

Academic Unit Name: School of Pharmacy

Please complete this Word document and the accompanying [Excel workbook](#), and submit them to the Office of Planning & Budgeting on or before **Friday, November 20**. Please email your materials to [Becka Johnson Poppe](#).

In addition to the questions in this document, academic units will be asked to provide information about anticipated growth or contraction over the next five years. These materials, however, will not be distributed to academic units until October 30 and will not be due until Wednesday, December 23. In order to ensure some consistency and common information across responses, academic units will be given templates with projections of student growth. Units will be asked to review these growth trajectories and provide detailed notes about any planned deviation(s).

1. Since the Washington state legislature reduced resident undergraduate tuition rates for the 2015-16 and 2016-17 academic years, we are giving academic units an opportunity to revisit and, if needed, revise tuition rate recommendations for 2016-17 (FY17).

Please review the FY17 tuition rate(s) previously recommended by your unit – copies are available at the [FY16 Unit Budget Submissions webpage](#) – and please **either confirm your previous recommendation or provide a new recommendation with accompanying justification** for the change.

If you have a new recommendation, please use the “Tuition Rec Worksheet” tab of the “FY17 Academic Budget Worksheets & References” [Excel workbook](#) to identify your new proposal.

As always, **if your recommendation involves creating a new tuition category**, please be sure to identify the original tuition category, the proposed category and a suggested tuition rate 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.

UW SCHOOL OF PHARMACY

The School of Pharmacy (SoP) offers a 4-year professional program leading to the Doctor of Pharmacy (Pharm.D.) degree and three graduate programs leading to the MS and PhD. We are consistently ranked in the top 10 in national opinion polls, and amongst the top 3 to 5 in rankings that rely on evidence of performance and scholarship. Our budget, tuition schedule and hiring plan are designed to maintain or increase the quality of our programs and improve our ability to recruit and train excellent students. This year, the School completed a six month Strategic Planning process that identified our vision and goals for the coming five years. This document has been previously shared with the Provost and a copy is appended for reference.

PHARM.D. PROGRAM

Our annual target enrollment for the past 3 years has been 100 students. Our current 4 year enrollment is 374 – 26 students below our target enrollment. For the 2014-2105 academic year our incoming class was 90 students. We experienced an unusually high loss of 15 admitted students during the late spring and summer – several citing the UW out-of-state residency requirement of 30 hours of employment per week as a factor in their decision. This policy has since been changed and should improve our ability to recruit out-of-state students. The labor market for pharmacists in

Washington State is such that virtually all of our students are employed or in advanced training programs (residencies, fellowships, post-graduate) within 6 months of graduation.

In early 2014, our in-state competitor (WSU College of Pharmacy) expanded its program to 120 students per class on the Spokane campus (up from 80 students in 2011) and added a new cohort of 30 additional students in Yakima. Our faculty believe that this aggressive expansion by WSU will increase demand for a finite number of state-wide experiential training sites (during the PY4 year) and threatens to soften the job market (and ultimately, wages) in Washington state. In addition, the state-supported College of Pharmacy in Oregon (OSU) offered residents of Clark County (Vancouver) in-state tuition to attend OSU. These regional competitive challenges put increasing pressure on us to elevate our recruitment activities and offer high quality programs to talented students at an affordable price.

RESEARCH AND GRADUATE PROGRAMS

The research productivity of our faculty, as measured by grant and contract revenue, has grown by 10% over the past 2 years and by all indications will continue to grow in the coming years. This trend is in sharp contrast to the availability of federal, foundation and other funding for basic and applied medical research. We owe this positive outcome to the high quality of our faculty and research staff and, in particular, the funding success of new faculty hires.

Each of the three departments offers graduate training (MS and PhD) in fields related to pharmaceutical sciences and health policy and economics. The total number of graduate students in the School ranges between 85 and 100. These programs are highly competitive and internationally ranked. We do not anticipate substantial growth in these largely self-funded programs over the next 3-5 years. We are mindful of uncertainties in future biomedical research funding, but again put forward that space limitations are preventing us from taking full advantage of existing opportunities to expand research programs and graduate student training.

