; Mon, 3 Nov 97 17:3
Message-Id: <3.0.3.32.19971103173025.006e13c8@gross002.email.umn.edu>
X-Sender: gross002@gross002.email.umn.edu
X-Mailer: QUALCOMM Windows Eudora Light Version 3.0.3 (32)
Date: Mon, 03 Nov 1997 17:30:25 -0600
To: "Vickie Courtney" <courtney@mailbox.mail.umn.edu>
From: Cynthia Gross <gross002@maroon.tc.umn.edu>
Subject: Re: AHCFCC Business
In-Reply-To: <71112.courtney@mailbox.mail.umn.edu>
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
Status: U

Vickie - I will be out of town from starting Wed until 11/15.

Received: from mhub1.tc.umn.edu (mhub1.tc.umn.edu [128.101.131.51])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id LAA23820
        for <courtney@mailbox.mail.umn.edu>; Fri, 7 Nov 1997 11:05:25 -0600 (CST
Received: from lenti.med.umn.edu by mhub1.tc.umn.edu; Fri, 7 Nov 97 10:59:49 -06
Received: from epididymis.med.umn.edu by lenti.med.umn.edu; Fri, 7 Nov 97 10:59:
Message-Id: <3.0.32.19971107110346.01a5c640@lenti.med.umn.edu>
X-Sender: sperm@lenti.med.umn.edu
X-Mailer: Windows Eudora Pro Version 3.0 (32)
Date: Fri, 07 Nov 1997 11:03:47 -0600
To: "Vickie Courtney" <courtney@mailbox.mail.umn.edu>
From: "David W. Hamilton" <dwh@lenti.med.umn.edu>
Subject: Re: RESPONSE REQUESTED
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"

Both times are fine with me. At present.

At 11:27 AM 11/7/97 CST, you wrote:
>If you haven't responded please do so...I've heard from Cynthia and
>she'll be out of town until the 15th; and, I've heard from Mickey -
>she indicated that she could attend the meeting with the student group.
>
>Hello:
>
>Can anyone write a column for the AHC Community News? It's due on
>Tuesday...if not, I should let Peggy Rinard know.
>
>Also, the students were interested in meeting on the 10th but since I
>haven't received responses from you I'll try to schedule another time.
>
>
>COULD YOU MEET WITH THE STUDENTS ON:
>
>DECEMBER 8   3:15 - 4:00
>
>JANUARY 5   3:15 - 4:00
>
>
>

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

David W. Hamilton, Ph.D.
Professor
Department of Cell Biology & Neuroanatomy
3-135 Jackson Hall
321 Church Street, SE
Minneapolis, MN 55435
TEL: (612) 624-6606
FAX: (612) 624-8118
E-Mail: dwh@med.umn.edu

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Received: from mhub2.tc.umn.edu (mhub2.tc.umn.edu [128.101.131.52])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id LAA25440
        for <courtney@mailbox.mail.umn.edu>; Fri, 7 Nov 1997 11:43:40 -0600 (CST
Received: from maroon.tc.umn.edu by mhub2.tc.umn.edu; Fri, 7 Nov 97 11:35:24 -06
Received: from x244-58.hsr.umn.edu by maroon.tc.umn.edu; Fri, 7 Nov 97 11:35:24
Message-Id: <v03007823b0890164ec11@[128.101.244.58]>
In-Reply-To: <54202.courtney@mailbox.mail.umn.edu>
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
Date: Fri, 7 Nov 1997 11:35:32 -0600
To: "Vickie Courtney" <courtney@mailbox.mail.umn.edu>
From: Judy Garrard <jgarrard@maroon.tc.umn.edu>
Subject: Re: RESPONSE REQUESTED

Vickie,
    I will be out of town from Sat, Nov 8 until Sat, Nov 15. I cannot write a column. Also, I will be available on Monday, Dec 8. I teach winter quarter on Mondays and Wednesdays from 3:30 to 5:30, therefore I won't be able to make the Jan 5 meeting. Some time on Tues or Thurs would be possible.
Judy

>If you haven't responded please do so...I've heard from Cynthia and
>she'll be out of town until the 15th; and, I've heard from Mickey -
>she indicated that she could attend the meeting with the student group.
>
>Hello:
>
>Can anyone write a column for the AHC Community News? It's due on
>Tuesday...if not, I should let Peggy Rinard know.
>
>Also, the students were interested in meeting on the 10th but since I
>haven't received responses from you I'll try to schedule another time.
>
>
>COULD YOU MEET WITH THE STUDENTS ON:
>
>DECEMBER 8 3:15 - 4:00
>
>JANUARY 5 3:15 - 4:00

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Judith Garrard, Ph.D.
Professor, Institute for Health Services Research
School of Public Health
Box 729 UMHC
420 Delaware Street, S.E.
University of Minnesota
Minneapolis, MN 55455

Telephone: (612) 625-9169
FAX: (612) 624-2196

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Received: from mhub1.tc.umn.edu (mhub1.tc.umn.edu [128.101.131.51])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id OAA00922
        for <courtney@mailbox.mail.umn.edu>; Fri, 7 Nov 1997 14:06:30 -0600 (CST
Received: from maroon.tc.umn.edu by mhub1.tc.umn.edu; Fri, 7 Nov 97 14:00:48 -06
Received: from x108-40.cvm.umn.edu by maroon.tc.umn.edu; Fri, 7 Nov 97 14:00:47
From: "Daniel A. Feeney" <feene001@maroon.tc.umn.edu>
To: courtney@mailbox.mail.umn.edu
Subject: Re: RESPONSE REQUESTED
Message-Id: <3463737007e3070@mhub1.tc.umn.edu>
Date: Fri, 7 Nov 97 14:00:55 -0600

Vickie,

It seems that many of us are quite busy Fall Quarter. From my standpoint, I'm either teaching of on clinic duty almost all the time. December 8th is in final week if I'm not mistaken. Our students are currently arranging their final week schedule. Because I am the course coordinator for one of their Fall courses, I may be giving a final examination that day. [I hope I can make the 12/11/97 AHC-FCC Meeting.] 1/5/98 would be better for me. Then I'll have some breathing room.

Regarding the article for Peggy Rinard, I can't help this quarter. Winter, Quarter, I'll be more than happy to do my part.

Feeney

****

In message <54202.courtney@mailbox.mail.umn.edu> "Vickie Courtney" writes:
> If you haven't responded please do so...I've heard from Cynthia and
> she'll be out of town until the 15th; and, I've heard from Mickey -
> she indicated that she could attend the meeting with the student group.
>
> Hello:
>
> Can anyone write a column for the AHC Community News? It's due on
> Tuesday...if not, I should let Peggy Rinard know.
>
> Also, the students were interested in meeting on the 10th but since I
> haven't received responses from you I'll try to schedule another time.
>
>
> COULD YOU MEET WITH THE STUDENTS ON:
>
> DECEMBER 8 3:15 - 4:00
>
> JANUARY 5 3:15 - 4:00
>

Daniel A. Feeney
C-350 Veterinary Hospitals
University of Minnesota, St. Paul Campus
1352 Boyd Ave
St. Paul, MN 55108
(612) 625-9731 (phone and voice mail)

Received: from mhub1.tc.umn.edu (mhub1.tc.umn.edu [128.101.131.51])
        by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id QAA05510
        for <courtney@mailbox.mail.umn.edu>; Fri, 7 Nov 1997 16:05:11 -0600 (CST
Received: from maroon.tc.umn.edu by mhub1.tc.umn.edu; Fri, 7 Nov 97 15:59:36 -06
Received: from x84-14-18.ejack.umn.edu by maroon.tc.umn.edu; Fri, 7 Nov 97 15:59
To: courtney@mailbox.mail.umn.edu
From: "sheila corcoran-perry" <corco001@maroon.tc.umn.edu>
Subject: RE: RESPONSE REQUESTED
Date: Fri, 7 Nov 1997 18:14:01
X-Tick-Nemesis: The Idea Men
MIME-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
Message-Id: <34638f486a90239@mhub1.tc.umn.edu>

Sorry about not responding)-:

Can't meet Monday and can't do the column this time.

Sheila

On Fri, 7 Nov 97 11:27:09 CST,
courtney@mailbox.mail.umn.edu wrote...
>If you haven't responded please do so...I've heard from Cynthia and
>she'll be out of town until the 15th; and, I've heard from Mickey -
>she indicated that she could attend the meeting with the student group.
>
>Hello:
>
>Can anyone write a column for the AHC Community News? It's due on
>Tuesday...if not, I should let Peggy Rinard know.
>
>Also, the students were interested in meeting on the 10th but since I
>haven't received responses from you I'll try to schedule another time.
>
>
>COULD YOU MEET WITH THE STUDENTS ON:
>
>DECEMBER 8   3:15 - 4:00
>
>JANUARY 5   3:15 - 4:00
>
>
>

Sheila A. Corcoran-Perry, PhD, RN, FAAN
Professor
School of Nursing
University of Minnesota
6-101 Weaver-Densford Hall
308 Harvard Street
Minneapolis, MN 55455
(612) 624-6956

Received: from mhub2.tc.umn.edu (mhub2.tc.umn.edu [128.101.131.52])
by mailbox.mail.umn.edu (8.8.5/8.8.5) with SMTP id SAA13329
for <courtney@mailbox.mail.umn.edu>; Thu, 25 Sep 1997 18:02:01 -0500 (CD
Received: from maroon.tc.umn.edu by mhub2.tc.umn.edu; Thu, 25 Sep 97 17:57:21 -0
Received: from x84-14-18.ejack.umn.edu by maroon.tc.umn.edu; Thu, 25 Sep 97 17:5
To: ahcfcc96-97@maroon.tc.umn.edu
From: "sheila corcoran-perry" <corco001@maroon.tc.umn.edu>
Subject: Thoughts on Consultation
Date: Thu, 25 Sep 1997 19:09:37
X-Tick-Nemesis: The Idea Men
MIME-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
Message-Id: <342aec5153ce637@mhub2.tc.umn.edu>

I am serving on a Twin Cities Assembly Task Force on Faculty Consultation. During our deliberations, John Howe from the History department shared some thought on consultation that I found very helpful and thought provoking. I share them with you because I think they could be helpful to all of us.

"Though faculty consultation and governance are closely related, both structurally and procedurally, they are separable for purposes of discussion. Governance has to do with faculty decision making as accomplished by the Senate, the Twin Cities Assembly, and their committees. Consultation, on the other hand, involves the arrangements through which the faculty offers advice (generally short of consent) on issues falling principally within the domain of administrative decision making.... Concerning consultation, we need to attend to three different but related concerns: 1) ORGANIZATIONAL STRUCTURES... (e.g., How should consultative groups be constituted?);... 2) PROCEDURES (viz., When in the course of administrative decision making should faculty consultation come into play? At what administrative levels and with which administrative officials should it occur? How should relevant and timely information be provided to consultative groups? How should such groups report to their faculty constituents?... 3) AGENDAS (viz., On which issues is faculty consultation absolutely required and expected to be taken substantively into account, regarded as valuable but of less urgent importance, or optional?)"

Professor John Howe

Sheila A. Corcoran-Perry, PhD, RN, FAAN
Professor
School of Nursing
University of Minnesota
6-101 Weaver-Densford Hall
308 Harvard Street
Minneapolis, MN 55455
(612) 624-6956

AHC FACULTY CONSULTATIVE COMMITTEE
TUESDAY, SEPTEMBER 23, 1997
12:00 p.m.

AGENDA

---

1) Discussion of Deans Council presentation of early retirement proposal (pink)

2) Update on health benefits issue (tan)

3) Detailed budgets of AHC facilities, public relations, human resources, (green) and RSSO offices (grey)

4) Admin. Services

DRAFT -- for discussion only

REPORT OF THE AD HOC AHC EXIT STRATEGIES COMMITTEE
September 12, 1997

Background

Over the past two years, a structural imbalance has occurred in many budgets in the Academic Health Center, as expenses increased faster than revenues. A parallel concern is that departments within the AHC lack the financial flexibility to invest in new programs. In addition to achieving financial stability, it is quite desirable that investment pools be created at the department, school, and AHC levels. A number of mechanisms are being made available to assist in building these pools:

1. Increased revenue through investment programs, philanthropy, and the potential of IMG.
2. The attrition management program incentives
3. A variety of options for flexibility in employment to meet programmatic needs, e.g., conversion of 12 month to 9 month contracts.

Faculty and administrators have expressed a strong interest in the last mechanism. They have indicated that they want more options for employment. Particularly of interest is a program for revitalization of the faculty, via a mechanism that is programatically driven, voluntary, and will enable the employment of new, developing faculty and a change in the employment relationship of other faculty.

A committee was formed in April 1997 consisting of Michael Till, Dean of the School of Dentistry; David Hamilton, Professor and Representative from the PFCC, Jeanette Louden, Director of AHC Human Resources, and Katherine Johnston, AHC Chief Financial Officer.

The committee studied a mix of options to build unique plans for flexibility in employment. Concurrently, a sub-committee of the PFCC prepared and distributed widely a proposal for a "Faculty Revitalization and Renewal Program. A chronology of the committee's work and analyses of the various proposals are described in the following narrative.

Initial Proposal of the Committee

In May, the committee constructed an initial plan for discussion. The plan was based on a similar program that was offered throughout the university about two years ago. The major difference in the new program was the provision for options other than a direct payout. And, deans, department chairs and faculty members could

construct individual plans that would be attractive to the faculty member, but affordable to the department.

