

School of Medicine Executive Committee
Meeting Minutes
Tuesday, August 20, 2013
A01 Building, 7th Floor Boardroom

ATTACHMENT 1

Present

Members: John Cambier, Timothy Crombleholme, Robert D’Ambrosia, Steve Daniels, Frank deGruy, Chip Dodd, Anne John for Robert Freedman, Laurie Gaspar, Tom Henthorn, Randall Holmes, Herman Jenkins, Mark Johnston, Richard Krugman, Kevin Lillehei, Claude Selitrennikoff for Wendy Macklin, Naresh Mandava, Dennis Matthews, David Norris, Angie Ribera, Nanette Santoro, Richard Schulick, Dan Theodorescu, Mark DellAcqua for Andrew Thorburn, Ken Tyler, Richard Zane

Participants: Brittney Bastow, Terri Carrothers, Mark Couch, James Hill, Ben Honigman, Richard Johnston, Doug Jones, Steven Lowenstein, Philip Mehler (DHHA), Thomas Meyer (VA), Ryan Murphy, Bill Neff, Marian Rewers, Carol Rumack, Jane Schumaker, Fred Suchy, Richard Traystman, Cheryl Welch, Nan LaFrance

Guests: Jeff Parker, Kim Huber, Kevin Jacobs, Steve Zweck-Bronner, Kisling, Cheryl, Barry Shur, Brian Meara, Pete Watson, Robert Keith

I. Approval of the Minutes – The July 16th, 2013 SOM Executive Committee Meeting minutes were approved as written.

II. Dean’s Update and Discussion Items

A. Discussion Items:

1. *Dean’s Updates* –

B. ICR Distribution/Cost of Research Faculty – Jeff Parker, Vice Chancellor for Administration and Finance and Kim Huber, Assistant Vice Chancellor for Finance presented an overall review of how the ICR is utilized and distributed. Jeff Parker first referenced Andrew Thorburn’s email regarding the square footage and his question; “We are told that research is a cost to the university but that isn’t strictly true. Research would actually generate income if we were all fantastically successful at it. So, to me the important question is how good do we have to be at getting research funds for the research mission to be financially sustainable?” The components of the F&A rate for facilities are building depreciation, equipment depreciation, interest on the debt, operation and maintenance for the research facilities and a small component for the library. In the most recent F&A proposal the total facility portion of the F&A rate proposed at 35.7%. All administrative costs associated with research was calculated at 28.7% for a total proposed rate of 64.4%. What was negotiated two years ago was 53%. If they were to negotiate a 64.4% calculated F&A rate, they should be collecting \$105M in F&A each year. The 53% negotiated rate should have brought in \$88M but due to additional factors, the actual F&A return rate was 41% and is less than the 53% (due to waivers, capped F&A rates, etc.) The subsidy of calculated organized research of \$28M is funded by general funds and other sources.. If the F&A collected is not enough State funding is being used. The facilities costs belong to central administration. On the administrative side, the \$15M gap is coming from the department and division administration that’s being subsidized through tuition through the schools, clinical dollars, gifts and the small amount of State funding that the schools get. That’s how the costs are being covered. The negotiated rate escalated over the past three years to 55.5% from 53%, and will remain at that rate through FY 16. Referring back to Dr. Andrew Thorburn’s question, Jeff Parker stated, “if we were wildly successful, bringing in 10-15% growth in the organized

research base, that too would increase the F&A revenue. But is it enough to cover the subsidized cap.”

Kim Huber, Assistant Vice Chancellor for Finance addressed how the cost of the square footage is determined and the Anschutz Campus Space Committee set the research productivity standard at a cost of \$330/sq ft and \$500/sq ft is for predominately dry research. Back in 2002 a metric of approximately \$280/sq ft for research productivity matrix that took into account all types of research. Since 2010, the Finance Office started calculating the research productivity matrix pursuant to a new space system that was implemented for this campus called Webspace. The SOM administrative staff currently are in the process of updating their webspace for this year. This is to get a handle on the space on this campus to detail to the federal government when the F&A rate calculations are provided. Now that all the space is being captured, the Finance office can calculate this metric on an annual basis and has done so since 2010. Request for information was sent out to other institutions and compared to these calculations. This study validated the methodology being used was consistent with higher education and other institutions. If external funding falls below an established level, then the thought process would be that the PI would give up that space. Jeff Parker stated that this is question that Dr. Thorburn was asking; how can the higher level above the department and school level make decisions based on the productivity level of the PI? When a reward comes into the Office of Grants and Contracts, a mechanism will be needed to track each grant to know if it is wet or dry, where the space is needed, what about shared spaces or co-PI's? Everything must be factored in. The Finance department is coming up with a methodology on how to zero in on individuals, co-space, etc.

The debt that was issued are on these buildings are in 25 year bonds. The way to giving funding back is to grow the overall F&A revenue. Jeff Parker reviewed the F&A Distribution Methodology, model assumptions and the estimated return of additional F&A to units.