OPERATIONS

The School of Pharmacy continues to function as a lean operation. DOF/GOF and RCR provide a total of 30% of our annual operating budget. The balance comes from research grants/contracts and private/corporate giving. In fact the total annual amount of non-tuition state support for the School of Pharmacy is roughly equivalent to our income from philanthropy. We continue our conservative approach to budgeting and have been able to cover salary increases, new hires with expensive start-up packages from tuition and RCR. Unfortunately, the salaries of our faculty in the Department of Pharmacy remain extremely compressed in comparison to peers – many of the Associate and Full Professor faculty salaries are at or below the 25% percentile. We had planned to seek an additional Unit adjustment for FY 2017, but have delayed this action pending a broader salary increase announcement from the Provost office.

TUITION

Last year, we recommended a Pharm.D. tuition increase of 2% for FY2017. With a new merit increase target and a unit requirement to subsidize 50% of the salary increase, we are revising our Pharm.D. tuition increase to 4.5% for FY2017. The graduate student tuition rates are not set by the School, rather by the UW Graduate School. We propose to hold our FY17 out-of-state tuition at the same rate for FY16. Finally, we are proposing a new and small dual degree option (PharmD/MBA) with UW Bothell starting FY17 for our Pharm.D. enrollees. We anticipate slots for 5-10 students per

year. To finance this program under ABB, we will develop a new tuition category. We are working with the Office of Planning and Budgeting and UW Bothell to complete financial modeling to determine the optimal, self-sustaining rate.

2. Though the Provost will soon be announcing requirements for FY17 merit increases, **please tell us how your unit plans to deploy funds for merit increases and unit adjustments in FY17**. A salary and tuition revenue model WILL BE available on the [FY17 budget development website](#) by October 26; this model is designed to give you a sense of the magnitude of the support that will be required at various salary percentage increases.
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The SoP uses permanent funds for merit and unit adjustments. To determine merit, each of the three Departments manages a robust, internal faculty and professional staff review process that has been in place for several years. The Chairs coordinate the process and make recommendations to the Dean for merit adjustment. The Dean reviews the merit recommendations and accepts or, when appropriate, recommends modifications. The final merit proposals are jointly agreed between the Chairs and the Dean.

We anticipate using the same administrative process in FY17 for the planned merit increase. The Dean would like to propose a unit adjustment for targeted and compressed faculty in FY17, however we simply cannot afford such an action unless we are able to acquire additional GOF support in the form of an increase in our central allocation or tuition adjustment beyond what is required to support the planned merit increase for FY17.

3. As you may recall, last summer, the UW was the sole subject of a state-required audit of net operating fee (tuition) and local fund accounts. This audit reinforced the importance of monitoring expenditures against budgets on a biennial basis, ensuring that academic 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 academic units **provide itemized obligations against fund balance** (as estimated by OPB for the close of FY15, going into FY16) using the **“Carryover Worksheet”** tab of the “FY17 Academic Budget Worksheets & References” [Excel workbook](#). Please be as specific as possible.

- In the space below, **please indicate what your unit will do to contribute to an overall decline in the UW’s fund balance**. If your unit has no fund balance, or a negative balance, you need not answer this question.
 - If you would like to describe any items from the worksheet in greater detail, please use the space below.
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We are a small school with a proportionately large research operation (on a per FTE basis). Our GOF funding is more than 95% committed at the beginning of each biennium. To highlight this point, our program has about \$200,000 in uncommitted GOF funds as of Nov 1. We have very little headroom to reserve GOF funds unless we delay or eliminate hiring. Like other Professional Schools on campus, we have to fund all recruitment, admissions, student services, counseling, career advising, accreditation and assessment compliance, and full operations within our enterprise budgets. We are not able to utilize central University operations for these critical services – operations for which we pay an equivalent ABB tax to other Schools and Colleges. Furthermore, the cost of training health care professionals in a 4-year program is quite high and less than 50% supported by the combination of tuition and state support. Unlike the School of Medicine, we do not derive educational supplements from Medicare. We have a student body of 380+ professional degree students who generate tuition dollars and another 100+ graduate students whose tuition revenue after waivers does not materially support our operations. In short, our reserves are almost entirely comprised of DOF funds and are used to support operations as well as planned and unanticipated expenditures. On the immediate horizon, our 2015-2020 Strategic Plan calls for new investments in curricular innovation, recruitment and carefully chosen and prioritized new initiatives. The Schools fund balance will be deployed to help support these initiatives.

