

UW Bothell/UW Tacoma, Seattle College/School Name: School of Medicine

1. Please provide a **1-2 page description with visualizations if possible of how you intend to grow or contract over the next five years**. Please provide these strategic plans at the college or departmental level, if you so choose. Where significant growth is anticipated, please provide specific fund source names and projections (in dollars). If these plans assume additional Provost Reinvestment Funds (supplement), please make that clear. If you wish to include a summary of growth plans, services or activities supported by sources other than GOF/DOF, please do so. If cross subsidy is required from other sources, please summarize the extent of that subsidy.

WWAMI Spokane expansion

The UW requested \$8.0 million of funding from the state for the 2015-17 biennium to develop and expand the Washington/Wyoming/Alaska/Montana/Idaho (WWAMI) medical student education program in Spokane and Eastern Washington by increasing medical student enrollment by 20 students starting July 1, 2015 and by an additional 20 students starting July 1, 2017 at the Spokane Riverpoint campus under the new WWAMI Next Generation curriculum model. The proposal assumed that WSU would be UW's partner in this joint effort to address the current and growing shortage of physicians in Washington State, including rural areas and Spokane and the surrounding rural counties. It also assumed that the existing state funds at WSU that are part of WWAMI would be used for the WWAMI program and would not be re-appropriated for a new WSU medical school. If WSU is not UW's partner, the expansion will require the transfer of WWAMI state funds from WSU to UW, and UW will need to engage a new partner.

In addition to Spokane, the medical student cohorts of Idaho and Montana WWAMI students expanded in FY 14 and the growth in students over the four years is still ramping up. Funds to support these expansions are coming from the states of Idaho and Montana. The Idaho legislature is interested in further expansion that may add a total of 15 students per year over the next three years.

Medical School curriculum renewal

In fiscal year 2016 the WWAMI Next Generation curriculum model will be implemented with the entering class. We have temporary funds to support the expenses through the biennium and the School is requesting support to submit a state decision package in the 2017-2019 biennium to support the on-going curriculum costs.

Graduate medical education expansion

As we expand our medical student program, we also need to expand residency training programs for our students to enter, especially in specialties and locations that serve WWAMI rural and other underserved populations. The School hopes to implement a federal demonstration project for new residencies with matching funds from each WWAMI state to increase the number of primary care physicians including family medicine, pediatrics, general internal medicine, and much needed secondary care specialties like OB-GYN, general surgery, emergency medicine, and psychiatry. This would build the physician workforce where physicians are needed most, increase number of residents working in rural or underserved areas, extend high quality GME into rural and underserved communities and lower the cost of training by capitalizing on existing educational infrastructure.

Research and education facilities

Growth in research facilities over the next five to six years is centered on South Lake Union. UW Medicine, Treasury, Planning and Budgeting and Grant and Contract Accounting worked together on financial due diligence for SLU Phase 3.2

research space. The SLU Phase 3.2 financial due diligence will be updated and a final report will be presented to executive sponsors by April. The Board of Regents is likely to be asked to make a final decision in July 2015.

OVERVIEW OF UW MEDICINE AT SLU

Multi-Phase Project:

- **Phase I** (Brotman Building) - 100,000 GSF research space completed 2004
- **Phase II** - 166,000 GSF research space and 100,000 GSF administrative space completed 2008
- **Phase 3.1** - 147,000 GSF research space (above ground) completed 2013
- **Phase 3.2** - 165,00 GSF research space projected completion 2018
- **Phase 3.3** - 180,000 GSF research space projected completion ~ 2022

UW Medicine

The School is working with Planning & Budgeting on a revised facilities funding model that will be administratively easier to manage. In addition, as part of the state’s biennial budget UW submitted a SLU \$2.5 million annual operations and maintenance funding request.