Criteria and Features of the Proposed Early Retirement Program

- Faculty must meet the "Rule of 75" to be eligible for the program, i.e., the age of the faculty member plus the years of service at the University of Minnesota must equal or exceed 75. Two other criteria must be met: a minimum of ten years of service at the University and a minimum age of 52.

- The faculty member must hold an A, B or T appointment.

- Departments have the option to augment the payout financed from university funds with private funds or practice plan revenue.

- The program will be offered to faculty in late Fall of 1997. Final decisions must be made before December 31, 1997. Faculty who elect to participate in the program will submit an application to the department head no later than December 31, 1997. The effective date of the retirement will be on or before June 30, 1998. Faculty with teaching responsibilities, however, cannot separate from the Academic Health Center until the end of the Spring Quarter 1998.

- Replacing the retired faculty member must be reviewed with the Dean of the school before the recruitment is initiated. The first claim on the released salary and fringe benefits should be achieving financial equilibrium (a balanced budget) in the department. The highest priority for the released salary and fringe benefits, if the department has a balanced budget, should be revitalization of the faculty.

The faculty member and department chair can construct an early retirement portfolio from this list of choices:

Health care coverage for up to three years or until the faculty member reaches age 65, whichever comes first (the employer portion)
Continuing opportunities to practice professionally
Office space
Paid parking
Continuing opportunities to teach and to conduct research
Secretarial support
Electronic technology access

Retirement and financial counseling will be provided during the Fall as faculty consider the special program. The sum of all the choices selected by the individual faculty

member for the AHC Early Retirement Program portfolio will equal the full value of the program, i.e., the multiple of the faculty member's annual salary.

Financing the Program and Allocating the Savings

The financial aspects of the AHC Early Retirement Program are described below.

- The full monetary value of the individual Early Retirement Program portfolio will equal a factor of two times the annual salary (the use or the base salary or the total salary is a decision point)

- The selections in the Early Retirement Program will be effective on July 1 following the separation of the faculty member from AHC employment (anticipated on June 30, 1998).

- If a lump sum payment is part of the portfolio, it will be paid out on July 1, 1998. The cash for the payout can be borrowed and financed over a two-year period. The interest on the two-year loan will calculated at a simple interest rate of six percent. The source of the repayment will be the department budget (since the faculty's annual salary is in the department's budget and can be applied to the buyout).

- After the loan is repaid, the savings resulting from the vacant position will be shared by the school and the department or departments that paid the salary and fringe benefits of the faculty member. The distribution of the savings will be determined by agreement of department chair and the dean of the school.

- All other choices from the menu of options must be fully financed within the department's budget. For example, if the faculty member selects the coverage of electronic access, the department must cover the full cost of connections and internet services.

Preliminary Response to the Proposed Program

The proposal did not have the full support of the Exit Strategies Committee. The special faculty committee communicated to the Exit Strategies Committee that the program would not have the appeal needed to draw faculty participation. The committee reconvened in August to contemplate alterations in the program. Subsequently, the committee met with SVP Cerra for additional direction. Since the major objection to the committee's initial recommendations was that the net payout (after taxes) would be too small, the committee met with the Director of Tax for the

University to investigate alternatives that would reduce the tax impact, e.g., multi-year payouts, annuity investments, etc.

The Faculty Revitalization and Renewal Program

As noted above, a sub-committee of the PFCC was formed to study early retirement incentives at the same time as the Exit Strategies Committee. A copy of their proposal is attached. The major difference in the two proposals is the payout amount. The faculty committee maintains that the cash payout, after taxes, must equal 2.17 times the annual salary to be attractive to faculty. To achieve the 2.17 ratio, the before tax payout will equal 3.5 times the annual salary of the faculty. The Exit Strategies Committee did not reject the proposal, but the majority of the committee concluded it would be difficult to persuade Central Administration to support the package. Further, the participation of the faculty is unpredictable. A high percentage of eligible faculty participation, because of the sizable payout, could cause serious disruption and instability in some programs. Further, the AHC and schools have a limited debt capacity. Approximately 200 tenured faculty meet the rule of 75 criterion. If 50 percent chose to participate, a conservative estimate of the capital required to fund the payouts at 3.5 times is $35 million. Careful consideration must be given to locking up such a large amount of resources for the next three years.

Another Alternative

The last act of the committee was to develop the optimal plan that would offer a high payout, would be acceptable to Central Administration, and would allow for a smooth retirement transition . A compromise of the two plans was formed. This plan would yield a cash payout to the faculty member of 1.5 times the base salary -- with a corresponding expense to the university of 2.26 times the base salary. The features of the alternate program are listed below.

1. The plan proposes a phased separation of tenured faculty.

2. Faculty would commit to retire no later than January 1, 2000.

3. For the period between the agreement and retirement, the faculty would be awarded a supplement equal to 50 percent of the base salary. The faculty member would be encouraged, but not required, to invest the supplement in an annuity. Special counseling on investment alternatives would be arranged for by the AHC.

4. On January 1, 2000, the faculty member would retire from the university under the current early retirement program which allows for a payment of one year of annual salary plus the equivalent of one year's contribution to the retirement plan.

5. All of the principles of the original proposal (listed on pages 2 and 3) would apply, except for the provision that the additional components of the retirement package could be funded by the department, and would not be deducted from the faculty payout.

An illustration of the value of the package, the cost to the school, and potential savings is attached.

ACADEMIC HEALTH CENTER

Proposed Early Retirement Program -- Costs and Returns

Premises:

Faculty

Salary =	$	70,000
Supplement as a percent of salary		0.5
Supplement =	$	35,000
Added Contribution to Retirement Acct (13 % of Supplement)		4,550
Payout at time of Retirement (annual salary)	$	70,000
Cash Equivalent of Retirement Contribution (13 %)		9,100
Total Payout	$	79,100

Departmental Loan

Interest rate =	6% annual (simple interest)
Payback =	3 years

Payout will be made on the first day followinge retirement

	Year 1	Year 2	Total
Value of the Supplement			
Amount	$ 35,000	$ 35,000	
Net after Taxes (at 35% tax rate)	$ 22,750	$ 22,750	
Invested at 6 % interest compounded monthly			$ 48,279
Additional Retirement Contribution	$ 4,550	$ 4,550	
Invested at 6 % interest compounded monthly			$ 9,656
Total Value of the Supplement			$ 57,934
Payout at Retirement			$ 70,000
Cash Equivalent of Retirement Contribution (13 %)			9,100
Gross			$ 79,100
Taxes at 40% (Includes FICA)			(31,640)
Net Payout at Retirement			$ 47,460
Total Value of Package			$ 105,394
Total University Contribution as a percent of annual salary			2.26
Total Cash Value as a percent of annual salary			1.51

kmj -- 9/15/97

ACADEMIC HEALTH CENTER
Proposed Early Retirement Program -- Costs and Returns
Page 2

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Expense to School/Department							
Supplement	$ 39,550	$ 39,550					
Retirement Payout			$ 79,100				
Interest (at 6% assessed annually)		$ 2,373	$ 4,888	$ 6,424	$ 3,305	$ 0	
Cumulative Debt		$ 81,473	$ 165,461				
Annual Loan Repayment			$ (58,397)	$ (58,397)	$ (58,397)		
Debt Balance on June 30			$ 107,064	$ 55,091	$ 0	$ 0	
Savings							
Salary			$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
Employee Benefits			18,900	18,900	18,900	18,900	18,900
Total Compensation			$ 88,900	$ 88,900	$ 88,900	$ 88,900	$ 88,900
Annual Loan Repayment			$ (58,397)	$ (58,397)	$ (58,397)	$ -	$ -
Net Savings for Department/School			$ 30,503	$ 30,503	$ 30,503	$ 88,900	$ 88,900

kmj -- 9/15/97

UNIVERSITY OF MINNESOTA

Employee Benefits Department
Office of Human Resources

100 Donhowe Building
319 15th Avenue S.E.
Minneapolis, MN 55455-0115
612-624-9696
Fax: 612-626-9808
Toll free: 800-752-2663

September 8, 1998

To: Dr. Frank Cerra, Provost, Academic Health Center
David Hamilton, Professor, Cell Biology & Neuroanatomy
Richard McGehee, Professor, Geometry Center
Carol Carrier, Acting Vice President, Human Resources

From: Robert Fahnhorst, Acting Director, Employee Benefits
Kathryn Pouliot, Project Coordinator, Employee Benefits

Subject: Subsidy for Medica Premier Participants

Attached you will find information that may be helpful in analyzing the feasibility of a subsidy for some former Medica Premier participants. This includes:

Exhibit A The enrollment in all health plans statewide, with the following totals:

Plan	Number	% of Total
Healthpartners Classic	4722	33%
Medica Premier	4260	31%
State Health Plan Select	2062	15%
State Health Plan	2010	14%
Healthpartners Plan	712	5%
Medica Primary	278	2%
Total	14,044	100%

Exhibit B Participation by County Report:
This report gives information on the University Contribution for Academic, Civil Service and Student classifications. The Civil Service enrollment of 8,721 includes all bargaining unit employees. Our system does not sort this any further.

Exhibit C Salary Spread Information
Approximately 84% of our employee salaries fall into the range of $14,000 to $65,000 per year, this range captures most benefit eligible employees. This report provides the spread and percentages of the total, giving a general overview the range.

Exhibit D Financial Scenarios

Two scenarios for possible subsidy. These calculations do not include the programming costs needed to create new rate tables and fields in the employee benefit system.

Please note that all information provided is compiled from existing reports. You will notice that each report has a slightly different total, these numbers change monthly. Any programming of new reports at this time is difficult at best, with the HRMS system work in progress. Please contact Bob Fahnhorst at 626-0792 or Kathy Pouliot at 625-8588 if you have any questions on the reports or scenarios. Thank you.

(A)

STATE OF MINNESOTA
UNIVERSITY OF MINNESOTA
REPORT NO. FCI110-01

STATE INSURANCE PLAN
ENROLLMENT TAPE OUTPUT

CARRIER	BIWEEKLY	BILLING GROUP HOSPITAL	SEMIMONTHLY	TOTAL
06 HLTHPART CLASSIC				
EMPLOYEE	2,230	0	2,492	4,722
DEPENDENT	1,286	0	1,463	2,749
07 HEALTHPARTNERS DENTAL				
EMPLOYEE	1,532	0	1,737	3,269
DEPENDENT	826	0	936	1,762
11 MORE HMO DENTAL				
EMPLOYEE	579	0	496	1,075
DEPENDENT	247	0	219	466
13 MEDICA PRIMARY				
EMPLOYEE	153	0	125	278
DEPENDENT	72	0	60	132
14 DELTA DENTAL				
EMPLOYEE	4,713	0	4,757	9,470
DEPENDENT	2,222	0	2,526	4,748
19 STATE HEALTH PLAN				
EMPLOYEE	866	0	1,144	2,010
DEPENDENT	529	0	706	1,235
21 MEDICA PREMIER				
EMPLOYEE	2,071	0	2,189	4,260
DEPENDENT	911	0	1,076	1,987
22 PRUDENTIAL OMO				
EMPLOYEE	282	0	189	471
DEPENDENT	171	0	124	295
23 HEALTHPARTNERS MEDICAL PLAN				
EMPLOYEE	384	0	328	712
DEPENDENT	187	0	178	365

(A)

STATE OF MINNESOTA
UNIVERSITY OF MINNESOTA
REPORT NO. FCI110-01

STATE INSURANCE PLAN
ENROLLMENT TAPE OUTPUT

CARRIER	BILLING GROUP BIWEEKLY	HOSPITAL	SEMIMONTHLY	TOTAL
24 SHP SELECT				
EMPLOYEE	1,273	0	789	2,062 ✓
DEPENDENT	523	0	401	924

STATE INSURANCE PLAN
HEALTH PLAN ACTIVE
PARTICIPANT REPORT BY COUNTY

STATE-WIDE

CARRIER NAME	COVERAGE	UNIVERSITY PAY CIVIL	UNIVERSITY PAY ACADEMIC	UNIVERSITY PAY STUDENT	EMPLOYEE PAY CIVIL	EMPLOYEE PAY ACADEMIC	EMPLOYEE PAY STUDENT	TOTAL ACTIVE PARTICIPANTS
FIRST PLAN HMO	SINGLE	150	69	0	0	0	0	219
	DEPENDENT	103	49	0	0	0	0	152
HLTHPART CLASSIC	SINGLE	2,921	1,640	90	27	4	1	4,683
	DEPENDENT	1,554	1,124	44	9	2	1	2,734
MEDICA PRIMARY	SINGLE	228	46	2	4	0	0	280
	DEPENDENT	104	25	1	2	0	0	132
STATE HEALTH PLAN	SINGLE	1,064	908	15	6	3	0	1,996
	DEPENDENT	613	606	5	5	1	0	1,230
MEDICA PREMIER	SINGLE	2,295	1,810	85	18	13	0	4,217
	DEPENDENT	878	1,060	27	6	8	0	1,979
HEALTHPARTNERS MEDICAL PLAN	SINGLE	432	260	15	7	0	0	714
	DEPENDENT	193	166	4	1	0	0	364
SHP SELECT	SINGLE	1,381	525	154	5	2	0	2,067
	DEPENDENT	580	276	64	2	1	0	923
STATE TOTALS	SINGLE	8,471	5,258	357	67	22	1	14,176
	DEPENDENT	4,025	3,306	145	25	12	1	7,514

C

University of Minnesota Annual Salary Spread

Annual Salary	Number of Employees	% of 14,696 Employees
$14,000	22	
$15,000	31	
$16,000	30	
$17,000	116	
$18,000	197	
$19,000	141	
Total	**537**	**4%**
$20,000	208	
$21,000	296	
$22,000	391	
$23,000	801	
$24,000	508	
Total	**2204**	**15%**
$25,000	520	
$26,000	477	
$27,000	739	
$28,000	550	
$29,000	417	
Total	**2703**	**18%**
$30,000	491	
$31,000	364	
$32,000	366	
$33,000	418	
$34,000	287	
Total	**1926**	**13%**

Annual Salary	Number of Employees	% of 14,696 Employees
$35,000	282	
$36,000	350	
$37,000	251	
$38,000	233	
$39,000	241	
Total	**1357**	**9%**
$40,000	274	
$41,000	239	
$42,000	223	
$43,000	219	
$44,000	168	
Total	**1123**	**8%**
$45,000	201	
$46,000	170	
$47,000	164	
$48,000	167	
$49,000	117	
Total	**819**	**6%**
$50,000	137	
$51,000	137	
$52,000	126	
$53,000	114	
$54,000	108	
Total	**622**	**4%**
$55,000	129	
$56,000	88	
$57,000	87	
$58,000	83	
$59,000	91	
Total	**478**	**3%**

Annual Salary	Number of Employees	% of 14,696 Employees
$60,000	108	
$61,000	66	
$62,000	86	
$63,000	67	
$64,000	69	
Total	396	3%
$65,000	68	0.5%
Grand Total	12,233	84%

Exhibit D

Financial Scenarios

Rate Comparison

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 Medica Premier	11.74	140.88	51.10	613.20
1998 State Health Plan	75.77	909.24	213.71	2564.52

Note: 31% of eligible employees are Medica Premier participants.
50% of eligible employees carry dependent coverage.