C. Biomedical PhD Student Funding – Barry Shur, PhD, Dean-Graduate School

The Graduate School is currently matriculating the same number of 1st year students (~50) as under Dean Freed's tenure. Despite increases in tuition, fees and stipends, the funds available for recruiting the 1st year class have remained essentially flat since 2004. The resources can only support ~36 students. There is a deficit of ~\$66K to maintain a class of 50. At March's SOM Executive Committee meeting, Dean Krugman asked for volunteers for a task force to review the Biomedical PhD Student Funding. The task force is comprised of Fred Suchy, David Schwartz, John Cambier, Tom Blumenthal, Andrew Thorburn, Terri Carrothers, Brian Meara and himself. One of the first core principles was that everyone needed to 'come to the plate' with the intent that the funds that were needed would be split between central administration and faculty. Dr. Shur surveyed the faculty to determine their support to absorb a one-time bolus of ~\$1300 tuition surcharge. ~ 40% of the faculty were supportive, however the others understood the need but felt it was too much of a one-time add-on and would be more amiable to a phased-in model. The task force met again and came up with a new model. The basics of the model is that central administration committed to \$300K starting in 2015 per year depending upon the support from tuition increases and Dean Krugman agreed to supply funds to make up the difference in the first two years of the phasing plan which will level off a few years from now until the faculty contribution kicks in through increased tuition. These are the two aspects of the proposal. Ken Tyler commended the task force and considers the graduate students to be the life-blood to this institution. Dr. Traystman considers this to be a conservative and 'right' approach.

D. Retirement Incentive Program – Steve Zweck-Bronner, Sr. Associate University Counsel and Kevin Jacobs, Assistant Vice Chancellor of Human Resources discussed the different options for the retirement program. There were three retirement incentive programs that have been in place

for a few years. Two of them were basically “shelved” on 6/30/13 and the discussion today was to revisit for these two options to allow the SOM to decide if they would like to offer and manage them. The three programs are; phase retirement program which provides the faculty member can decrease their FTE and paid a proportionate amount of salary and receive retirement benefits at twice that FTE for up to 5 years. At the conclusion of agreed upon period, they retire. The two programs that were basically “shelved” are: 1) Up to two years of a faculty member’s base salary will be paid to that faculty member through their retirement accounts over a period of 5 years. If their base exceeded the maximum of \$42-45K/year, the faculty member will be taxed on this. At payment, that person would retire from the University and could not work for the University in any capacity after that for 5 years; 2) A bulk payment of up to two years of someone’s base salary, totally taxed, give up tenure but could come back and work at the University at any time in another capacity, less than .5 FTE, at-will. Dean Krugman approached the University and expressed a desire to revisit these two retirement programs within the SOM. There are some pros and cons in managing these 2 programs. The reason these two programs were originally “shelved” was because these require a multi-year plan and they wanted to go across the different schools with the same plan across the board. Also these last two retirement plans are funded through each department. The Dean asked the Executive Committee if they would like to keep the one retirement program that is in place or do they think the other two should be offered through the school. The Regents have authorized this campus to decide what they want. The Dean would like to put together a sub-group and asked if anyone is particularly interested please volunteer.

E. Dean’s Updates

1. Bob Anderson, MD has returned to our campus as the LCME Faculty Lead. 2015 is the year of the self-study and 2016 is the next LCME visit.
2. Strategic Planning Update – the Clinical is making progress. Dean Krugman has met with each Basic Science department and will regroup with all Basic Science chairs and the Dean meeting with the Basic Science faculty for a question and answer session.

F. Affiliation Updates

1. VA Update – Robert Keith, MD presented the VA Secretary’s 13 initiatives, the 13th initiative involving the SOM – “Perform research and development to enhance the long-term health and well-being of veterans.” The VA has 4 divisions in their research area: Biomedical (wet bench), Clinical (individual trials, etc.), Health Services and Rehabilitation. He reviewed the VAMC research services. There is an entire research staff to help in putting together and submitting grants which is located in the Research south building (the old UPI building) on this campus. The grants submitted in the VA must be sent through their office which gives researchers more time on the ‘science’ and less time on the gathering of the information for the grants. Those who can apply are any VA staff clinicians (all physicians, pharmacists, speech pathologists, nurses), PhD Scientists (requires formal acceptance into the program prior to submission and the eligibility lasts for 3 years). Contract staff can not apply. He spoke of the different rule/regulations the VA has than the SOM has. MDs and PhDs are handled differently; PhD salary comes from the central office and is in addition to the grant amount and MDs time is carried by their service. The downside of applying is if you are PhD eligible and not accepted, you can’t apply again for 3 more years. He discussed the opportunities and challenges and their overall goal. This presentation will be sent to the SOM Executive Committee as requested.

Research Liaison – Pete Watson, PhD discussed the VA/AMC/COMIRB relationship and the overall goal of facilitating greater collaboration in clinical and basic research between faculty at the Denver VA and CU-AMC. Many have expressed the difficulties in working with the

- VA. There are different, distinct and disincentives issues with working with the Federal Government. Pete's new position of Research Liaison was created to help address real and perceived disincentives for interacting with the VA and performing research. He serves as the facilitator for these processes. He is available to receive calls/emails from anyone. These goals that have been met, reconfiguration and enhancement of the InfoEd/eRA at COMIRB, REDCap utilization, MOUs between Denver VA and CU-AMC, etc.
2. Denver Health – Philip Mehler, MD discussed the issues facing Denver Health at this time. They are having significant financial challenges and are going through a reduction in force. Boulder Community Hospital is opening a Level 2 Trauma Center. Ground has been broken for a new parking structure and the new SICU just opened. He asked that the corresponding clinical chiefs to join them on September 11th for the Annual Appreciation Dinner at 6pm at Colorado History Museum.

G. EXECUTIVE SESSION

IV. Approval Items

- a. All Sr. Clinical Appointments and Promotions Committee Actions were unanimously approved.

The meeting adjourned at 9:45am