Centers and institutes

The School continues to develop and grow existing multidisciplinary centers and institutes including but not limited to the Institute for Protein Design, Center for Precision Diagnostics, Institute for Health Metrics and Evaluation and Institute for Stem Cell and Regenerative Medicine. In addition the School is launching and developing new centers and institutes including but not limited to the Center for Innate Immunity and Immune Disease and the Institute for Cell Signaling Therapies. These multidisciplinary institutes and centers provide rich learning environments for students and trainees and support UW Medicine’s mission of improving the health of the public by promoting rapid and effective translation of research from laboratory to clinical settings. Many of these centers and institutes require significant start-up funding and some of them require on-going funding. The School, working in partnership with the University, has successfully funded some of the start-up funding through philanthropy, new state funds and private resources. Substantial additional philanthropy is required as we continue to develop existing centers and institutes and launch new centers and institutes.

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- 2. Please identify significant administrative, academic or other obstacle(s)** present in achieving the growth or strategic plans identified as part of Question 1. **Please plan to discuss these with the Provost.** If applicable, please summarize any operational risks that the UW must work to mitigate over time from your perspective.

The School sees funding as the largest obstacle in achieving growth or strategic plans. In the past year, there have been critical retentions that required significant commitments and the School sees these increasing at a time when resources are scarce. The School’s major funding of UW’s basic IT functions and IT systems is at the expense of academic and research programs. The Activity Based Budgeting Model works for large undergraduate programs where the faculty to

student ratio is small. Incremental tuition from the graduate or professional programs cannot support the merit, promotion and associated benefit costs and incremental UW IT costs. As result there are less funds to support teaching and research programs.

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3. Using the **“Tuition Rec Worksheet”** tab of the **“Worksheets and Reference Materials –Academic”** Excel workbook ([http://opb.washington.edu/sites/default/files/opb/Budget/Worksheets and Reference Materials Academic.xlsx](http://opb.washington.edu/sites/default/files/opb/Budget/Worksheets_and_Reference_Materials_Academic.xlsx)) please identify proposed changes to current tuition rates in FY16 (2015-16) and FY17 (2016-17).

If you are recommending the creation of a **new tuition category, please describe those changes below and be sure to identify the original tuition category, the proposed category, a suggested tuition rate for FY16 and (if applicable) a percentage increase for FY17.** If you plan to move only a subset of your programs into a new category, please identify those programs by major name, pathway, level, and type.

Do you have any long-term plans for tuition that warrant discussion? If yes, please describe them below.

Tuition proposals:

- Undergraduate tuition will be determined by the Board of Regents
- Graduate tuition will be proposed by the Graduate School at 0% increase
- We anticipate proposing a 5% increase for Medical Students

Below is projected tuition increase assuming 5%:

		FY 2015	FY 2016		FY 2017	
			% Change	Tuition	% Change	Tuition
Seattle Campus						
Medical Professional (MD)	Resident	\$31,131	5.0%	\$32,688	5.0%	\$34,323
	Non-Resident	\$60,117	5.0%	\$63,123	5.0%	\$66,279

4. Please **describe your school or college’s emerging or changing faculty needs**, including information about faculty hiring trends and the recruitment and appointment of lecturers.

Hiring Trends

For the SoM, below is a chart summarizing faculty for the last six years based on our most recent Faculty Composition and Compensation Analysis based on 1.0 Faculty FTEs (the survey has a one-year lag as it’s based on national compensation benchmark data from the Association for American Medical Colleges). Several important notes related to our faculty hiring are:

- The SoM hires are heavily weighted toward our 18 clinical departments. Over 71 percent of our hires have M.D. degrees.

- The basic science faculty (12 departments and IHME) growth has primarily been in Genome Sciences and Global Health, which have had extensive growth in research programs over the last five years. Global Health has also had extensive growth in educational programs.
- Clinical department growth is a reflection of the growth in the UW Medicine hospitals and clinics and the increased demand for clinically active faculty to meet growing patient care demand primarily at the following locations where our faculty provide care:
 - Harborview Medical Center and clinics
 - UW Medical Center and clinics
 - Seattle Cancer Care Alliance
 - Seattle Children’s Hospital
 - UW Neighborhood Clinics
 - Other sites of practice approved by UW Medicine
- An ongoing challenge for the SoM relates to retention of our faculty clinicians in the face of market pressures on compensation from competing academic medical centers as well as local private hospitals. The SoM must respond to market pressures on compensation for these faculty.