SCENARIO 1
Medica Premier participants eligible for subsidy

Salary Range	Proposed Subsidy	
Salary Range: $14,000-$25,000	Single	$ 25 mo.
	Family	$125 mo.
Salary Range: $25,001-$35,000	Single	$ 15 mo.
	Family	$900 mo.
Salary Range: $35,001-$45,000	Single	$ 5 mo.
	Family	$25 mo.

- **Salary Range: $14,000-$25,000**

Number of employees in salary range: 3261
Medica Premier participants in range: (3261 x .31) 1011
Medica Premier/Dependent coverage: (1011 x .50) 505

Proposed Subsidy: Single $25 month x 12 months = $300
Family $125 month x 12 months = $1500

Assume 505 employees receive single subsidy (505 x $300) **$151,500**
Assume 505 employees receive family subsidy (505 x $1500) **$ 757,500**
Total for range **$ 909, 000**

- **Salary Range: $25,001-$35,000**

Number of employees in salary range:		4391
Medica Premier participants in range:	(4391 x .31)	1361
Medica Premier/Dependent coverage:	(1361 x .50)	680

Proposed Subsidy: Single $15 month x 12 months = $180
Family $75 month x 12 months = $900

Assume 680 employees receive single subsidy	(680 x $180)	**$122,400**
Assume 680 employees receive family subsidy	(680 x $900)	**$ 612,000**
	Total for range	**$ 734,400**

- **Salary Range: $35,001-$45,000**

Number of employees in salary range:		2399
Medica Premier participants in range:	(2399 x .31)	744
Medica Premier/Dependent coverage:	(744 x .50)	372

Proposed Subsidy: Single $ 5 month x 12 months = $60
Family $25 month x 12 months = $300

Assume 372 employees receive single subsidy	(372 x $60)	**$ 22,320**
Assume 372 employees receive family subsidy	(372 x $300)	**$ 138,384**
	Total for range	**$ 160,704**

TOTAL COST-SCENARIO 1 **$1,804,104**

SCENARIO 2
All U of M Employees eligible for subsidy

Salary Range	Proposed Subsidy	
Salary Range: $14,000-$25,000	Single	$ 25 mo
	Family	$125 mo.
Salary Range: $25,001-$35,000	Single	$ 15 mo
	Family	$900 mo ~~$900~~

Exhibit D

Rate Comparisons

1997 Medica Premier/1998 State Health Plan

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 Medica Premier	11.74	140.88	51.10	613.20
1998 State Health Plan	75.77	909.24	213.71	2564.52
Difference	64.03	768.36	162.61	1951.32

1997/1998 State Health Plan

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 State Health Plan	38.90	466.80	119.01	1428.12
1998 State Health Plan	75.77	909.24	213.71	2564.52
Difference	36.87	442.44	94.70	1136.40

1997/1998 HealthPartners Classic

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 HP Classic	8.30	99.60	42.52	510.24
1998 HP Classic	6.70	80.40	41.06	492.72
Difference	(1.60)	(19.20)	(1.46)	(17.52)

1997/1998 HealthPartners Plan

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 HP Plan	23.17	278.04	79.70	956.40
1998 HP Plan	23.04	276.48	81.91	982.92
Difference	(.13)	(1.56)	2.21	26.52

1997/1998 Medica Primary

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 Medica Primary	17.28	207.36	64.97	779.64
1998 Medica Primary	11.18	134.16	51.67	620.04
Difference	(6.10)	(73.20)	(13.30)	(159.60)

1997/1998 State Health Plan Select

	Employee Only		Employee & Dependents	
	Monthly Cost	Annual Cost	Monthly Cost	Annual Cost
1997 SHP Select	0.00	0.00	21.77	261.24
1998 SHP Select	0.00	0.00	24.32	291.84
Difference	0.00	0.00	2.55	30.06

Academic Health Center
Office of the Senior Vice President for Health Sciences
Funding in FY 98 for Sr.VP and AHC-Shared Activities
(in $000's)

	FY98 Base Allocation	Revenues/ Transfers In	Allocations to Colleges Units/Prgms	Total/ Net
Regular SVPHS Operating Accounts				
SVPHS Office	$1,023	$375		$1,398
Total	$1,023	$375	$0	$1,398
Units Report to the SVPHS Office				
Learning Resources	$171	$141		$312
Facilities Management	260	71		331
Human Resources	354	333		687
Information Technology		130		130
Communications	593	276		869
CHIP	95			95
Multicultural Institute	199	55		254
Contingency - Chief of Staff		541		541
VP - Clinical Affairs	166			166
VP - Organizational Redesign	101			101
Chief Financial Officer	512			512
Total	$2,451	$1,547	$0	$3,998
Total Unrestricted Funds	$3,474	$1,922	$0	$5,396
Shared Programs				
BSBE	160			$160
ESO-New programs	350			350
Biomed Graphics		731		731
Research Animal Resources		5,160		5,160
CUHCC		5,943		5,943
Research Services Organization	500			500
Complementary Care	350			350
Research Computing	350			350
Proslavia	350			350
Scientific Apparatus		490		490
Cancer Center		4,733		4,733
Institutional Officer	34			34
Biomedical Ethics		949		949
Price Increases	692			692
Provost Priority Pool	40			40
MMCT Operations	150	1,120		1,270
	$2,976	$19,126	$0	$22,102

JW - 9/23/97

Academic Health Center
Office of the Senior Vice President for Health Sciences
Funding in FY 98 for Sr.VP and AHC-Shared Activities
(in $000's)

	FY98 Base Allocation	Revenues/ Transfers In	Allocations to Colleges Units/Prgms	Total/ Net
Pass Through Funds				
Hospital State Special	$13,045			$13,045
Compensation Strategy Pool	$2,646		($2,646)	0
Salary/Fb inflation	$2,074		($2,074)	0
A-21 Allocation	$602		($602)	0
Tuition	$171		($171)	0
County Papers	$333		($333)	0
Med/Cancer Res to Grad Sch.	$452		($452)	0
FY98 Central Reallocation	($1,344)		$1,344	0
MNCare	2,537		(2,537)	0
Total	$20,516	$0	($7,471)	$13,045
Restricted Accounts				
Scholarship Accounts	1,197			$1,197
Biomedical Engineering	300			300
Strategic Investment Pool	1,505			1,505
Faculty Research Grants	250			250
Legislative Initiatives	2,000			2,000
Total	$5,252	$0	$0	$5,252
Total Restricted Funds	$28,744	$19,126	($7,471)	$40,399
Grand Total	$32,218	$21,048	($7,471)	$45,795

JW - 9/23/97

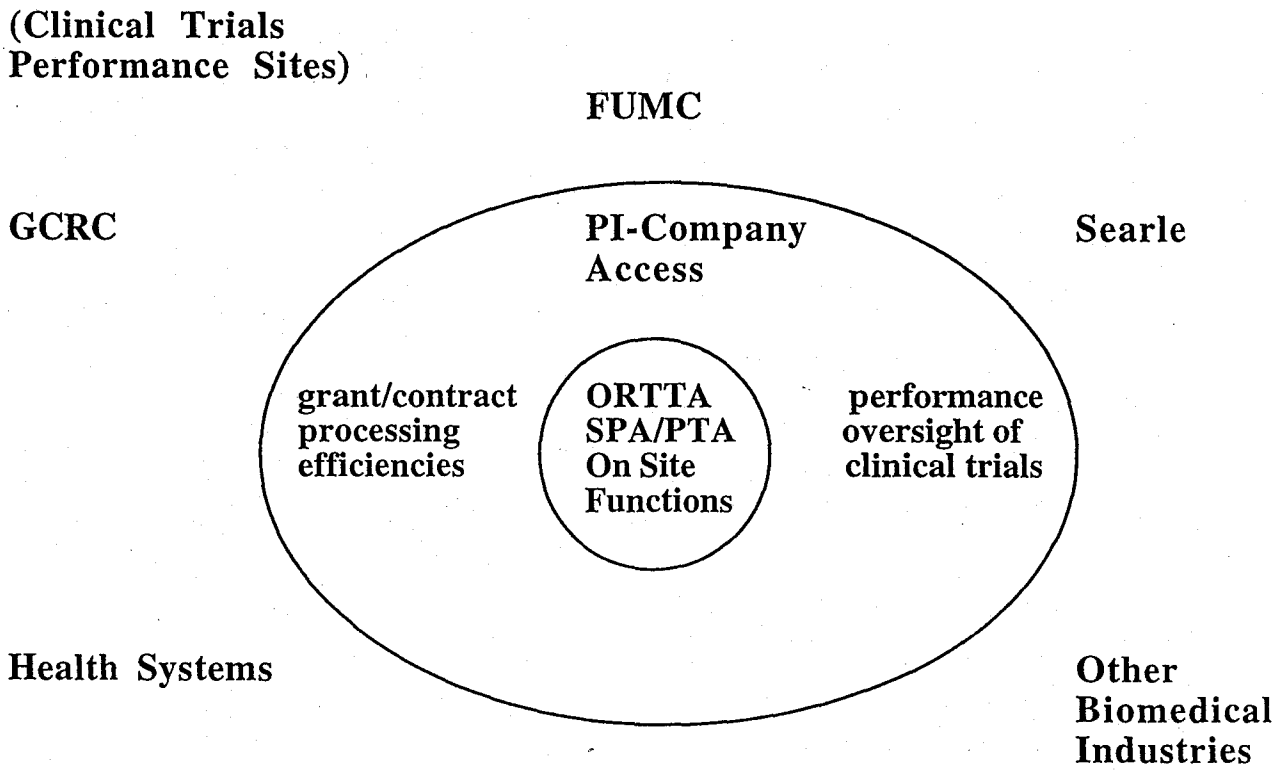
1) **What does PSRSO do that ORTTA does not?**

PSRSO provides services that ORTTA cannot provide, services essential for continued growth and performance of clinical research.

- **PI-industry interface that is a one-stop shop and customer focused**
- **Coordinates with and provides an interface with the clinical trials performance sites, most of which are outside the University, including FUMC**
- **Achieves efficiencies in grant processing pre-award application and approval processes**
- **Provides oversight during the performance of the clinical trials**

2) How does the PSRSO interface with ORTTA?

The PSRSO office is housed in the AHC and is easily accessible to faculty, staff, and industry. ORTTA personnel from SPA and PTA are housed in the PSRSO office along with PSRSO personnel. Electronic and information services provide access to the necessary databases and processes.