The carryover worksheet details our planned obligations against fund balance for the three departments separately and then pooled for the School. In summary, the School has a carryover balance of \$7.805 million. Of this amount, \$5.055 million are committed to operations, new initiatives, current start-up costs, and research and graduate student support. The remaining \$2.750 million are in reserve for future faculty recruitment and start-up, uncertainty and unanticipated administrative expenses.

Detail on FY17 Uncertainty: In the next 2-5 years we anticipate a large number of faculty retirements that will require the School to have recruitment and start-up funds available to hire replacements. The School of Pharmacy has nine tenure track faculty (24% of total) at or beyond retirement age and another 6 (15%) within 5 years of retirement. Our planning horizon for the use of uncommitted reserves, must responsibly consider the age composition of our faculty.

If the financial system modernization follows the same path as HR/Payroll we will need funds to cover the School of Pharmacy share of that investment. Additionally, new accreditation standards for 2016 necessitate that we purchase new software for assessment and update IT infrastructure for preceptor development. In addition, we anticipate new IT needs for our interdisciplinary teaching and simulation labs.

4. The Provost will be making the decision to deploy *permanent* Provost Reinvestment Funds **primarily, if not exclusively, to cover for compensation increases. The only possible exceptions for permanent funds will be for critical compliance issues.** However, requests for temporary funds will only be entertained in areas of high institutional priority and in consultation with faculty, staff and students.

If your unit has a Provost Reinvestment Fund request that fits within these strict parameters, please describe it using the framework below.

Title	Funding	FY	P/T	Years Needed (If Temp)
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PharmD Student Recruitment Initiative. \$25,000 FY17 Temp 1 year

Driven by the competitive pressures identified at the outset of this document and the 2015-2020 Strategic Plan, the School of Pharmacy student services office is planning to revise our recruitment documents and videos for a broader deployment and sustained campaign to identify applicants from underserved, tribal and minority populations. We are requesting a total of \$25,000 in temporary funds in FY17 to help us seed these activities. We will fund the balance of the initiative from reserves.

Purchase and implementation of Accreditation Software. \$30,000 per year FY17, FY18, FY19 Temp

2016 National ACPE accreditation requirements for the Pharm.D. program will be effective April 2016. The UW School of Pharmacy is on track to meet and exceed the new requirements, in spite of the fact that we were accredited for 8 years in 2014 under the old standards. Implementation of 2016 standards will require investment in a software program called Exam-Soft. The School of Medicine has recently invested in this tool and has provided helpful advice to us. The tool tracks and reports student outcomes over the 4 year program in meeting accreditation-based competency measures. We have avoided investing as long as possible, but must now take the plunge and are requesting 3 years of temporary support for the software license. The School will need to hire a temporary implementation expert (or share services with Medicine, which we are exploring) and change our policy on requirement for laptops by all students. The overall fiscal impact to the School will be >\$100,000 per year. Having temporary Provost support will be essential to meeting the accreditation standard.

Faculty Retirement. \$70,000 per year FY17, FY18, FY19, FY20, FY21 Temp

A major faculty member has decided to retire, effective July 1, 2016. We are requesting Provost temporary salary and benefit support of \$70,000 for up to 5 years to allow us to bridge the faculty line in order to replace an essential faculty member with a critical hire at the Assistant Professor level.

Space Renovation Funds \$300,000 FY16 or FY17 Temp

As described in my offer letter, I am requesting laboratory renovation funds to be used in FY16 or FY17. We are negotiating with other Health Sciences schools to obtain previously used laboratory space that requires renovation and updating.

