School of Medicine Executive Committee
Meeting Minutes
Tuesday, March 16, 2010
Academic Office One, 7th Floor Board Room

Present: John Cambier, Terri Carrothers, Robert d'Ambrosia, Steve Daniels, Frank deGruy, John Eun, Robert Freedman, Laurie Gaspar, Randall Meacham (for Fred Grover), Tom Henthron, Randall Holmes, Ben Honigman, Herman Jenkins, Mark Johnston, Richard Johnston, Richard Krugman, Kevin Lillehei, Bob Low, Steve Lowenstein, Wendy Macklin, Naresh Mandava, Lilly Marks, Thomas Meyer (VA), Dan Meyers, Bob Murphy, David Norris, Chip Ridgway, Carol Rumack, Nanette Santoro, Ron Sokol, Andrew Thorburn, Timothy Vollmer (for Ken Tyler), Cheryl Welch, Patti Balodis (Staff), Nan Bumgardner (Staff)

Guests: Robert Fries, Amy Collins-Davis

I. **Approval of the Minutes** – The minutes for the February 16th, 2010 SOM Executive Committee Meeting were approved as written.

II. **Discussion Items**

A. GME - Carol Rumack discussed and presented the GME Report (see attached presentation). This core program began to log hours in January 2010. The objective is to aim for a compliance review in April 2011 that needs 1 year of data. Various departments were shown with violations for January and February. The largest issue is the 10 hour rule, which requires at least 10 hours from the time one shift ends and the next one begins. In the attempt to fix these violations, the shifts have been set for 29 hours and the goal for July is 28 hour shifts. The goal is not to have employees leave in the middle of something, but to get the covering person in place prior to the other leaving. The various violations and reasons for the violations in the departments were discussed. Dr. Rumack wants to make all department chairs aware of this issue and for them to discuss with their residents. There were a few comments expressing the frustration with the 10 hour rule.

B. Chairs Toolbox Managing Faculty Appointments with diminishing resources – Steve Lowenstein provided a toolbox to help guide chairs to manage faculty appointments and the newest tenure faculty retirement program. A handout was provided (att. 2) discussing the *Limited Appointments, At-will Appointments, Indeterminate Appointments, Termination and Non-renewal of Appointments, Salary and FTE Reductions, Reassignment of Job Responsibilities, Options for Retirement* and *Tenured Faculty Retirement Incentive Agreements* There was a discussion on the various options, letter templates and cautions for the Department Chairs. There were questions regarding different predicaments that may arise with unfunded faculty members. Dr. Lowenstein emphasized the need to provide regular, honest performance feedback in the years preceding any action, letters to the faculty members should state specific truthful reasons and honest resources should be provided. Dr. Lowenstein also clarified that for tenured faculty, if the faculty member has chosen to reduce their FTE (i.e., to .8 FTE), the percentage of their base that is then guaranteed is equal to their new FTE. In addition, in the event the faculty member requests reinstatement to the original 1.0 FTE, the department is not obligated to reinstate the faculty member to the original 1.0 FTE. Dr. Lowenstein further clarified that all faculty in the Regular Faculty Series (Assistant Professor and above) are eligible for tenure, even if their current appointment is at will. Chairs can consider re-assignment of responsibilities to balance the programmatic needs of the department, but the re-assignment should come with clear and concise communication, and the new assignment does not have to be noted in the letter of offer.

One of the optional retirement programs is the tenured faculty retirement incentive agreement. This program is only for tenured faculty who agree to retire and relinquish tenure in exchange for an incentive. They must be at least 55+ years old plus years of service at CU ≥ 70; participation is voluntary. The incentive is 2 times the faculty member's final salary, which includes the base and supplement, paid out over five years and deposited into the faculty member's 403(b) account. The retirement is irrevocable, and the faculty member is prohibited from performing any work for the University during the five years following retirement. Questions were asked whether this retirement incentive encourages some to act poorly. The program is optional and the chair has the option to say no. However, if there is a tenured faculty member who is considered to be unproductive, this arrangement may be a good financial alternative for the department. Dr. Wendy Macklin asked if this particular program had a limited time offer. Dr. Lowenstein confirmed that the program was only available for a limited time as it has to be approved on an annual basis. He stated that faculty members who have questions surrounding retirement, taxes, family members, insurance, etc., should contact HR for expert counseling.

C. Dean Krugman updated the committee on the Given Institute. The SOM has subsidized the Given Institute approximately $100,000 to $200,000 a year for the last 19 years. The community donates approximately $100,000 a year for lectures. The property was appraised at $10M or $12.5M if divided. The asking price started at $30M for the property with the hopes of getting a gift to the school. There was a buyer who offered $17M. President Benson didn't want the School to go below $21.5M. Dean Krugman has contacted the lawyer for the buyer to see if they were still interested in the purchase of the Given. Chancellor Wilson will be contacting the President to see about selling at $17M. The Given Institute will close after this coming summer season. The building is not ADA compliant and the institute requires a significant financial commitment from the SOM to maintain operations. There has been discussion with the Aspen Institute about holding courses, lecturers etc. in that venue. The cost will still be much higher than what we are use to paying. The subsidy of the Given Institute has gone on for so long that the rates have been very low. When the subsidy is removed, the rates will be high. Dean Krugman suggested that individuals consider holding the events in Denver or even on campus to help save money.