3) Who are the personnel; what do they do; how much does it cost in FY98?

a) Director — 0.5 FTE — $ 41,200

- Strategic and business planning
- Marketing
- Operating oversight and coordination
- Coordinating interfaces with University agencies (IRB, conflict review, OSHA, ORTTA, etc) and performance sites

b) CTU Program Director — 0.25 FTE — $ 15,500 on contract with CTU

- Chairs advisory committee
- Chairs Executive Scientific Review Board (Federal requirement for GCRC)
- Clinical trials performance oversight
- Coordinates clinical trials sites

c) Administrator/Operating Officer — 1.0 FTE — $ 60,000

- Continuous quality improvement of processes
- General operations and its efficiency
- Information systems/databases
- Budget preparation/management
- Staff management and external staff interface, e.g. departmental

d) **Performance Staff: Variable**

1) RSSM **1.0 FTE** **$ 55,000**

- **Works with PI to prepare grant**
- **Shepherds grant through review and approval process**
- **Sets up grant accounts with SPA**
- **Prepares grant reports for PI**

Management ratio: 28 clinical trials/ RSSM

2) Nurse Coordinators **2.0 FTE's** **$ 45,000 each**

- **Set up clinical trial**
- **Coordinate clinical trial**
- **Manage case report form**
- **Perform close-out**

Management ratio: 7 clinical trials/CTC

AHC Private Sector Research Service Organization

Presentation to University of Minnesota Executive Committee

August 28, 1997

Outline

- Background
- The Problem/The Solution
- The PSRSO

  origin

  operating assumptions, goals, objectives

  function

  operational relationships

  finances

Background

- Increased competition and performance expectations by industry
- Significant frustration with University performance by industry and faculty
- Growing opportunity for private sector research - pharmaceutics, biologics, biomedical technology
- Contractual Obligations:
  - Searle research agreement: Clinical Trials Center
  - Fairview: agreement, FUMC

The Problem:

- Access: faculty - business
- University process time and complexity
- Clinical trials performance site: FUMC
- Oversight of clinical performance post-award
- Faculty and private sector demand a solution

The Solution:

- Front end access
- Efficient, effective approval processes
- Post award coordination and oversight of research performance

Private Sector Research Service Organization Center (PSRSO)

Origin

- Industry focus groups
- Faculty voice in the design
- 18 month faculty driven work-effort
- Developed together with OVPR and ORTTA
- Consulted with and encouraged by AHC faculty governance committees

Operating assumptions

- The PSRSO must operate from a customer-oriented, market driven base, both in its relationship to the outside and to the faculty
- We can substantially improve our internal processes so that we perform as well as our national competitors
- The amount of private sector funding can be increased two or three times in the next few years
- The primary focus will be on private industry sponsored research
- Faculty will choose whether to use the services of the PSRSO
- The intent is not to duplicate existing services in the University, rather to coordinate and streamline the process
- Any costs incurred in the improvement process can be more than offset over time in better performance, efficiency, and the "capture" of increased funding and cost recovery

Goals

- Promote the academic missions of research and education in the AHC
- Improve access between faculty and industry
- Improve internal process cycle time
- Facilitate access to experimental subjects
- Improve the performance of clinical and developmental trials
- Reduce the risk of error in compliance and regulatory oversight
- Increase research funding and cost recovery from private industry
- Promote the growth of relationships between industry and the University

Specific Objectives (overview)

1) **Establish customer focused access: "preferred portal of entry"**

2) **Develop coordinated Clinical Trials Unit**

3) **Streamline internal processes**

4) **Establish efficient, integrated information systems**

5) **Assess internal performance and improve efficiency, quality**

Objectives (expanded)

1. Establish a "preferred portal of entry" for industry into the AHC

   - ORTTA staffing on site for access and coordination (Sponsored Projects Administration and Patents and Technology Marketing)
   - Success based on quality of service, not by requiring faculty or industry to use it
   - Electronic access to AHC (phone, e-mail, web) and pro-active marketing
   - Integrated databases of potential faculty collaborators and potential corporate research sponsors
   - On site services: financial/budget preparation, legal/contracting, study support, information systems, facilities, human resources coordination, etc.

Objectives (cont.)

2. **Develop a Clinical Trials Unit that connects all clinical trials in the AHC for efficiency and coordination**

   - **General Clinical Research Center**
   - **Cancer Center Protocol Review Committee**
   - **Fairview - University Medical Center**
   - **Fairview System affiliates**
   - **Other health care systems and provider networks**

Objectives (cont.)

3. Initiate internal process improvements

- Shift from a serial to a parallel process for approving proposals (Appendix I)
- Assist faculty in the approval process and conduct of research (Research Support Service personnel)
- Implement an approval tracking and process benchmarking system to identify and reduce bottlenecks
- Institute new processes with the Institutional Review Board (IRB) and the Conflict of Interest review process within the AHC
- Develop generic templates for contracts, applications, and reporting formats consistent with University needs and policies so that faculty can more efficiently select and complete project agreements

Objectives (cont.)

4. Establish information systems that

   - Connect faculty expertise to industry needs
   - Link with the new grants management systems
   - Interface with ORTTA, the IRB, human and animal use review, and other necessary University services
   - Interface with necessary external entities, e.g. FUMC, Fairview, industry, regulatory agencies

5. Develop and implement performance measures to assure quality of work and responsiveness to market (see Appendix II)

   - Customer satisfaction (industry and faculty)
   - Process performance
   - Concrete outcomes (contracts, dollars, academic productivity, licenses)

Function

- Current process is serial, not customer focused, not coordinated, lengthy, not benchmarked, not accountable

- New process is parallel, customer responsive, coordinated, short, benchmarked, uses CQI to set expectations and improve services, and is accountable

Function

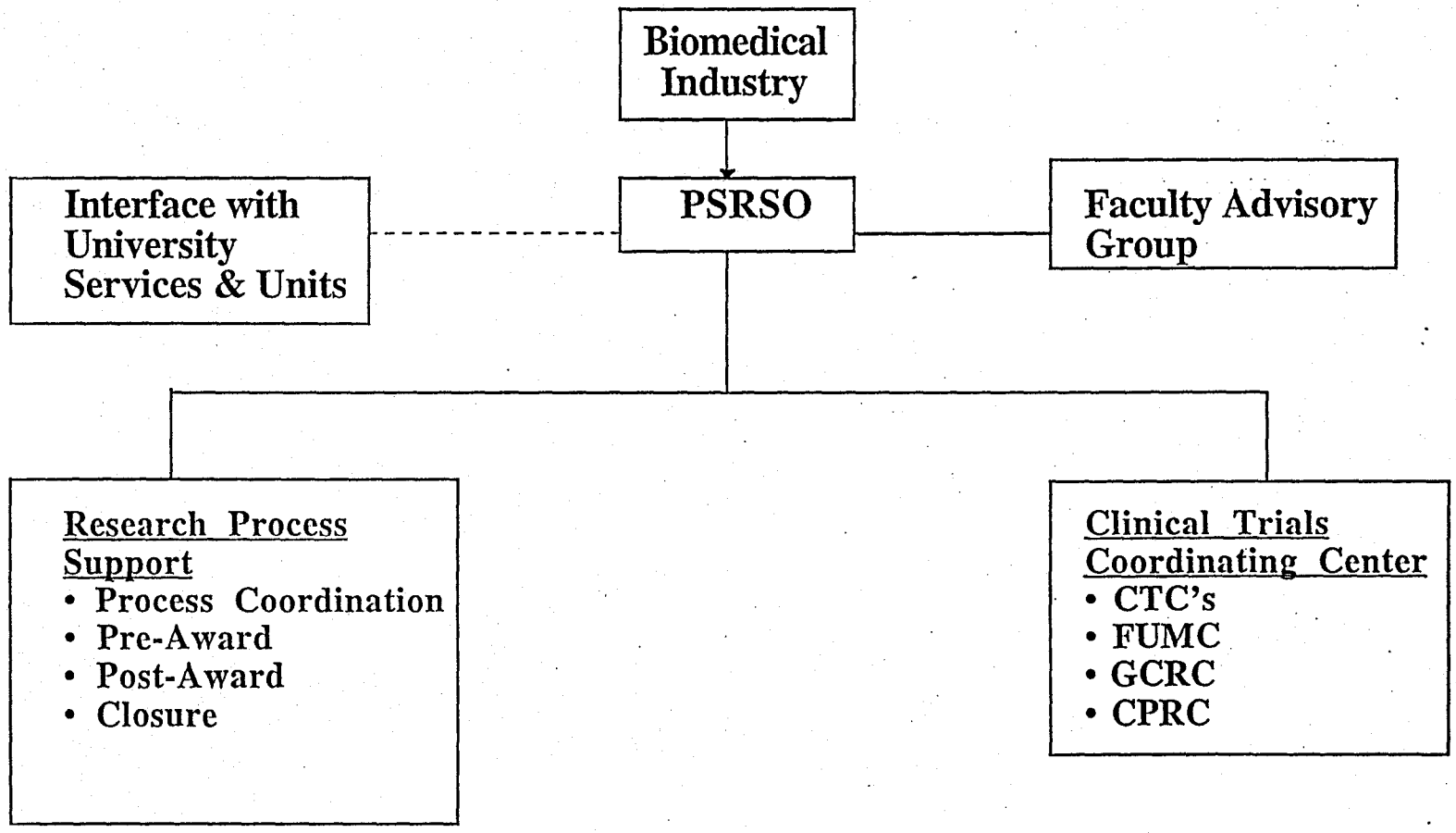
- **Process diagrams:** **Appendix I**
- **Benchmarks:** **Appendix II**
- **Responsibility grid:** **Appendix III**
- **Protocol tracking:** **Appendix IV**

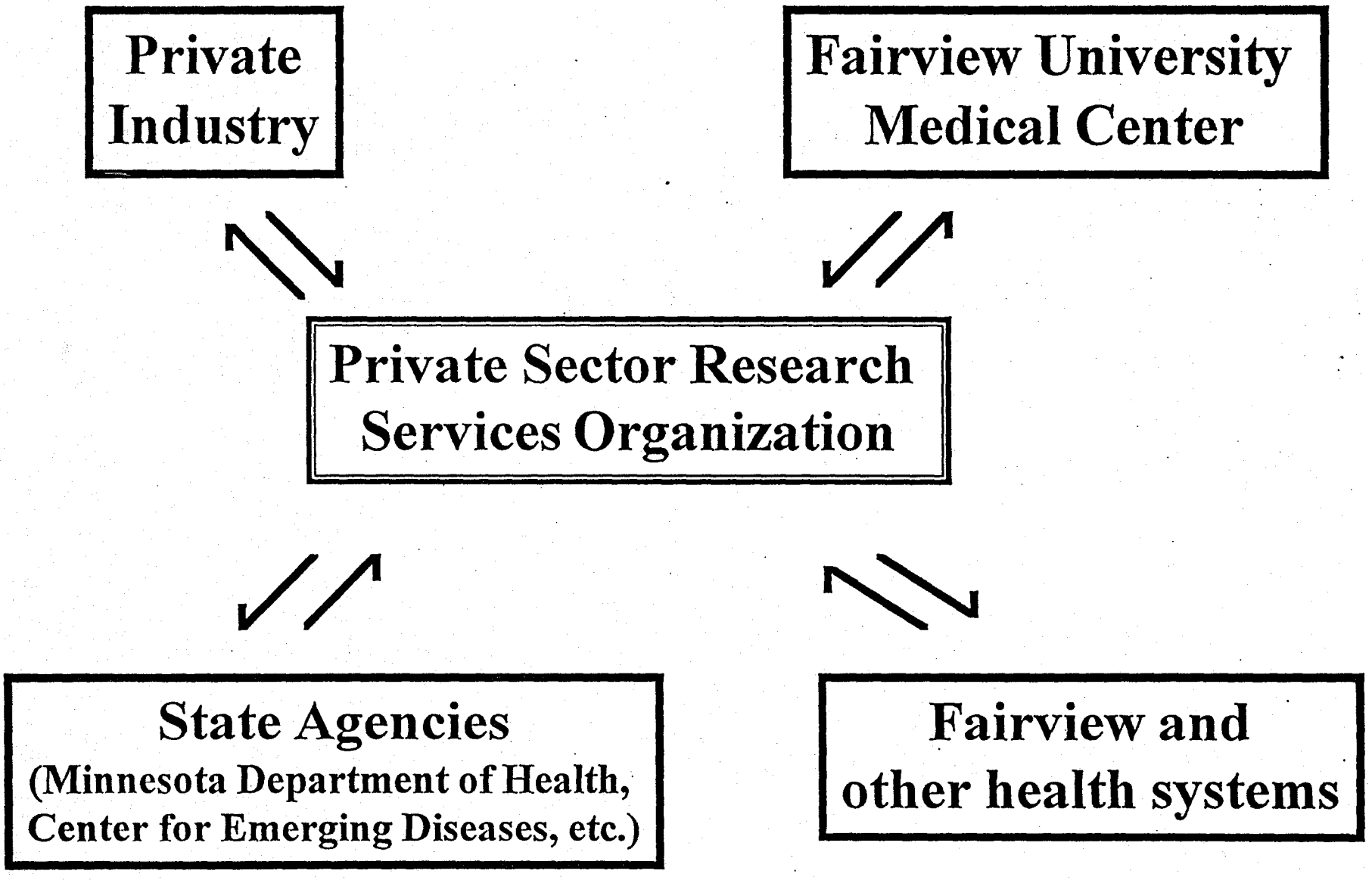
Function

- Clinical trials performance coordination
- Clinical trials oversight
- FUMC interface
- Financial oversight
- Personnel - Director, RSSM, CTC

