December 2, 2008

MINUTES
University of Minnesota Medical School
Faculty Advisory Council

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The meeting of the Medical School Faculty Advisory Council (FAC) was held on Tuesday, December 2, 2008 at 4:00 p.m. in Room B646 Mayo Memorial Building and 146 School of Medicine Duluth (via ITV). Carol Lange, Chair of the FAC presided.

Members Present: Drs. Aviva Abosch, Robert Acton, Sharon Allen, Vivan Bardwell, Kumar Belani, Cahterine Bendel, Susan Berry, Peter Bitterman, James Boulger, Joseph Brocato, Linda Burns, James Carey, Levi Downs, Esam El-Fakahany, Sean Elliott, Kalpna Gupta, Gwen Halaas, Karla Hemsath, Kristin Hogquist, David Ingbar, Dana Johnson, Gerhard Johnson, Stephen Katz, Carol Lange, Tucker LeBien, Teresa Nick, James Pacala, Jose Pardo, Christopher Pennell, Teresa Rose-Hellekant, David Rothenberger, Yoji Shimizu, Brian Sick, Gregory Vercellotti, Carol Wells, Tom Yacovella, and Jo-Anne Young

Dean's Office Staff Present: Dean Deborah Powell, Drs. Charles Moldow, Roberta Sonnino, Ms. Allison Campbell Jensen, and Ms. Patricia Mulcahy.

Welcome
Dr. Lange called the meeting to order at 4:00 p.m.

Questions and Discussion related to Medical School Finances
Over the last month, Dr. Lange collected questions (via email) from the FAC regarding Medical School Finances. These questions and comments were summarized into a handout (see attached), and at this meeting, Dr. Lange will pose these questions to Dean Powell for answer and discussion.

1) Have you considered initiatives to reward and retain productive faculty, and/or re-train/re-tool our less productive (mid career to senior level) faculty?
Dean Powell explained that this has and is being considered. Retaining faculty by re-tooling costs much less overall than recruiting new faculty, and is an investment that the School often makes. She explained that the Medical School often partners with departments for bridge funding, when faculty are having hard times securing grants, but this must only be used as a temporary solution for faculty. She also informed Council that the Medical School is considering new ways to reward productivity. Additionally, with the Space Study that was done last year, Departments can more easily identify faculty productivity and award space accordingly.

2) What strategies are being considered to stably fund the academic time of the large number of physician-scientists and clinician scholars in the Clinical Science Departments?
The Dean's Office started a new process last year, which requires Dean's Office approval prior to starting a faculty search/recruitment. The Dean's Office reviews these requests weekly at their budget meeting, where they discuss in detail the funding sources for salary. If the requested position does not have a stable funding source (i.e., solely clinical revenue), the request is denied. The Dean explained that since starting this process, Departments have been forced to take a closer look at who they are hiring and how they are paying for them. We need to take a closer look at how we can fund research by physician scientists with a stable funding stream.

3) What is the right size for our faculty and have we over expanded our ability to fund these new faculty?
The Dean explained that while there is no current model that tells us what the perfect faculty size would be to meet our needs, the Medical School has been making strides to increase the number of tenure/tenure track faculty. The Dean added that we cannot keep increasing clinical faculty if our clinical volume does not increase. Before hiring clinical faculty we need to ask ourselves if there is the clinical demand to justify a new hire, and where the new faculty member would practice. It typically takes a year and a half for a clinical faculty member to build up their clinical practice to anticipated levels.

The Dean further explained that academic models for research are complicated. While we need a certain number of P.I.'s, we also need faculty who fill a combination of roles, including investigators on Program/Project Grants. But while we cannot pinpoint the perfect number, we have and will continue to make strides to achieve a better balance of clinicians and researchers in the School. We also need to give scientists more time, which includes larger start-up packages, because it now takes longer for faculty to get their first grant. This adds increased pressure, because it begins to tighten the tenure clock.

4.) Related to #3, do we have excess administrative overhead to run the Medical School?
The Dean informed Council that she has pledged to take $2M out of her overhead budget, which includes plans for not re-hiring current positions. She explained that overhead costs can always be cut, which she has promised to do. Moving to the Administrative Cluster model in the clinical departments has saved the Medical School between two to three million dollars, so the basic science departments are now moving to a similar model. What should be noted is that the while the Medical School budget is $800M (which includes private practice revenue), the Dean's Office budget is only a small portion of this budget ($20M), and is being reduced by 10%. While cuts can be made, administrative services must be available to faculty. Programs like Graduate Medical Education and the M.D./Ph.D. program have no direct funding source, and must be funded by the School. In addition to Dean's Office overhead, UMP overhead has been reviewed, and it was determined that the UMP overhead is already very minimal. Major cuts to their overhead are unlikely.

5.) What is the financial status of the Medical School's "reserve fund"? Does it still exist? Could the Medical School "borrow" money in tough financial times, and if so, where would the loan originate? How would it be paid back?
The Medical School and its departments have deficits of $29M. Some departments can make up

deficits from reserves. The Medical School administrative deficit is due to the cost pool overages that were incurred from the new University budget model. The aggregate of these cost pools last year alone were $67M, which includes monies charged by the University for space, IT, libraries, research administration, etc. Portions of these charges are now being sent to the departments, and some departments are now incurring an annual structural deficit. The Dean is meeting with each department individually to discuss plans to eliminate the structural deficit in these departments. The University can issue interest-free loans to departments that can be repaid over the next seven years, but the Medical School needs to ensure that these are not recurring deficits. The Medical School does have reserves, but much of this cash is in restricted and endowed accounts and must be used for previously arranged directives. An advantage to the new University budget model is that the Indirect Cost Recovery (ICR) now comes completely back to the School. Departments can use the ICRs at their discretion. The more research dollars, the higher the ICR.

8.) Should the Dean's Tax be increased to support all of our missions?
The Dean's tax is currently 2.78%, which is one of the lowest Dean's taxes in the country. The average Dean's tax nationally is 6.5%, with many schools around 10-12%. Funds incurred from the Dean's tax in the Medical School are most frequently used for start-up funds for faculty hires. Other Schools across the country commonly use funds from the Dean's tax to help departments that are struggling. The Dean's tax cannot be increased more than 5% of the current rate without rewriting the bylaws of UMP.

Due to time constraints, the discussion regarding Medical School finances will continue at the January FAC meeting.

Conflict of Interest (COI) Update
Dr. Peter Bitterman informed Council that the Department of Medicine recently discussed the document drafted by the Conflict of Interest Task Force, and while they will react formally to the Dean in a written document, he wanted to share their ideas with the FAC. Many in the Department felt that the document, while covering "Conflict of Interest" is actually covering two separate things; 1) Conflict of Interest, and 2) Bias. While Conflict of Interest (COI) is defined by the IRS and the University as a direct financial interest that would violate trust, Bias seems to be what the COI taskforce discusses in their document. The Department of Medicine would like two separate policies, covering both terms, because while COI is very concrete and definitive, Bias is nuanced and harder to define. It was pointed out by Dr. Pacala that while the difference between Bias and COI was very clear to the members of the FAC, members of the public may not understand the distinction.

The Department of Medicine also felt that since the goal of this policy is to ensure the public's trust, the draft policy (when available) should be reviewed by panels that include public members. These could possibly include participants in clinical trials or members of patient advocacy groups.

The meeting was adjourned at 5:00 p.m.

Respectfully submitted,

Jeni Skar
Staff to the FAC