D. Lilly Marks discussed the F&A associated with American Recovery and Reinvestment Act (ARRA) grants awarded to investigators at the SOM.

In total, the AMC campus received approximately $51.6 million in ARRA awards (direct and indirect) for 2009-10 and 2010-11. Of this, $37.4 million is for direct expenses and $14.2 million is for facilities and administrative cost recovery (F&A). Roughly 90 percent of ARRA grants on the AMC campus were awarded to SOM investigators. Because of the precipitous drop in ARRA funding in 2010-11, Lilly initiated a discussion about how the F&A associated with ARRA grants should be used (e.g., bridge funding or allocated back to units based on the current formula).

Based on current estimates, ARRA awards with generated roughly $4.4 million for the SOM during 2009-10 and 2010-11. Under the current allocation model, 10% of the total F&A associated with these awards would remain in the Dean's Office where they are used to support a variety of research-related initiatives and 90% would go back to the units (i.e., departments and centers) that generated the F&A. In order to mitigate some the loss of ARRA funding, the Dean's Office looked at several options all of which have pros and cons. Option 1: Distribute ARRA F&A using the current 90/10 pro-rata formula to units with no stipulation on use; Option 2: Continue the 90/10 split but stipulate the Dean's 10% on ARRA awards to be used exclusively for bridge funding (via the a process similar to SIRC); Option 3: Reduce the 90% distribution to departments/centers to some lesser percentage (e.g., 50%, 70%) with the remainder centrally applied to bridge funding (again through a SIRC-like process); Option 4: Retain all ARRA F&A centrally to be applied to bridge funding. Dr. Ridgway commented that there is one problem with 3rd option holding back money that was earned by few people who got the ARRA grant. If it is held back and distributed back through department there would be incentive to do more. Dean Krugman stated that these were just options and the consensus of the group is to use the existing F&A formula for distribution. However he cautioned that these are one time monies and can be ripped through quickly.

F. Lilly discussed the chair stipend process suggestion from last month, whereby the general funds intended for chair stipends will be returned to the Dean's office from the Department budgets and in turn the Dean's office will pay out the chair stipends, this will move forward on July 1. If there is a specific problem, she asked the committee to please let her or the Dean know. She will work with Department Administrators on this process.

G. The Dean has talked with UCD administration about the tight security in RC1 and 2. Some Departments are concerned that access is not available after hours for professional interactions since individuals can not get to other floors on the elevators primarily after 6:00pm and no access on the weekends. If public area access is needed after hours, have the ID access approver in your area send an email to Robin Brown to notify Chief Abraham of those who need access to the centralized public areas (not including the lab) for reprogramming the badges.

MOVE TO EXECUTIVE SESSION:

III. **<u>Dean's Updates</u>**

A. **<u>General Fund</u>** - An overview of the general fund was given. Based on current projections, the best case scenario is a $1.1 million dollar reduction in the school's general fund allocation (this includes bridge funds from the CU President's Office). Under the worst case scenario, the SOM general fund allocation would be reduced by roughly $2.6 million (includes the loss of state stimulus funds and bridge funding from the CU President). The projected loss in SOM general fund could be worse based on the March revenue forecast which will be released on Friday. The Regents have delayed the vote on raising tuition until after States Meeting on Friday. There is pressure to cut spending, which leads to the discussion on the use of discretionary funds. The article in the Denver Post which is in the SOM Executive Committee packet shows how the Post is behaving, particularly around the School of Dentistry. In 2008-09, the amount spent on official functions and travel in the SOM was way up and we're on the same track for 2009-10. We must look closely at how SOM funds are being spent. The Dean would rather see money support people and programs and less on other things.

The Dean asked to be provided with a plan by the end of March from each Department identifying how they intend to address funding cliffs resulting from the ARRA grants that will end in 2011. He also asked that areas formulate plans to decrease travel and official functions in each department. He would like each Chair to discuss with their department and faculty. As an example, recruitment dinners should be limited to 6 people or less.

Dr. D'Ambrosia asked for a percentage of what each chairs have to reduce their budget by. Lilly Marks suggest a 20-25% cut for each department however it creates two problems: 1) the University is cutting 25% but looking at losing 58%; and 2) the public perception - while many of expenses are legitimate and defensible, it is not looked at this way.

Dean Krugman would like each chair to discuss with their departments where they may cut in the budget; and would like the information by tax day, April 15. Lilly Marks will provide each chair with their department breakdown.

IV. Approval Items

- **a.** Emeritus Appointments – all appointments were unanimously approved.
- **b.** Faculty Promotions – all promotions were unanimously approved.
- **c.** Tenure Awards – one non-unanimous tenure award was discussed, Dr. Bob Murphy noted this individual has given great support and is an outstanding member of his department and highlighted that she was on a cover of a magazine as an outstanding investigator in the U.S. He strongly supported her tenure award. All awards were voted on and unanimously approved.

The meeting adjourned at 9:58am