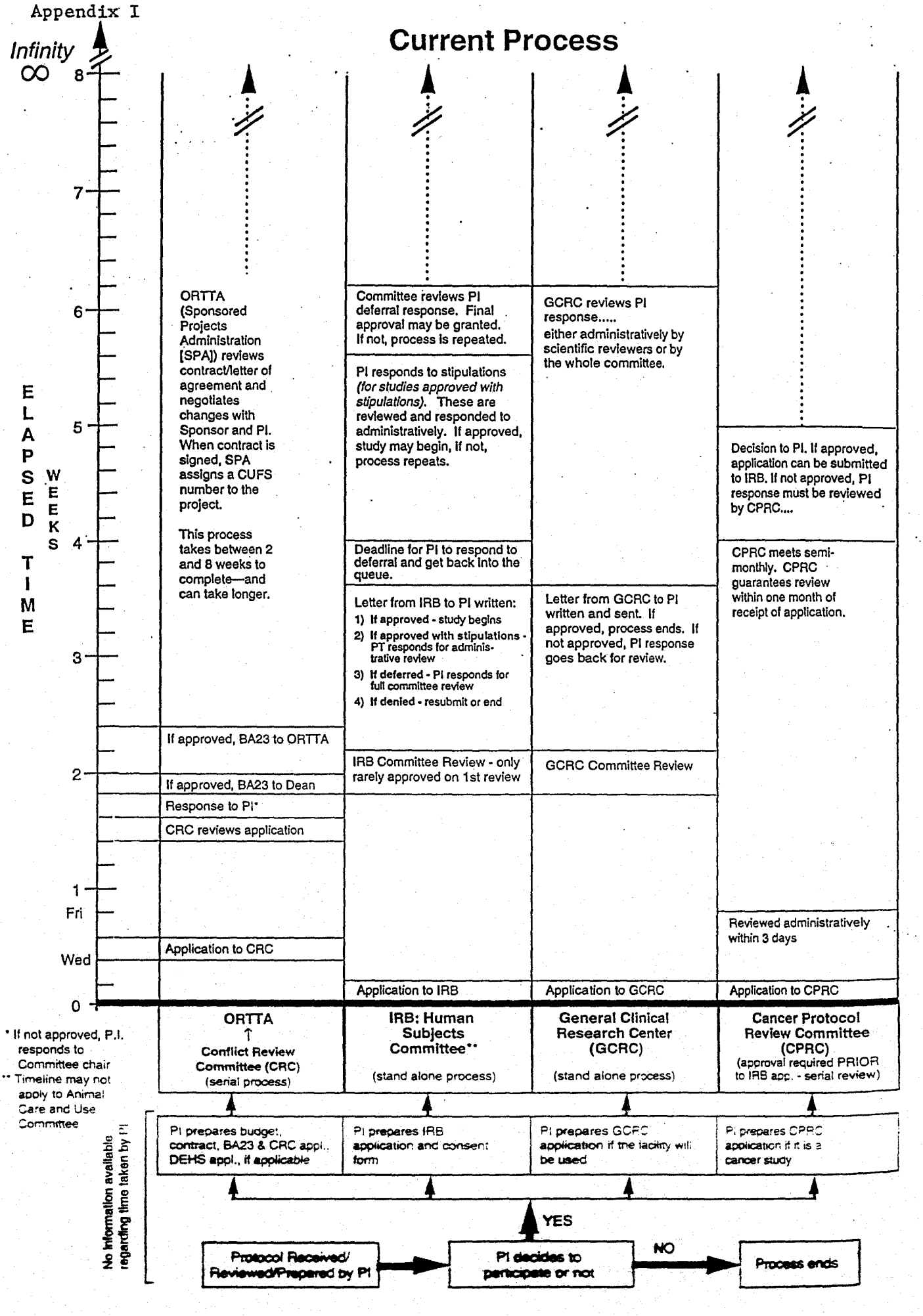
Operational Relationships

Internal

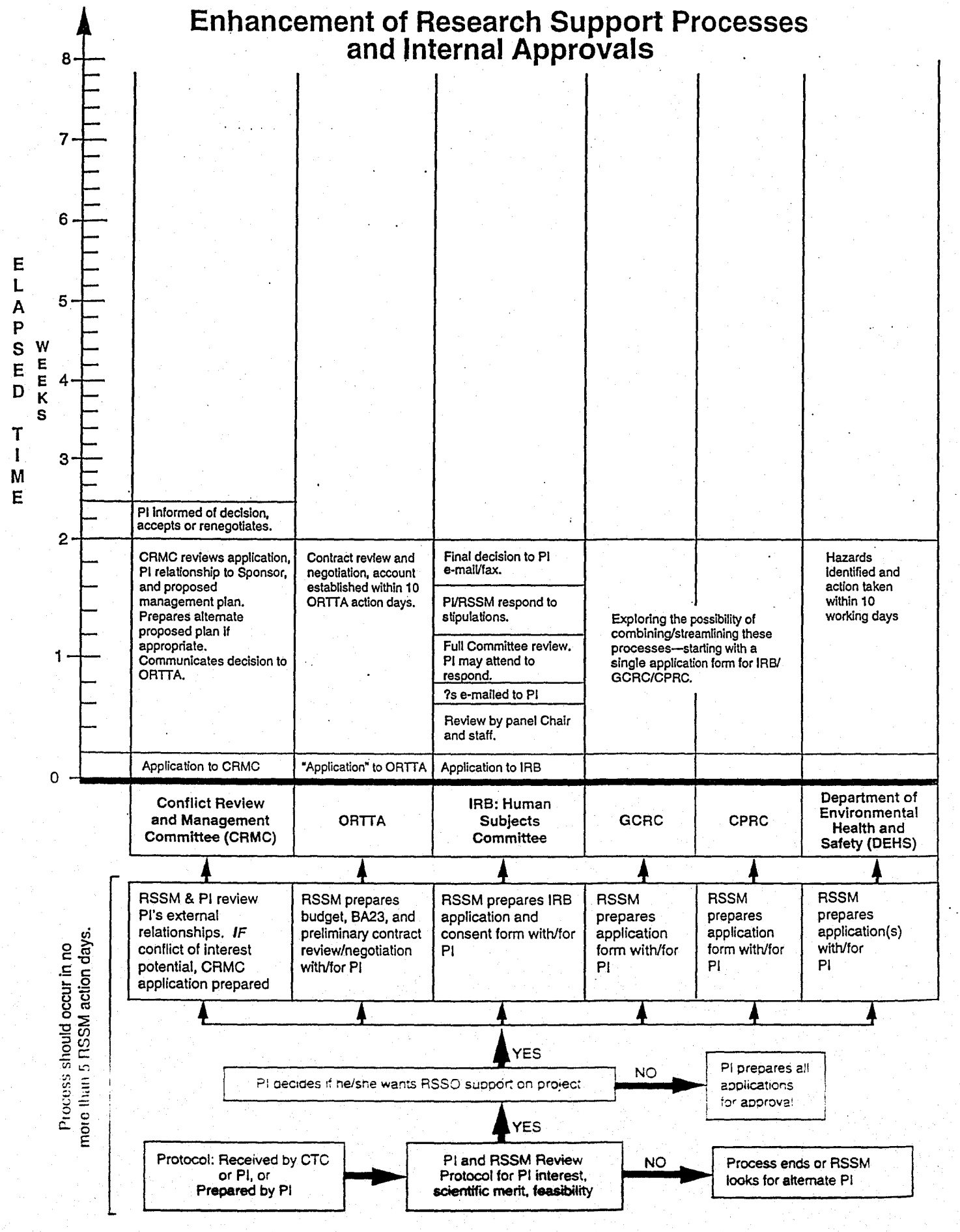



Private Industry
Fairview University Medical Center
Private Sector Research Services Organization
State Agencies (Minnesota Department of Health, Center for Emerging Diseases, etc.)
Fairview and other health systems

Appendix I


Current Process
Infinity
∞
8
7
6
5
4
3
2
1
Fri
Wed
0
ELAPSED TIME WEEKS
ORTTA (Sponsored Projects Administration [SPA]) reviews contract/letter of agreement and negotiates changes with Sponsor and PI. When contract is signed, SPA assigns a CUFS number to the project.
This process takes between 2 and 8 weeks to complete—and can take longer.
If approved, BA23 to ORTTA
If approved, BA23 to Dean
Response to PI*
CRC reviews application
Application to CRC
Committee reviews PI deferral response. Final approval may be granted. If not, process is repeated.
PI responds to stipulations (for studies approved with stipulations). These are reviewed and responded to administratively. If approved, study may begin, if not, process repeats.
Deadline for PI to respond to deferral and get back into the queue.
Letter from IRB to PI written:
1) If approved - study begins
2) If approved with stipulations - PT responds for administrative review
3) If deferred - PI responds for full committee review
4) If denied - resubmit or end
IRB Committee Review - only rarely approved on 1st review
Application to IRB
GCRC reviews PI response.....
either administratively by scientific reviewers or by the whole committee.
Letter from GCRC to PI written and sent. If approved, process ends. If not approved, PI response goes back for review.
GCRC Committee Review
Application to GCRC
Decision to PI. If approved, application can be submitted to IRB. If not approved, PI response must be reviewed by CPRC....
CPRC meets semi-monthly. CPRC guarantees review within one month of receipt of application.
Reviewed administratively within 3 days
Application to CPRC
* If not approved, P.I. responds to Committee chair
** Timeline may not apply to Animal Care and Use Committee
ORTTA
↑
Conflict Review Committee (CRC)
(serial process)
IRB: Human Subjects Committee**
(stand alone process)
General Clinical Research Center (GCRC)
(stand alone process)
Cancer Protocol Review Committee (CPRC)
(approval required PRIOR to IRB app. - serial review)
No information available regarding time taken by PI
PI prepares budget, contract, BA23 & CRC appl., DEHS appl., if applicable
PI prepares IRB application and consent form
PI prepares GCRC application if the facility will be used
PI prepares CPRC application if it is a cancer study
YES
NO
Protocol Received/ Reviewed/Prepared by PI
PI decides to participate or not
Process ends

Enhancement of Research Support Processes and Internal Approvals



Appendix II

Measures of Performance of the Private Sector Research Service Office

1) AHC - PSRSO Performance

   a) number of awards/amount of awards
   b) number of faculty/companies participating
   c) number of projects completed on time
   d) number of projects completed on budget
   e) number of patent applications/awards
   f) faculty publications and presentations

2) Approval Process

   a) time from PI contact to all approvals
   b) subsets of cycle time, e.g., IRB, ORTTA, etc.

3) Study Performance

   a) time from all approvals to first patient enrolled
   b) time from test article presence to first patient enrolled
   c) time from test article presence to completion of study
   d) CRF completion, data queries, corrections

Responsibility	PI	RSSM	RSSO Nurse Coord	PI's Staff	Dept Staff	** Other
Proposal/Protocol Review						
•Review for scientific merit and consistency with mission and goals of AHC						
•Review for feasibility:						
Patient population						
Core facilities and resources						
PI commitment						
•Determining the composition of the research team						
•Sending a copy of the protocol (and all amendments) to the study team (investigational pharmacy, if applicable)						
•Completing Sponsor/FDA regulatory documents						
Conflict of Interest Review and Management						
•Review of faculty/investigator external relationships						
•Review of the study research design as it affects conflict of interest						
•Prepare the Conflict Review and Management Committee application						
Budget Preparation and Negotiation						
•Determination of expected costs						
Negotiation with internal service providers						
Separation of standard care from research procedures						
Personnel						
•Preparation of the draft budget for PI review and approval						
•Negotiation of the budget with the Sponsor/CRO						
Contract Review and Negotiation						
•Initial contract review						
Standard University/AHC contract						
Sponsor's contract						
•Negotiation to make changes to the contract						

Responsibility	PI	RSSM	RSSO Nurse Coord	PI's Staff	Dept Staff	** Other
Protection of Human Subjects						
•Protocol review						
Define roles and responsibilities of study team members						
Define plan for identification and recruitment of subjects						
Identify any vulnerable populations proposed to be recruited						
Identify plan for making incentive payments						
Assess the risks and benefits						
Define the plan for managing medical emergencies						
Define the plan for assuring confidentiality and records retention						
Define the consent process						
Discuss the rules for consent form use and retention						
Preparation of Human Subjects Application and Consent Form						
•Prepare the human subjects application form						
•Prepare the consent form						
•Assist the investigator in preparing a response to the Committee (either live or written)						
•Report changes in the study protocol or other post-approval changes to the IRB for approval prior to implementation						
•Report serious adverse events						
Local site						
Other sites (reported to the investigator by the Sponsor)						
•Assist the investigator in developing records retention policies						
Protection of Animal Subjects						
•Protocol Review						
•Review the protocol for issues of pain and distress, euthanasia, nonsurvival surgery, survival surgery, dietary manipulation, environmental stress, physical and physical restraint						

Responsibility	PI	RSSM	RSSO Nurse Coord	PI's Staff	Dept Staff	** Other
•Assure that all members of the study team have completed an animal certification statement and have filed it with the IACUC.						
Protection of Animal Subjects Application and Review Process						
•Report changes in the protocol or any other post-approval changes to the IACUC for approval prior to their implementation						
Biohazards and Other Health and Safety Compliance						
•Review the protocol for potential hazards: recombinant DNA, biological toxins or infectious agents, radiation, highly toxic, flammable or reactive chemicals, known or suspected carcinogens						
•Secure and complete application forms for each applicable hazard						
BA 23 and Account Assignment						
•Complete the BA 23						
•Route the BA 23 for review and approval						
•Report the activity to departments, centers, institutes						
•Assure timely assignment of the CUFS number						
Clinical Management of the Study (Nurse Coordinator Duties)						
•Assist in determining facility and ancillary service needs						
•Prepare orders and study flowsheets for the protocol						
•Assist in recruiting and screening potential study subjects						
•Schedule subjects for all study related appointments, tests, procedures						
•Place IV catheters for drug administration and collecting study samples						
•Participate in the consent process and educate subjects about the protocol						
•Complete study case report forms, answer queries, meet with monitors						
•Assure compliance with drug accountability requirements (in cooperation with investigational pharmacy)						
OTHER:						

Responsibility	PI	RSSM	RSSO Nurse Coord	PI's Staff	Dept Staff	** Other
Managing and Reporting Investigator and/or Protocol Changes						
•Prepare notification to the CRMC whenever a change in external relationships occurs which may require a change to the management plan, etc.						
•Prepare an amended budget whenever the protocol changes post-contract approval						
•Review and negotiation any contract addenda required by changes to the protocol						
•Identify and carry out the proper course of action whenever any change in the use of a biohazard occurs						
•Prepare notification and request IRB approval for changes in protocol or staff, serious adverse events, protocol deviations, consent form and/or process changes						
•Prepare Continuing Review of Approved Research form						
•Prepare a new FDA form 1572 whenever there is a change to the study team						
•Prepare notification and request IACUC approval for changes in protocol or staff involved with research on animal subjects						
Data Monitoring and Audits by Sponsor/CRO/FDA						
•Manage the audit						
Managing Research Funds						
•Monitor contract benchmarks and payment schedules						
•Monitor charges by ISO's and other internal service providers						
•Report to investigator or department						
•Assure accurate effort reporting/certification						