	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>5 Year % Increase</u>
Total Faculty	2,031	2,193	2,302	2,283	2,383	2,465	21%
Asst/Assoc/Prof	1,688	1,835	1,987	1,908	1,985	2,042	21%
Basic Science	351	374	399	385	360	360	3%
Clinical Science	1,680	1,819	1,903	1,898	2,023	2,105	25%

SoM Approach to tenure / state funds

The majority of SoM faculty are appointed Without Tenure (WOT) due to funding. We hire most of our tenured faculty in the basic science departments where tenure is needed to compete for high quality faculty. For the clinical departments we hold the majority of our state lines as vacant or planned vacancies. This allows the teaching funds to be moved or assigned to support faculty involved in teaching activities. We want to emphasize the importance of these state funds to our clinical departments. Although not assigned as tenured in the Budget Driver, the funds are critical to support our teaching activities. The majority of the medical school and residency teaching, both didactic and clinical, is done by faculty within our clinical departments. State cuts over the last five years have been borne by our clinical departments and have had a major negative impact on our clinical departments as teaching requirements have grown due to medical school expansion (over 24 percent increase since 2008) and residency and fellowship program growth (over 23 percent increase since 2008).

FY15 – hiring plan summary

The SoM submitted its F15 hiring plan in July for 30 tenure positions, which is summarized below. We continue to emphasize recruitment of assistant professors for tenure-track positions. We also have several open chair recruitments.

	Total	Clinical	Basic
• Total Positions:	30	15	15
• Carryover from FY14 Hiring Plan	15	10	5
• New Positions	15	5	10

Lecturer hiring practices

The SoM has historically not used the lecturer title on an extensive basis. Of the 2,465 full time faculty in FY13 (as noted above) in the SoM, only 56 were lecturers in FY13 (excluding 6 emeritus). Lecturers generally are teaching in the undergraduate programs or in the MEDEX (physician assistant) program in the medical school. The SoM has typically hired with annual commitments for the lecturer positions.

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5. In the event that state funding for compensation adjustments in FY16 is not available, **all units** should have plans to **cover GOF/DOF salary increases out of other fund sources**. Should no tuition revenue be available, Provost Reinvestment Funds may be dispatched to provide support for increases. Please provide your units' plans to cover expenses associated with salary increases. A salary and tuition revenue model is available on the OPB website at <http://opb.washington.edu/content/fy16-budget-development>; this model is designed to give you a sense of the magnitude of the support that will be required at various percentage increases.

Using the model link above and the general assumptions listed below, the SoM would have a \$1.6M unfunded increase in state funding:

- Undergraduate 3%
- Graduate 0%
- Professional 5%

**Expected FY16 Incremental ABB Tuition Revenue and Salary Increases
 (Based on FY15 Salary Budget Info Through September 2014)**

Academic Unit	2015-16 Incremental Net Tuition Revenue	GOF & DOF Salary Increases	Net Revenue less Salary Increase
School Of Medicine	\$970,937	\$2,608,847	-\$1,637,910

To the extent that no state funds are available to cover salary increases, the SoM would rely on funds in the following order:

1. ABB tuition increase funds -- TBD
2. FY12 ABB Transitional Temp funds converted to permanent in FY13 remaining (recommended to be held for merit increase in FY13) -- \$.4M
3. Provost reinvestment funds requested to cover shortfall – See below
4. Reduce teaching funds from departments and undermine our ability to meet our teaching activities based on increase in student teaching requirement over last five years while absorbing an overall 25%+ reduction in state funds from 2009 to 2015.

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6. This summer, the UW has been the sole subject of a state-required audit of net operating fee (tuition) and local fund accounts. This audit has revealed the importance of monitoring expenditures against budgets on a biennial basis,

ensuring that colleges, schools and administrative units have plans to spend fund balance in a reasonable and mission-driven manner and that these plans are acted upon. As such, we ask that colleges and schools provide itemized obligations against fund balance, as estimated by OPB for the close of FY14. These obligations may be categorized by the following general classifications in the example provided, but greater detail is expected and will be relevant in discussions with the Provost.

