

REVISED

Minutes for 15 March 2018 meeting of ECU University Budget Committee (UBC)

Attending:

Bonnie Mani, David Loy, Stephanie Coleman, Joe Gaddis, Cody Chullen, Cindy Elmore, Gary Vanderpool, Haley Creef, Becky Gardner, Kerry Sewell

Absent: Mark Sanders, Amy Frank

Guest:

Phyllis Horns, Vice Chancellor for the Health Sciences

The meeting began at 3:31 pm

1. Minutes from September were approved as revised, per Bonnie Mani's request for a minor editorial change.
2. The committee voted in favor of a change in our charge, specifically, the addition of a student representative from Student Affairs. This request was made by Vice Chancellor Virginia Hardy. David Loy asked about the method of selection of the student representative, and the committee suggested that Dr. Hardy select the student representative for the UBC.
3. Bonnie Mani discussed the end of the Academic Year report that will be given to the Faculty Senate. David Loy will present the report to the Faculty Senate, and the report will be created from the minutes of the meetings from the 2017-18 year. Bonnie Mani stated that both she and Cindy Elmore will provide brief statements about their work on their subcommittees (Faculty Salary Advisory Committee and Student Tuition and Fees Committee, respectively).

The committee briefly discussed the new Vice Chancellor for Finance. Stephanie Coleman stated that the new VC for Finance was carefully selected, that the qualifications the UBC had desired were met by the new VC for Finance, and that John Stiller had participated in the search process and asked the candidate specifically about his perspective on shared governance.

Potential topics for the UBC in the 2018-19 Academic Year were discussed, and suggestions included:

- A follow-up presentation from Beverly King (IPAR) about the impact of IPAR data on budgetary decisions.
- The change in the funding model. Stephanie Coleman described a possible change from our current model of using census day data to a model based on the actual number of students enrolled at the end of the semester. The new model may result in ECU being paid in arrears, a model which has been used by the community college system since 1989. There is a System Office committee that is reviewing different options.
- How our strategic plan may be used to determine funding, i.e. if meeting our strategic plan goals might lead to increased funding.

Suggested speakers:

- The new Vice Chancellor for the Health Sciences
- The new Athletic Director

4. Presentation by Phyllis Horns, Vice Chancellor for the Health Sciences

Gary Vanderpool provided an overview of the operational and budgetary context of the Health Sciences campus:

The projected budget for the Health Sciences is 360-370 million dollars per year. The Health Sciences campus brings in about 201 million dollars in clinical revenues each year, about 30 million dollars in grant/sponsored program funding, and ~3-5 million in other funds. The Health Sciences campus consists of 4 academic units, with Laupus Library a non-traditional additional unit. The largest college is the College of Nursing (~2,700 majors in undergraduate and graduate programs); then the College of Allied Health Sciences (~1,500 majors in graduate and undergraduate programs); the School of Medicine (which has the largest budget, and a total of 322 medical students across all four years, with a total of ~420 majors including Public Health), and the School of Dental Medicine (~52 students per year, for a total of 205-210 students for all 4 classes).

The mission of the medical school is to graduate primary care physicians for rural North Carolina. Graduates of the Brody School of Medicine have historically chosen to go into family medicine, and we ranked 2nd in US for students going into family medicine. > 50% of Brody graduates stay in North Carolina. Among students going into residency in Vidant, about 60% choose to remain in NC.

The School of Dental Medicine (SoDM) also has a mission to retain graduates in rural NC. The SoDM revolutionized their clinical educational model by putting 4th year students in rural community service learning centers, rather than isolating them on the uppermost floor of the building. One early question about the SoDM service learning centers was about their economic sustainability, but current data indicates that they are economically sustainable.

David Loy asked about planning for the School of Public Health and the processes that will have to occur to create the school and blend multiple departments from various colleges and schools across both campuses. Gary Vanderpool stated that creating a new School of Public Health will require not just budgetary and organizational planning, but also consideration of the cultures of each unit being included in the new school. Budget-wise, Gary Vanderpool stated that the sustainability is dependent upon doctoral students. The school plans to offer two terminal degrees:

- DrPH (Doctor of Public Health)
 - Intended for public health leaders working outside academia;
 - Less research focus than a PhD degree
 - There are two concentrations envisioned:
 - Healthcare policy and administration
 - Environmental health
- PhD
 - Envisioned to be focused on epidemiology

The current expectation is that there will be more DrPH degrees awarded than PhD degrees (at least in the early stage of the school).

In order for the program to sustain itself, it will need a “healthy” (no pun intended) enrollment of doctoral students (both DrPH and PhD).

Gary Vanderpool’s interpretation of the forces driving Project Unify were described. He stated that the effort is largely driven by how healthcare is being financed in the US. The federal government has steadily moved toward reimbursing hospitals and health systems rather than physicians, directly impacting ECU Physicians’ reimbursement and thus budget.

Vice Chancellor Phyllis Horns discussed Project Unify:

Phyllis Horns recommended the Project Unify website to all employees (<http://www.projectunify.org>), stating that the website provides a wealth of information on the nature of the new entity, the effect on both Vidant and ECU employees, and the timeline.

Phyllis Horns stated that the project has been contemplated for many years. Vidant and ECU have had a successful partnership for more than 40 years and this project is meant to bring the two physician groups into closer alignment. She emphasized that Project Unify is not a merger or a buyout of the medical school but a concerted effort to bring the two entities into a closer partnership to better negotiate reimbursement and also facilitate sharing of information. The overarching goal is to improve the standard of care across the region. There is a precedent for this type of partnership, which would be the system in South Carolina.

The state treasury has become involved in the planning process of Project Unify due to questions of benefits and retirement for state employees. ECU is working hard to minimize the effects of the project on state employees. She stated that minimizing the risk to the institution is critical, as ECU Physicians represents a ~200 million dollar business, which is sizable enough to make the risk substantial.

David Loy asked a question about the new School of Rural Public Health: Will colleagues from Health & Human Performance designated to move to the new school have a 12-month contract or will they have a 9-month contract? Dr. Horns responded by discussing the transition of Nutrition Science to the College of Allied Health Sciences. Faculty were given a choice of 9- or 12-month contracts, and that this method might be what happens with Health & Human Performance faculty. She stated that ultimately, the choice of a 9- or 12-month contract would be determined by the teaching and research activities of faculty members, and that it would only make sense to put faculty on a 12-month contract if the program ran for 12 months. She stated that the difficulty in planning and creating the School of Public Health is the combination of programs and people who are currently located in 3 or 4 different schools, which will involve trying to overcome loyalties and organizational processes.

Kerry Sewell asked about the effect of Project Unify on patient billing, namely the issue of receiving multiple bills for one healthcare encounter that involves an ECU physician operating in a Vidant space. Phyllis Horns responded by saying that generally, the new entity will not solve the billing issues from the patient perspective. The patient may still receive multiple bills, due to the fact that the multiplication of bills is systemic.

David Loy asked about challenges for the individual who will take Dr. Horns' position after her retirement. Dr. Horns responded by stating that the expansion of the class size in Brody will create a huge challenge, as it will require more funding (it will cost ~5-6 million at the outset but will eventually increase to 8-9 million). The Division of Health Sciences will also have a huge need for capital to build a new Brody School of Medicine. The cost will be over 200 million for a new building, and then more capital will be needed to make Brody into a building fit for another program, as the HVAC, plumbing, electric will all need to be upgraded.

Other difficulties include having no lines for new faculty, and constant issues with recruitment. She stated that specialty positions required for accreditation are extremely difficult to hire for.

Lastly, Dr. Horns stated that growing research funding is an ongoing challenge.