Responsibility	PI	RSSM	RSSO Nurse Coord	PI's Staff	Dept Staff	** Other
Closing the Study						
•Review regulatory documents						
•Prepare final report to the IRB						
•Prepare final report to the Sponsor						
•Review final account status and contract terms						
•Close the account						
•Prepare final report for the department						
**Enter the names of and phone numbers of "Other" personnel:						

PROTOCOL TRACKING SHEET

First Contact or Protocol Received: By PI:_____ By RSSO:_____
(date) (date)

Proposal/Protocol Review

Investigator(s) Contacted by RSSM: Name:_____ Date:_____

Name:_____ Date:_____

Name:_____ Date:_____

Investigator Agrees to be PI: Date:_____

RSSM Review and Planning Meeting with PI: Date:_____

_____review study design
_____assess feasibility
_____discuss research team
_____distribute protocol
_____review regulatory documents
_____investigational pharmacy use
_____review external relationships
_____review conflict of interest policy
_____identify subjects protection issues
_____identify DEHS issues/risks
_____review of regulations

Protocol to investigational pharmacy Date:_____

Budget Preparation and Negotiation

RSSM Develop Draft Budget: Date:_____

Budget to PI: Date:_____

Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____

Budget returned to RSSM: Date:_____

Budget sent to CRO/Sponsor: Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____

LOA/Contract Received from CRO/Sponsor: Date:_____

LOA/Contract Signed by PI: Date:_____

Subjects Protection

IRB/IACUC Application and Consent Form Prepared by RSSM: Date:_____

Study Team IACUC Certification Checked by RSSM: *(if applicable)* Date:_____

IRB/IACUC Application and Consent Form to PI: Date:_____

Application and Consent Form Returned to RSSM: Date:_____

PI Changes Incorporated: Date:_____

Final Application to PI: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____
_____Dept. Head signed Date:_____

Application Submitted to IRB/IACUC: Date:_____

IRB/IACUC Meeting: Date:_____

Response Received from IRB/IACUC: Date:_____Action:_____

Response to Stipulations: *(if applicable)* Date:_____

Response Received from IRB/IACUC: Date:_____Action:_____

Final IRB/IACUC Approval Received: Date:_____

Conflict of Interest

PI Report of External Relationships Obtained/Updated by RSSM: Date:_____

CRMC Application Prepared by RSSM: Date:_____

CRMC Application to PI: Date:_____

CRMC Application returned to RSSM: Date:_____

PI Changes Incorporated: Date:_____

Final Application to PI: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____
_____Dept. Head signed Date:_____

CRMC Application to Committee: Date:_____

CRMC Meeting: Date:_____

CRMC Response Received: Date:_____ Action:_____

Response to CRMC: Date:_____
(if applicaable)

Final CRMC Approval Received: Date:_____

Sponsored Projects Administration

B.A. 23 Prepared by RSSM: Date:_____

ORTTA Application to PI/Dept. Administrator: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____
_____Dept. Head signed Date:_____
_____Dean signed Date:_____

Application to ORTTA: Date:_____

Application logged at ORTTA: Date:_____

Request for PI/RSSM/Department Action Date:_____

Response from PI/RSSM/Department Received: Date:_____

Contract/LOA Review: (initiated by U of M (U) or Sponsor (S))
U/S Contact/Discussion Date:_____ Action:_____
U/S Contact/Discussion Date:_____ Action:_____
U/S Contact/Discussion Date:_____ Action:_____
U/S Contact/Discussion Date:_____ Action:_____

Preaward Account Assignment Date:_____
(if applicable)

Contract/LOA Received/Prepared by U of M: Date:_____
(if a new contract/LOA is required)

Contract Signed by U of M: Date:_____

Contract Returned to CRO/Sponsor: Date:_____

Signed Contract Returned to U of M: Date:_____

CUFS # Assigned to Project: Date:_____

CUFS # Communicated to Dept/PI/RSSM: Date:_____

Study Performance:

Study Drug/Test Article Received Date:_____

First Subject is Enrolled (signs consent) Date:_____

Last Subject Completes the Study Date:_____

Number of Subjects in the Study Contract _____

Number of Subjects Enrolled _____

Last Case Report Form Completed or Collected by Sponsor Date:_____

Queries (per subject or total for the study) _____

Study completed within budget? _____ YES _____ NO

****

SPECIAL APPLICATIONS

General Clinical Research Center

GCRC Application Prepared by RSSM: Date:_____

GCRC Application to PI: Date:_____

GCRC Application Returned to RSSM: Date:_____

PI Changes Incorporated by RSSM: Date:_____

Final Application to PI: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____

GCRC Application Submitted: Date:_____

GCRC Committee Meeting: Date:_____

GCRC Response Received: Date:_____ Action:_____

Response to GCRC Questions: Date:_____

Final GCRC Approval Received: Date:_____

Cancer Protocol Review Committee

CPRC Application Prepared by RSSM: Date:_____

CPRC Application to PI: Date:_____

CPRC Application Returned to RSSM: Date:_____

PI Changes Incorporated by RSSM: Date:_____

Final Application to PI: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____

CPRC Application Submitted: Date:_____

CPRC Committee Meeting: Date:_____

CPRC Response Received: Date:_____ Action:_____

Response to CPRC Questions: Date:_____

Final CPRC Approval Received: Date:_____

Department of Environmental Health and Safety

_____recombinant DNA
_____ionizing or nonionizing radiation sources
_____highly toxic, flammable or reactive chemicals
_____biologically hazardous (pathogenic) microbial agents
_____known or suspected human or animal carcinogens

DEHS Application(s) Prepared by RSSM: Date:_____

DEHS Application(s) to PI: Date:_____

DEHS Certification(s) Checked/Collected: Date:_____

DEHS Application Returned to RSSM: Date:_____

PI Changes Incorporated: Date:_____

Final Application to PI: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____

DEHS Application Submitted: Date:_____

DEHS Committee Meeting or Review: Date:_____

DEHS Response Received: Date:_____ Action:_____

Response to DEHS Questions: Date:_____

Final DEHS Approval Received: Date:_____

Appendix IV (b)

PROTOCOL AMENDMENT TRACKING SHEET

Amendment Received: By PI:_____ (date) By RSSO:_____ (date)

Amendment Review

Investigator(s) Contacted by RSSM (or vice versa): Name:_____ Date:_____

RSSM Review with PI for any changes to: Date:_____

_____investigator interest
_____feasibility
_____research team
_____IRB issues/risks
_____budget
_____contract
_____DEHS issues/risks
_____regulatory documents
_____investigational pharmacy use
Amendment to investigational pharmacy Date:_____

Amendment distributed to entire study team: Date:_____

Budget Preparation and Negotiation (if applicable)

RSSM Develop Draft Budget: Date:_____

Budget to PI: Date:_____

Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____

Budget returned to RSSM: Date:_____

Budget sent to CRO/Sponsor: Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____
Contact/Discussion Date:_____ Action:_____

LOA/Contract Received from CRO/Sponsor: Date:_____

LOA/Contract Signed by PI: Date:_____

Subjects Protection (if applicable)

IRB/IACUC Letter and Consent Form Changes Prepared by RSSM: Date:_____

IRB/IACUC Letter and Consent Form Changes to PI: Date:_____

Letter and Consent Form Changes Returned to RSSM: Date:_____

PI Changes Incorporated: Date:_____

Final Letter to PI: Date:_____

_____PI signed Date:_____

Letter/Amendment Submitted to IRB/IACUC: Date:_____

IRB/IACUC Meeting: Date:_____

Response Received from IRB/IACUC: Date:_____Action:_____

Response to Stipulations: Date:_____
(if applicable)

Response Received from IRB/IACUC: Date:_____Action:_____

Final IRB/IACUC Approval Received: Date:_____

Sponsored Projects Administration (if applicable)

New Contract/LOA Review: (initiated by U of M (U) or Sponsor (S))

U/S Contact/Discussion Date:_____ Action:_____
U/S Contact/Discussion Date:_____ Action:_____
U/S Contact/Discussion Date:_____ Action:_____
U/S Contact/Discussion Date:_____ Action:_____

New Contract/LOA Received/Prepared by U of M: Date:_____
(if a new contract/LOA is required)

New Contract Signed by U of M: Date:_____

New Contract Returned to CRO/Sponsor: Date:_____

Signed Contract Returned to U of M: Date:_____

****

SPECIAL APPLICATIONS

General Clinical Research Center (if applicable)

Amendment sent to GCRC: Date:_____

Cancer Protocol Review Committee (if applicable)

Amendment sent to CPRC: Date:_____

Department of Environmental Health and Safety (if applicable)

Amendment reviewed for any changes to:

_____recombinant DNA
_____ionizing or nonionizing radiation sources
_____highly toxic, flammable or reactive chemicals
_____biologically hazardous (pathogenic) microbial agents
_____known or suspected human or animal carcinogens

If "yes" :

DEHS Application(s) Prepared by RSSM: Date:_____

DEHS Application(s) to PI: Date:_____

DEHS Application Returned to RSSM: Date:_____

PI Changes Incorporated: Date:_____

Final Application to PI: Date:_____

_____PI signed Date:_____
_____Co-I signed Date:_____

DEHS Application Submitted: Date:_____

DEHS Committee Meeting or Review: Date:_____

DEHS Response Received: Date:_____ Action:_____

Response to DEHS Questions: Date:_____

Final DEHS Approval Received: Date:_____

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION

Five-Year Business Plan

chedules

1	Planning Premises
2	Summary of Revenues and Expenses
3	Projection of Monthly Activity
4	Projection of Non-Refundable Startup Fee Collections
5	Projected Revenues and Expenses for Direct Services
6	Calculation of Compensation Costs for Staff
7	Start-up Expense

Office of the Senior Vice President for Health Sciences
August 27, 1997
File: kmj:RSO:Proforma 25

The following positions comprise the *variable staff*:

The required number of Nurse Coordinators and Research Support Service Managers is directly related to the volume of activity in the PSRSO. The assumptions for projecting the number in each category are described below:

Nurse Coordinators -- Using the experience of Washington University, the maximum workload per nurse coordinator is 7 studies. When the last hired nurse is at 75 percent capacity, the next nurse coordinator is hired. For the PSRSO five-year business plan, an average study load of seven studies is assumed. New hires will be included in the projection when the last position reaches a load of five or six studies.

Research Support Services Managers (RSSMs) -- The RSSMs can manage an average of 28 clinical trials on a continuous basis. Similar to the assumption for the Staff Nurses, an additional RSSM position will be filled when the last hired RSSM has a workload equal to 75 percent of full capacity.

Operating Expenses

Actual average expenditure experience in the Twin Cities Medical School for the conduct of sponsored research will be used to project operating expenses in the PSRSO. On average, about 12 percent of the total faculty and staff expenditures in the Medical School are incurred to cover the following costs:

General Operating Supplies and Services
Printing, Duplicating and Binding
Postage and Shipping
Communications
Travel

GENERAL OBSERVATIONS

About 1,200 clinical studies are conducted yearly in the Academic Health Center. For purposes of examining the financial feasibility of the AHC-PSRSO, it is predicted that the organization will coordinate about 375 of these studies. As shown on the attached Schedule 2, the AHC-PSRSO is self-sufficient at a volume of 25 new studies per month, or an on-going volume of 375 studies. A small reserve can also be retained to cover extraordinary expenses.