5. **Please confirm that faculty councils – and, to whatever extent may be possible, student leaders – within your unit/campus have been consulted** as part of this budget planning exercise and given the opportunity to provide input. To confirm this, please do **one** of the following:
- Briefly describe who was consulted and when, and provide a point of contact for your faculty council.
- OR**
- Include a signed letter from your faculty council chair (a scanned PDF is fine) when you submit the rest of your materials.
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The three Departmental members of the School of Pharmacy Faculty Council and four student leaders of the elected student council representing the Pharm.D. program were consulted in the week prior to submitting this document. Professor Bill Atkins is the Chair of the SoP Faculty Council and can be reached by e-mail at winky@uw.edu.

Academic Unit Carryover Usage Plan

Unit name: **School of Pharmacy**

Carryover going into FY16:

7,805,190

Please feel free to add rows, as needed.

PLEASE NOTE: You are **not** expected or required to have carryover line items for each Expense Category.

Expense Category	Description	Amount
General Reserves/Uncertainty		
	<i>General Reserves from GOF, DOF, DOF-RCR</i>	\$ 2,749,598
Education Initiatives		
	<i>General PharmD Operations</i>	\$ 250,000
	<i>PharmD Recruitment / marketing</i>	\$ 50,000
	<i>PharmD new initiatives</i>	\$ 25,000
	<i>Graduate Student Support</i>	\$ 150,000
	<i>NIH Training Grant program and student stipend supplement</i>	\$ 26,500
	<i>BPSD Supplement for recruitment and support of graduate students</i>	\$ 30,000
	<i>Summer Diversity Program - Undergraduates</i>	\$ 10,000
	<i>Support for BPLC teaching lab - Director Salary (.5 for two years)</i>	\$ 150,000
	<i>Support for Health Systems Practice / Community Outreach Clinical Faculty</i>	\$ 140,000
		\$ -
Equipment		
	<i>Equipment replacement (lab, computing, etc), maintenance, repair</i>	\$ 542,831
Facility/Space Investments		
	<i>Office and Lab renovations for new and existing labs</i>	\$ 320,000
Faculty Start-Up Expenses		
	<i>Start up for new Chair Dept of Pharmacy (1.0 FTE)</i>	\$ 749,000
	<i>Start up for new faculty hire Med Chem (1.0 FTE)</i>	\$ 1,044,600
	<i>Current committed start up funds for 2 recently hired faculty (2.0 FTE) - Med Chem</i>	\$ 522,352
	<i>Current committed start up funds for new hire - over next 3 years (PCEUT)</i>	\$ 154,323
	<i>Start up for current faculty already committed (4 junior faculty - Dept of Pharm)</i>	\$ 374,100
	<i>Geriatrics Endowed Faculty Fellowship position - start up</i>	\$ 25,000
	<i>Salary support for Geriatrics Faculty - Assistant Professor WOT</i>	\$ 107,000
Professional Development		
	<i>Faculty and Prostaff professional development (conferences, memberships, etc.)</i>	\$ 47,882
Recruitment		
	<i>Recruitment costs of 1.0 FTE tenure track faculty</i>	\$ 10,000
		\$ -
Research Initiatives		
	<i>Salary Support to Support faculty in Pharmaceutical Bioeng Program</i>	\$ 11,800
	<i>Salary Support for Prostaff in Mass Spec recharge center</i>	\$ 18,204
	<i>Research Lab Support</i>	\$ 35,000
		\$ -
Temporary Salaries		
	<i>Student Assistant</i>	\$ 20,000
	<i>Curriculum Consultant for PharmD curricular revision</i>	\$ 12,000
	<i>Tempoary salaries for PharmD Teaching (clinical, affiliate, lecturer, Tas)</i>	\$ 60,000
		\$ -
Other		
	<i>Support for Full Time Grants Manager (2 years - 1.0 FTE)</i>	\$ 170,000
		\$ -
TOTAL		\$ 7,805,190