Below is a SoM summary of reserves by fund type for our 12 basic science departments, 18 clinical science departments and our Dean’s Office as of June 30, 2014. Additionally, we have identified reserves specific to SLU. In addition to our reserves, we have included our outstanding one-time startup commitments made to existing faculty as reported by our departments on a quarterly basis via our internal SoM reporting process and our commitments to departments that the School of Medicine has made to new chairs, to support strategic initiatives and to recruit new faculty and retain key existing faculty (this excludes ongoing annual commitments by SoM of roughly \$10M/year). The \$85M in commitments are for faculty and programmatic start-up costs from recruitment and or retention. The SoM believes the reserves of \$48M, before commitments, is not excessive or inappropriate when considering that the SoM has over a \$1Billion in ongoing activity and the \$48M is less than 15 days of expenses. Additionally, the majority of these funds are AICR (ICR funds) derived from grant activity and are used to support research faculty retention and recruitment costs.

GOF Carryover – SoM expects all GOF funds to be utilized in FY15

SLU Reserve Carryover -- For SLU, our reserves are in two categories. We have \$15M in operations support that will be used over the next three fiscal years to support SLU ongoing operations costs. The \$14.2M is our SLU capital reserve fund which the SoM has funded since our initial Brotman facility was brought online to support future capital repairs and maintenance costs. The SoM has significant curriculum renewal costs in fiscal year 15 and therefore we will not fund the capital reserve account.

SoM ending fund balance analysis							
As of 6/30/14							
	Basic Science Departments	Clinical Science Departments	Dean's office	Total Excluding SLU	SLU cap res	SLU ops spt	Total SLU
GOF	355,398	1,219,322	410,128	1,984,848			0
DOF	2,534,788	552,485	829,934	3,917,207		9,000,000	9,000,000
Subtotal	2,890,186	1,771,807	1,240,062	5,902,055	0	9,000,000	9,000,000
AICR	14,766,016	10,183,088	16,737,849	41,686,953	14,275,730	6,000,000	20,275,730
FICR			276,000	276,000			0
Subtotal	14,766,016	10,183,088	17,013,849	41,962,953	14,275,730	6,000,000	20,275,730
Total	27,887,191	20,546,895	25,359,215	47,865,008	14,275,730	15,000,000	29,275,730
Commitments	(11,511,000)	(29,412,000)	(44,100,000)	(85,023,000)			0
Fund balances net of commitments	\$ 16,376,191	\$ (8,865,105)	\$ (18,740,785)	\$ (37,157,992)	\$ 14,275,730	\$ 15,000,000	\$ 29,275,730

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7. **Though we believe that few, if any, state funds will be available and any new Provost Funds may be dispatched for mitigating cuts or providing salary increases, please indicate what Provost Reinvestment Funds are being requested.** Requests for funds should be identified by a unique title, accompanied by the amount requested, the year funding is requested, whether the request is for permanent or temporary funds, the number of years funding is needed in the case of a temporary request and a brief description, not to exceed 500 words. **Successful requests will provide better experiences for students and faculty, contribute to the long-term financial health of the University, and/or reduce institutional risk¹.**

Importantly, requests for new funding will be considered alongside carryover spending plans. Schools or colleges with growing temporary fund balances will be asked to explain why new funding is needed to support program enhancements.

Example:

1. Title	Funding	FY	P/T	Years Needed (If Temp)	DOF Requested (Y/N)
WWAMI Spokane	\$3,000,000	FY16	P		N

The School is requesting a backstop of funding to support the existing cohort of 40 first year and 20 second year WWAMI students in the Spokane area with a new partner university if we are unsuccessful in receiving a transfer of WWAMI state funds from WSU.

Merit and Promotion	TBD	FY16	P		N
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The School is requesting funding to support the shortfall between incremental tuition and cost increases associated with merit, promotion and benefits as over the last three years, the ABB funding to support merit has been \$1.8M less than ABB funding to support increases.

*Should your school or college wish to resubmit for consideration a proposal from FY15 budget development process **that did not receive funding**, please contact Sarah Hall (sahall@uw.edu) or Becka Johnson Poppe (jbecka@uw.edu) in OPB.*

¹ Please refer to the FY16 Budget Development web page at <http://opb.washington.edu/content/fy16-budget-development> for more information about the University’s Sustainable Academic Business Plan goals and top institutional risks.