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION
Five-Year Business Plan
Summary of Revenues and Expenses

	FY 1998 Start-up	FY 1998 Recurring	FY 1999	FY 2000	FY 2001	FY 2002
REVENUES						
Grants:						
G.D. Searle	$ 150,000					
Academic Health Center	50,000					
Fees:						
Study Startup		591,500	1,081,500	1,113,945	1,147,363	1,181,784
Study Management:		281,438	3,135,912	4,128,132	4,251,976	4,379,536
Total Revenue	$ 200,000	$ 872,938	$ 4,217,412	$ 5,242,077	$ 5,399,340	$ 5,561,320
EXPENSES						
Start-up	$ 37,600					
Recurring						
Core Staff (1)						
Director .5 FTE		$ 26,667	$ 41,200	$ 42,436	$ 43,709	$ 45,020
Ass't Director		40,000	61,800	63,654	65,564	67,531
Subtotal Academic/P&A		$ 66,667	$ 103,000	$ 106,090	$ 109,273	$ 112,551
Fringes @ 27%		18,000	27,810	28,644	29,504	30,389
Total Academic/P&A		$ 84,667	$ 130,810	$ 134,734	$ 138,776	$ 142,940
Secretary		17,333	26,780	27,583	28,411	29,263
Principal Accountant		23,333	36,050	37,132	38,245	39,393
Subtotal Civil Service Salary		40,667	62,830	64,715	66,656	68,656
Fringes @ 32%		13,013	20,106	20,709	21,330	21,970
Total Civil Service		$ 53,680	$ 82,936	$ 85,424	$ 87,986	$ 90,626
Total Core Staff		$ 138,347	$ 213,746	$ 220,158	$ 226,763	$ 233,566
Variable Staffing (2)						
Nurse Coordinator		$ 584,100	$ 2,742,993	$ 3,402,943	$ 3,505,031	$ 3,610,182
RSSM		$ 174,625	833,369	1,037,454	1,068,578	1,100,635
Total Variable Staffing		$ 758,725	$ 3,576,362	$ 4,440,397	$ 4,573,609	$ 4,710,817
Total Compensation		$ 897,072	$ 3,790,107	$ 4,660,555	$ 4,800,372	$ 4,944,383
Operating Support						
% of Compensation = 12%		$ 107,649	$ 454,813	$ 559,267	$ 576,045	$ 593,326
Grand Total Projected Expense	$ 37,600	$ 1,004,720	$ 4,244,920	$ 5,219,822	$ 5,376,416	$ 5,537,709
Add to (Draw from) Reserve	$ 162,400	$ (131,782)	$ (27,508)	$ 22,256	$ 22,924	$ 23,611
Reserve Balance		$ 30,618	$ 3,110	$ 25,366	$ 48,290	$ 71,901

(1) **See schedule 4 for details**
(2) **See schedules 3 and 4 for details**

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION

Projection of Monthly Activity

FY 1998

	Studies In Progress											
	July	August	Sept	October	Nov	Dec	January	February	March	April	May	June
97 Studies In Progress	10	8	8	8	8	8	7	7	7	6	5	5
New Studies												
July	2	2	2	2	2	2	2	2	2	2	2	2
August		3	3	3	3	3	3	3	3	3	3	3
September			5	5	5	5	5	5	5	5	5	5
October				5	5	5	5	5	5	5	5	5
November					3	3	3	3	3	3	3	3
December						1	1	1	1	1	1	1
January							25	25	25	25	25	25
February								25	25	25	25	25
March									25	25	25	25
April										25	25	25
May											25	25
June												25
Total	12	13	18	23	26	27	51	76	101	125	149	174

Projection of Monthly Activity

FY 1999

	Studies In Progress											
	July	August	Sept	October	Nov	Dec	January	February	March	April	May	June
97 Studies In Progress	5	2	2	2	2	2	2	2	2	2	2	2
98 Studies In Progess												
July	2	2	2									
August	3	3	3	3								
September	5	5	5	5	5							
October	5	5	5	5	5	5						
November	3	3	3	3	3	3	3					
December	1	1	1	1	1	1	1	1				
January	25	25	25	25	25	25	25	25	25			
February	25	25	25	25	25	25	25	25	25	25		
March	25	25	25	25	25	25	25	25	25	25	25	
April	25	25	25	25	25	25	25	25	25	25	25	25
May	25	25	25	25	25	25	25	25	25	25	25	25
June	25	25	25	25	25	25	25	25	25	25	25	25
Total In Progress	174	171	171	169	166	161	156	153	152	127	102	77
New in FY 99												
July	25	25	25	25	25	25	25	25	25	25	25	25
August		25	25	25	25	25	25	25	25	25	25	25
September			25	25	25	25	25	25	25	25	25	25
October				25	25	25	25	25	25	25	25	25
November					25	25	25	25	25	25	25	25
December						25	25	25	25	25	25	25
January							25	25	25	25	25	25
February								25	25	25	25	25
March									25	25	25	25
April										25	25	25
May											25	25
June												25
Total New In 99	25	50	75	100	125	150	175	200	225	250	275	300
Grand Total	199	221	246	269	291	311	331	353	377	377	377	377

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION

Projection of Non-Refundable Startup Fee Collections

Assumptions:
Initial Fee of $3,500 per trial in FY 1998
Startup fee will be increased 3 percent each year

		# of New Trials	Startup Fee	Projected Collections
FY 1998				
July		2		
August		3		
September		5		
October		5		
November		3		
December		1		
January		25		
February		25		
March		25		
April		25		
May		25		
June		25		
Total FY 1998		169	$ 3,500	$ 591,500
FY 1999				
Average new trials per month =	25	300	$ 3,605	$ 1,081,500
FY 2000				
Average new trials per month =	25	300	$ 3,713	$ 1,113,945
FY 2001				
Average new trials per month =	25	300	$ 3,825	$ 1,147,363
FY 2002				
Average new trials per month =	25	300	$ 3,939	$ 1,181,784

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION

Projected Revenues and Expenses for Direct Services

FY 1998

	July	August	Sept	October	Nov	Dec	January	February	March	April	May	June
Estimated Activity	12	13	18	23	26	27	51	76	101	125	149	174
NURSE COORDINATORS												
Studies per Nurse	7	7	7	7	7	7	7	7	7	7	7	7
FTE Required	1.7	1.9	2.6	3.3	3.7	3.9	7.3	10.9	14.4	17.9	21.3	24.9
Headcount Required	2	2	3	4	4	4	8	11	15	18	22	25
Expected Revenue												
FTE Required	1.7	1.9	2.6	3.3	3.7	3.9	7.3	10.9	14.4	17.9	21.3	24.9
Monthly Comp	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950
Total Direct	$8,486	$9,193	$12,729	$16,264	$18,386	$19,093	$36,064	$53,743	$71,421	$88,393	$105,364	$123,043
Indirect	1,697	1,839	2,546	3,253	3,677	3,819	7,213	10,749	14,284	17,679	21,073	24,609
Total	$10,183	$11,031	$15,274	$19,517	$22,063	$22,911	$43,277	$64,491	$85,706	$106,071	$126,437	$147,651
Expected Expense												
Headcount Required	2	2	3	4	4	4	8	11	15	18	22	25
Monthly Comp	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950	$4,950
Total	$9,900	$9,900	$14,850	$19,800	$19,800	$19,800	$39,600	$54,450	$74,250	$89,100	$108,900	$123,750
RSSMs												
Studies per RSSM	28	28	28	28	28	28	28	28	28	28	28	28
FTE Required	0.4	0.5	0.6	0.8	0.9	1.0	1.8	2.7	3.6	4.5	5.3	6.2
Headcount Required	1	1	1	1	1	1	2	3	4	4	5	6
Expected Revenue												
FTE Required	0.4	0.5	0.6	0.8	0.9	1.0	1.8	2.7	3.6	4.5	5.3	6.2
Monthly Comp	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821
Total Direct	$ 2,495	$ 2,703	$ 3,742	$ 4,781	$ 5,405	$ 5,613	$ 10,602	$ 15,799	$ 20,997	$ 25,986	$30,975	$ 36,172
Indirect	499	541	748	956	1,081	1,123	2,120	3,160	4,199	5,197	6,195	7,234
Total	$ 2,994	$ 3,243	$ 4,490	$ 5,738	$ 6,486	$ 6,736	$ 12,723	$ 18,959	$ 25,196	$ 31,183	$37,170	$ 43,407
Expected Expense												
Headcount Required	1	1	1	1	1	1	2	3	4	4	5	6
Monthly Comp	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821
Total	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 5,821	$ 11,642	$ 17,463	$ 23,283	$ 23,283	$29,104	$ 34,925

Annual Study Management Fees	
Nurses Fees	$674,614
RSSMs Fees	198,324
Total	$872,938
Less Prepaid Startup	-$591,500
Net	$281,438

Total Annual Expenses	
Nurses	$584,100
RSSMs	$174,625

Projected Revenues and Expenses for Direct Services (continued)

FY 1999

	July	August	Sept	October	Nov	Dec	January	February	March	April	May	June
Estimated Activity	199	221	246	269	291	311	331	353	377	377	377	377
NURSE COORDINATORS												
Studies per Nurse	7	7	7	7	7	7	7	7	7	7	7	7
FTE Required	28.4	31.6	35.1	38.4	41.6	44.4	47.3	50.4	53.9	53.9	53.9	53.9
Headcount Required	29	32	36	39	42	45	48	51	54	54	54	54
Expected Revenue												
FTE Required	28.4	31.6	35.1	38.4	41.6	44.4	47.3	50.4	53.9	53.9	53.9	53.9
Monthly Comp	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099
Total Direct	$144,943	$160,967	$179,176	$195,928	$211,952	$226,519	$241,086	$257,110	$274,591	$274,591	$274,591	$274,591
Indirect	28,989	32,193	35,835	39,186	42,390	45,304	48,217	51,422	54,918	54,918	54,918	54,918
Total	$173,932	$193,160	$215,011	$235,114	$254,342	$271,823	$289,303	$308,532	$329,509	$329,509	$329,509	$329,509
Expected Expense												
Headcount Required	29	32	36	39	42	45	48	51	54	54	54	54
Monthly Comp	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099	$5,099
Total	$147,857	$163,152	$183,546	$198,842	$214,137	$229,433	$244,728	$260,024	$275,319	$275,319	$275,319	$275,319
RSSMs												
Studies per RSSM	28	28	28	28	28	28	28	28	28	28	28	28
FTE Required	7.1	7.9	8.8	9.6	10.4	11.1	11.8	12.6	13.5	13.5	13.5	13.5
Headcount Required	8	8	9	10	11	12	12	13	14	14	14	14
Expected Revenue												
FTE Required	7.1	7.9	8.8	9.6	10.4	11.1	11.8	12.6	13.5	13.5	13.5	13.5
Monthly Comp	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995
Total Direct	$42,611	$47,321	$52,674	$57,599	$62,310	$66,592	$70,875	$75,586	$80,725	$80,725	$80,725	$80,725
Indirect	8,522	9,464	10,535	11,520	12,462	13,318	14,175	15,117	16,145	16,145	16,145	16,145
Total	$51,133	$56,786	$63,209	$69,119	$74,772	$79,911	$85,050	$90,703	$96,869	$96,869	$96,869	$96,869
Expected Expense												
Headcount Required	8	8	9	10	11	12	12	13	14	14	14	14
Monthly Comp	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995	$5,995
Total	$47,964	$47,964	$53,959	$59,955	$65,950	$71,946	$71,946	$77,941	$83,936	$83,936	$83,936	$83,936

Total Annual Revenue	
Nurses Fees	$3,259,253
RSSMs	958,160
Total	$4,217,412
Less Prepaid Startup	-1,081,500
Net	$3,135,912
Total Annual Expenses	
Nurses	$2,742,993
RSSMs	$833,369

Projected Revenues and Expenses for Direct Services (continued)

Steady-State Activity -- Beginning In FY 2000

	FY 2000	FY 2001	FY 2000
Total Studies Each Month	375	375	375
NURSE COORDINATORS			
Studies per Nurse	7	7	7
FTE Required	53.6	53.6	53.6
Headcount Required	54	54	54
Expected Revenue			
FTE Required	53.6	53.6	53.6
Annual Compensation	$63,017	$64,908	$66,855
Total Direct	$3,375,935	$3,477,213	$3,581,530
Indirect	675,187	695,443	716,306
Total	$4,051,122	$4,172,656	$4,297,836
Expected Expense			
Headcount Required	54	54	54
Annual Compensation	$63,017	$64,908	$66,855
Total	$3,402,943	$3,505,031	$3,610,182
RSSMs			
Studies per RSSM	28	28	28
FTE Required	13.4	13.4	13.4
Headcount Required	14	14	14
Expected Revenue			
FTE Required	13.4	13.4	13.4
Annual Compensation	$74,104	$76,327	$78,617
Total Direct	$992,462	$1,022,236	$1,052,903
Indirect	198,492	204,447	210,581
Total	$1,190,955	$1,226,684	$1,263,484
Expected Expense			
Headcount Required	14	14	14
Annual Compensation	$74,104	$76,327	$78,617
Total	$1,037,454	$1,068,578	$1,100,635
Total Annual Revenue			
Nurse Coordinators	$4,051,122	$4,172,656	$4,297,836
RSSMs	1,190,955	1,226,684	1,263,484
Total	$5,242,077	$5,399,340	$5,561,320
Less Prepaid Startup Fee	-1,113,945	-1,147,363	-1,181,784
Net Management Fee	$4,128,132	$4,251,976	$4,379,536

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION

Calculation of Compensation Costs for Staff

Assumptions:
Salary expense will increase at a rate of 3 % annually
Fringe rates will equal 27 % for Academic/P&A Staff; 32 % for Civil Service
Director, Assistant Director, Principal Accountant, and Secretary will be hired effective October 1, 1997
Director will be a 50 % appointment

	Annual Salary				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Core Staff:					
Director	$ 80,000	$ 82,400	$ 84,872	$ 87,418	$ 90,041
@ 50%	40,000	41,200	42,436	43,709	45,020
Asst. Director	$ 60,000	$ 61,800	$ 63,654	$ 65,564	$ 67,531
Principal Acct.	$ 35,000	$ 36,050	$ 37,132	$ 38,245	$ 39,393
Secretary	$ 26,000	$ 26,780	$ 27,583	$ 28,411	$ 29,263

	Annual and Monthly Compensation				
	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Variable Staff:					
Nurse Coordinators	$ 45,000	$ 46,350	$ 47,741	$ 49,173	$ 50,648
Fringes @ 32%	14,400	14,832	15,277	15,735	16,207
Total Annual	$ 59,400	$ 61,182	$ 63,017	$ 64,908	$ 66,855
Monthly Compensation	$ 4,950.00	$ 5,098.50	$ 5,251.46	$ 5,409.00	$ 5,571.27
RSSM's	$ 55,000	$ 56,650	$ 58,350	$ 60,100	$ 61,903
Fringes @ 27%	14,850	15,296	15,754	16,227	16,714
Total	$ 69,850	$ 71,946	$ 74,104	$ 76,327	$ 78,617
Monthly Compensation	$ 5,820.83	$ 5,995.46	$ 6,175.32	$ 6,360.58	$ 6,551.40

AHC PRIVATE SECTOR RESEARCH SERVICE ORGANIZATION

Startup Expenses

FY 1998

	# of Units	Cost/Unit	Projected $'s
Computers			
Workstations	7	$ 3,500	$ 24,500
Software	7	500	3,500
Communications			
Installation	7	50	350
Office Furnishings & Equipment			
Desks, chairs, etc.	7	750	5,250
Fax	1	500	500
Copier	1	3,500	3,500
Total Startup			$ 37,600

Received: from mhub2.tc.umn.edu by mailbox.mail.umn.edu; Wed, 26 Mar 97 10:38:35
Return-Path: <corco001@maroon.tc.umn.edu>
Received: from maroon.tc.umn.edu by mhub2.tc.umn.edu; Wed, 26 Mar 97 10:34:27 -0
Received: from pub-19-b-199.dialup.umn.edu by maroon.tc.umn.edu; Wed, 26 Mar 97
To: courtney
From: "sheila corcoran-perry" <corco001@maroon.tc.umn.edu>
Subject: RE: DRAFT of Discussion with Leo Furcht on the PIDP Proposal
Reply-To:
Date: Wed, 26 Mar 1997 11:46:40
X-Tick-Nemesis: Chairface Chippendale
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
Message-Id: <333950130b7d069@mhub2.tc.umn.edu>

One of the strongest suggestions that I recall from the meeting was that the PIDP Council membership NOT include administrators, e.g., associate deans, vice provosts, etc. It should be made up of faculty peer reviewers with expertise in the area of the proposal (e.g., education, research, service, clinical). The Deans anf Provost are represented in the final box; they should not be included in the initial review - given the focus and intent of this proposal.

Unfortunately I do not have my notes from the meeting here, so I can't recall other comments/suggestions.

Oh, yes. I do remember a strong suggestion that the step in which proposals (in full or abstracted) are shared on the WWW. This was rejected in that proposals should not be shared publically prior to approval.

A question was asked about defining interdisciplinary. It is very odd that the part of the title is "interdisciplinary programs", yet the task force deliberately chose to not define this term. How are faculty to be guided in developing proposals when a major aspect is not defined?

That's all from me.

Sheila Corcoran-Perry
Sheila Corcoran-Perry

ACADEMIC HEALTH CENTER FCC
MEETING WITH LEO FURCHT
Minutes of the Meeting
March 12, 1997

These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes reflect the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

PRESENT: Judy Garrard (chair), David Hamilton, Peter Bitterman, Cynthia Gross, Muriel Bebeau, Sheila Corcoran-Perry

REGRETS: Dan Feeney, Fred Hafferty

GUESTS: Leo Furcht (Chair, PIDP Implementation Task Force)

The sole agenda item for the meeting was to discuss the Implementation Task Force Report on Programs and Inter-Disciplinary Programs (hereafter PIDP) with Dr. Leo Furcht, chair of the Task Force.

Before Dr. Furcht walked the group through the document, he spent some time talking about the Task Force's charge and position. The Task Force was charged with developing a detailed set of recommendations for implementing a system within the AHC for establishing, operating and reviewing programs. One of the overriding goals was to develop a general process that gave any faculty member an equal opportunity to be able to apply for and compete for new resources and also provide for a peer review process.

The old system serves a number of people very well, Dr. Furcht said, using the analogy "who's kissed the bishop's ring gets the resources," and there is not an equal playing field for all faculty to come to the table to get a reasonable review and get cogent thinking from a group of people to make a decision on resource allocation. The perception of the Task Force Report is that it is a good thing, but what about the implementation, one committee member asked? Other members agreed, noting however, that there were a few points of contention that would be pointed as Dr. Furcht presented.

It was at this point that Dr. Furcht suggested he walk through the document.

The following points and suggestions were made by the committee:

- The faculty in the AHC are lacking support - this is part of implementation and what is suggested in this report is a mechanism that does not guarantee that the resources are going to be available.
- Don't put out RFP's if you don't have the resources. This initiative should not be launched without financial support. Dr. Furcht agreed.
- The idea of predetermined obligations should protect the faculty and help the expansion of programs, research, and administration support to faculty and the services which they provide.
- Artificial interdisciplinary blockades should be combatted with a peer review process. Such a system should be friendly towards creating a mission sensitive process for disciplinary/interdisciplinary goals.

- Has this plan been costed out? It was suggested that the Dr. Furcht survey other institutions regarding similar programs to determine the costs they have incurred. What amount of the money is going to disappear in administrative costs? Dr. Furcht responded that there would be little to no administrative cost. An evaluation plan will aid in the implementation by providing for how much the plan will cost and the source of that funding. It will also defend the plan against the fears of the status quo concerning the extraction of current resources, thus identifying the indirect costs directly.
- Those who become successful have tended to fall victim to their own success in that the University's allocation of rewards which demonstrates penalization when one loses resources from other areas, it was said.
- Another issue is that some people will perceive this as a "gutting" of departments. Dr. Furcht responded that there are many who feel that there is too much authority and control at a department head or dean level and there needs to be a more level playing field for everybody to be able to draw down resources. The other side is that the power structure wants to keep it the old way.
- Dr. Furcht agreed with committee members' concern about communication regarding the Task Forces' recommendations so that there aren't undue expectations and the information is understood. Under the plan there will be less waste of resources that are currently going unaccounted for on a performance basis.
- The addition of "eminent people from the state of Minnesota" to the PIDP Council to to review pre-proposal documents will contribute to the priority of the University as a whole. The feedback from the leaders in education, research, and service will signal whether or not support is recommended for proposed endeavors.
- In order to protect proposals, they should be restricted from the public until after the proposal has been approved (and funded).
- The idea of publicizing to faculty the objectives and intent of the task force proposal being considered could be very beneficial. Communication to the faculty is critical.

The attention of the committee was then drawn to the PIDP Proposals - Review and Approval process. Who appointments the faculty group to serve on the various peer review committees identified in this plan and how are the faculty members selected, it was asked? The draft suggests the dean. Members spent a considerable time discussing this matter and concluded that in order to get a valid peer review the following ought to be considered:

- Appointments should be made in an open process.
- The appointees must meet criteria which reflect the intention to select those who have excelled.
- It was suggested that individuals outside of the particular school/unit who have expertise be considered to serve on the review committees.
- The evaluation process should address issues relative to appointments.
- The decision making should rest with the dean.

Referring to page twelve of the document under review and approval of PIDP proposals.

- Dr. Furcht indicated that an integration of the two groups (faculty and dean's council) is intended to occur at the bottom of the structure at the Provost Dean's Council.
- Differences in perception among internal relations of similar groups requires the sensitivity to evaluation, it was pointed out.

One of the committee members turned to page eighteen of the document regarding the appointment of the Director of the PIDP. It says....The Director of the PIDP will be appointed by the Dean (if school based) or the Provosts Office (if AHC based) and will involve either a search or administrative approval process consistent with University policy....Dr. Bitterman

stated that it was his opinion that the PI of the proposal should be the director of the program unless the PI designates someone else. The concept that the director be appointed by a dean or provost office seems antithetical to the spirit of this, he concluded. Dr. Furcht said he didn't believe this reflects what the Task Force intended and said he would change it. It was also pointed out that there should be a review process for the Center (which is reviewed and renewed) as well as the leader. The leader could be evaluated internally (within the Center).

CONCLUSION

- The suggestions of the AHCFCC will be incorporated into the next draft and will be brought back for continued review.
- A letter will be written to the faculty (AHC) concerning the implications of this plan. Professor David Hamilton will draft a letter and circulate it to the committee.

OTHER ISSUES

- The AHCFCC requested time to meet with Dr. Furcht to discuss the Vice Provost for Research Office. The committee should be part of the discussion regarding how that office is defined.

Evaluation of Senior Administrators

Faculty from many segments of our institution have expressed concerns about at least the perceived rigors and objectivity of senior administrative evaluations compared to those for faculty. In response, the Senate Committee on Faculty Affairs and the Human Resources Administration charged a joint Ad Hoc Committee to develop guidelines for senior administrative evaluations (e.g. Dean and above). The Minnesota Data Practices Act (MDPA) places notable limitations on how input can be garnered and what sources/information are and are not confidential. This has been perceived as a significant impediment to obtaining open and balanced input on administrative performance. Rather that shrink away from this problem, the Ad Hoc Committee was asked to confront the process as well as the MDPA provisions head on. The objectives were to make the process consistent, objective, fair and as open as possible. Early in June, 1997, about a year after the process started, SCFA approved in principle the document developed with some suggested clarifications. Prior to that approval, SCFA had input on the document and was given periodic progress reports. This included the outcome of "pilot applications" of the working administrative review document to the in depth evaluation of selected, willing senior administrators.

The document, "U-MN Recommended Procedures for Comprehensive Reviews for Campus and System Officers" (Review Procedures) is now in progress in the Academic Health Center (AHC). It applies only to periodic comprehensive reviews, not the regular annual reviews commonly associated with the yearly reappointment process. The review process is set up in steps which apply to every review, thereby fostering faculty confidence that true evaluations (not just friendly conversations among fellow administrators) will be conducted. The AHC, under the direction of Senior Vice-President Cerra, is beginning a series of evaluations for its deans (except those quite recently appointed). The AHC Faculty Consultative Committee recently discussed this issue of Review Committee make-up with Dr. Cerra. A mutually agreeable composition for this group so central to each process was defined. There is a balance between members from within and outside of the AHC and from within and outside of the specific academic/administrative unit. The goal is to provide input on the deans both as senior academic administrators and as unit financial managers. The intention is to provide a review process respecting and protecting the integrity of both the individual being reviewed and those providing input for the review.

As we heal the wounds inflicted by CIC Index and and the tenure battles, we should view this as another in the continuing developments hoped to resurrect confidence, comfort, and camaraderie in the AHC. A defined process with unbiased input may help to restore the productive and collegial relationships between administration and faculty that are so critical to institutional and personal development. The review document is available from Dr. Cerra's office and the Division of Human Resources. This document is a cornerstone for building faculty confidence in administration. Comment to the AHC Faculty Consultative Committee are invited.

D.A. Feeney, Veterinary Medicine; [redacted]

Dr. Daniel A. Feeney
SACS
C350 VTH

To: College of Veterinary Medicine Faculty
From: CVM Faculty Council
Subject: Annual Survey
Date: July, 1997

The Faculty council is preparing for their annual review of the College of Veterinary Medicine, which will include meetings with faculty of all departments. Prior to these meetings we would like to receive your views on the current state of affairs in several areas. The attached survey will provide the Faculty Council with a basis for discussion in the meetings with the departments and with Administration. Information gathered from this survey will also be summarized for use in preparing the annual report to the Senior Administrator of the Academic Health Center.

We ask you to take a few minutes to respond to the questions in the survey, to indicate items you consider as priorities for the coming year and to provide any additional written comments you care to add.

The questionnaires are color coded by department in order to assist in tabulating the information in a useful manner. Otherwise the comments and responses are considered anonymous.

To facilitate timely tabulation an analysis of the information, please return your survey in the attached envelope to Mike Murphy or Will Marsh by:

Thursday July 31.

Thank you for your assistance.

State of the College - Faculty Survey
(Summer 1997)

Please circle the choice that best describes how you feel about each of the statements below. Please note that statements are grouped into sections for your convenience.

		Strongly Disagree		Agree		Strongly Agree	No Opinion
	Financial						
1	I am satisfied with my salary	1	2	3	4	5	☐
	(In the following questions, "assets" refer to items such as space, funding, equipment, etc)						
2	**College** assets are allocated fairly	1	2	3	4	5	☐
3	**Department** assets are allocated fairly	1	2	3	4	5	☐
	Communication - *Includes areas such as style, content, clarity format and timeliness.*						
4	Communications within **the College** are effective and appropriate for my needs	1	2	3	4	5	☐
5	Communications within our **Department** are effective and appropriate for my needs	1	2	3	4	5	☐
	Academic Affairs						
6	I am satisfied with our rate of progress in revising the D.V.M. curriculum	1	2	3	4	5	☐
7	Adequate opportunities for faculty development are available to me	1	2	3	4	5	☐
	Recruiting Practices						
8	An appropriate mix and quality of D.V.M. students are being recruited	1	2	3	4	5	☐
9	An appropriate mix and quality of graduate students are being recruited	1	2	3	4	5	☐
	Administration						
10	**College** administration shows vision, credibility and productivity	1	2	3	4	5	☐
11	**College** administration effectively represents the College's interests with the A.H.C., University, profession, etc.	1	2	3	4	5	☐
12	**Department** administration shows vision, credibility and productivity	1	2	3	4	5	☐
13	**Hospital** administration shows vision, credibility and productivity	1	2	3	4	5	☐
14	**V.D.L.** administration shows vision, credibility and productivity	1	2	3	4	5	☐
	Facilities - *includes space, equipment learning resources and support staff*						
15	Facilities and support meet my needs for **teaching**	1	2	3	4	5	☐
16	Facilities and support meet my needs for **research**	1	2	3	4	5	☐
17	Facilities and support meet my needs for **service**	1	2	3	4	5	☐
	Strategic Plan						
18	The College strategic plan has been clearly communicated to me	1	2	3	4	5	☐
19	Adequate progress is being made on implementing the strategic plan	1	2	3	4	5	☐
	Faculty						
20	Faculty in my department communicate and cooperate with each other	1	2	3	4	5	☐
21	Faculty in my department have ample opportunity for communication and cooperation with other departments	1	2	3	4	5	☐
22	I am satisfied with the productivity of my colleagues	1	2	3	4	5	☐

Please circle the numbers of three (3) of the above items that you would consider priorities for next year's Faculty Council

Please use the other side for additional comments.

☞

Please use this page to provide additional comments. In order to help us understand the context of your comments, please preface each comment with the number(s) of the corresponding statement(s) in the questionnaire.

Comments: