

## 2007-2008 Medicine

Section	Document Name
Fiscal Health	• <a href="#">Medicine.pdf</a>
Other Questions	• <a href="#">Attachment A - IUSM Expansion Years 3 and 4.xls</a>
Other Questions	• <a href="#">Attachment B - IUSM FY 2007-08 Highlights.doc</a>

### Mission

#### MISSION

It is the mission of the Indiana University School of Medicine to advance health in the State of Indiana and beyond by promoting innovation and excellence in education, research, and patient care.

### Education

The School of Medicine strives to produce outstanding educators, physicians and scientists. We will do so by providing quality education to students, residents, post-doctoral trainees, practicing physicians and the public that integrates the latest research advances with the best clinical practices.

### Research

The research mission of the Indiana University School of Medicine is to advance knowledge about health and behavior and to make discoveries leading to improved prevention and treatment of disease, including the education of caregivers and the delivery of health services. Research is the foundation of both medical education and clinical care.

### Clinical Care

The School of Medicine will provide outstanding clinical care that incorporates the latest advances in scientific knowledge, to all of our patients and the citizens of the State of Indiana. The quality care we provide will be done in a manner that supports and advances education and research.

### VISION

The Indiana University School of Medicine will be one of the nations premier medical schools based on our education, scientific investigation, and health care delivery.

### Goals and Objectives

☐ Accountability for use of resources.

☒ Adopt objective, transparent, mission related system to allocate general fund budget to academic departments within IUSM.

**Campus Planning Theme:** Best Practices

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** FY 2007 and ongoing.

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#### **Actions taken for 2007-2008:**

2007-08 was year one of a four year implementation of IUSM's RC Budget Allocation Model.

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#### **Evidence of Progress for 2007-2008:**

There is now a more objective method of allocating the general fund budget to departments. This allocation model was reviewed and approved by the same steering committee of deans, department chairs, and directors who oversaw and approved 3D. Much time and effort was expended communicating this model to all chairs and directors, departmental faculty, and business administrators. Although the model is complicated, its principles are fairly well understood by these constituents. It has directly impacted how we in the School view resources, such as space and faculty time/effort, both how they are



employed and their inherent value.

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**Activities planned for 2008-2009:**

- Distribution of the ICR budget allocation will be based on a three year rolling average of award credit across departments to help smooth fluctuations caused by shorter term changes in grant awards.
- More accurate data are now available for use in distributing both tuition and appropriation allocations for PhD programs.
- Reconciliation reports are being developed to better assist department chairs and administrators in understanding and comparing the annual changes in the allocation model elements, such as the change in a department's share of medical school tuition for a specific course based upon that department's faculty time/effort spent teaching that course versus other departments' faculty who may also participate in its teaching.

▶ Adopt mission-based management principles to identify IUSM faculty effort and funding by mission.

☑ Develop a mission-based management system that will work for IUSM.

**Campus Planning Theme:** Best Practices

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** Ongoing.

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**Actions taken for 2007-2008:**

IUSM has completed three full years of its Data Driven Decisions (3D) mission-based faculty effort reporting system and is in the process of collecting the fourth year of data currently. Much discussion, feedback, and analysis has occurred since its implementation in 2005. Some of the data elements that were estimated and/or self-reported by faculty at the beginning of the system have since been replaced with data captured from source "systems", such as physician clinical schedules, used in calculating clinical teaching time. Data sources for medical and graduate student didactic teaching time has also been improved. Formulas for such things as lecture preparation time and standard work week have been adjusted as well, resulting in more accurate information. All of this has been done in an extremely collaborative fashion between the Dean's Offices and the academic department chairs and faculty.

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**Evidence of Progress for 2007-2008:**

Information from the 3D system has enabled IUSM to analyze the cost of educating medical students and residents at the department and the school levels, and to better gauge the amount each departmental clinical practice plan is contributing towards the department's education and research missions. Because some 3D system data inputs are still estimated, self-reported, or formula based, these analyses must be viewed as estimated. However, they still provide a much clearer financial picture of the School than has ever been possible before.

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**Activities planned for 2008-2009:**

Based upon the data collected to-date, feedback from across IUSM, communication and comparison with other medical schools, IUSM is refocusing this system to better meet individual departmental needs. A school-wide design team has begun work to develop new reports and add quality measures, for example.

▶ Conduct world-class research, scholarship, and creative activities relevant to Indianapolis, the state, and beyond.

☑ Establish state-of-the-art research economy within Indiana through collaboration among IUSM, IU, Purdue, Biocrossroads, IHIE, Eli Lilly, and others.

**Campus Planning Theme:** Research, Scholarship and Creative Activity, Collaboration

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** 2006-07 and Ongoing.

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#### Actions taken for 2007-2008:

In FY 2007 and 2008

- Established Lifes Sciences Initiative (LSI)&nbsp;(see <http://lifesciences.iu.edu/>)
  - IUSM Dean D. Craig Brater, MD, named IU Vice President with responsibility for life sciences
  - Budget request for LSI made as part of IU 2007-09 biennial budget request.
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#### Evidence of Progress for 2007-2008:

Total grant awards have increased by 83% since June 2000, when Dr. Brater was named Dean.&nbsp;Award totals for FY 2000 were \$133.2 million; for FY 2008, awards were \$244.0 million.

Indiana&nbsp;General Assembly appropriates \$15 million to IUSM and \$5 million to Purdue in&nbsp;FY 2009 appropriation for LSI.&nbsp;

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#### Activities planned for 2008-2009:

Ongoing.

▶ Contribute to the local, national, and international stature of faculty affairs, faculty development, and diversity initiatives in healthcare.

☑ Recognition within the local, national, and international community as leaders in faculty development.

**Campus Planning Theme:** Civic Engagement

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** Ongoing

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#### Actions taken for 2007-2008:

- Partner with off-campus community to strengthen and support diversity initiatives: Indiana Area Health Education Centers (AHEC), Crispus Attucks, Pre-Rawls Program, Mapping Education Toward Achievement (META), and collaborate with the local international schools.
- Hosted two Aesculapian Medical Society Meetings
- Recruited new Associate Dean for Diversity
- Publish annual report on state of the faculty
- Conduct focus groups with select groups of faculty
- Conduct bi-annual faculty vitality survey
- Conduct bi-annual interviews with all department chairs, division directors, and center directors
- Research and scholarship by OFAPD faculty:
  - Dankoski, M.E., Logio, L., Palmer, M.M., Brutkiewicz, R.R., & Bogdewic, S.P. (August, 2008) *Taking the Pulse of Faculty Vitality: A Multi-Method Approach*.&nbsp;Poster session presented at the 2008 Association of American Medical Colleges, Group on Faculty Affairs Conference, Pittsburgh, PA. (peer review)
  - &nbsp;
  - Dankoski, M.E., Logio, L., Palmer, M.M., Brutkiewicz, R.R., & Bogdewic, S.P. (August, 2008) *Taking the Pulse of Faculty Vitality: A Multi-Method Approach*.&nbsp;Poster session to be presented to the IUSM School of Medicine Faculty at the 2008 biannual Dean's Grand Rounds, Indianapolis, IN.

Palmer, M.M. & Bogdewic, S.P. (October, 2008) *Weaving the Work of Teaching Centers into Schools of Medicine*. Roundtable session presented at the 2008 Professional and Organizational Network conference, Reno, NV. (peer review)

Palmer, M.M., Dankoski, M.E., Logio, L., & Brutkiewicz, R.R., & Bogdewic, S.P. (October, 2008) *Assessing Faculty Vitality at the IU School of Medicine*. Poster session to be presented at the 2008 IUPUI Assessment Institute, Indianapolis, IN. (peer review)

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Palmer, M.M., Dankoski, M.E., Brutkiewicz, R.R., Logio, L., & Bogdewic, S.P. (year)  
An Rx for Academic Medicine: Building a Comprehensive Faculty Development Program. *To Improve the Academy*, volume(issue), pages.


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**Evidence of Progress for 2007-2008:**

- [2008 State of the Faculty report](#)
  - [Flexibility in the Tenure Clock: Why the Time is Right to Adopt a 10-Year Tenure Probationary Period at the IUSM](#)
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**Activities planned for 2008-2009:**

- Host diversity conference to bring together chief diversity officers from other campuses and systems to network and share knowledge and best practices
- Develop a research agenda on issues related to faculty affairs and professional development

 **Development and retention of quality faculty enthusiastic about their role as educators.**

 Create a faculty development program for IUSM that will provide education and support for teaching career development, teaching methods, peer review, integration of emerging technologies, and opportunities for scholarship and external funding.

**Campus Planning Theme:** Teaching and Learning

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** 2002-03 and ongoing.

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**Actions taken for 2007-2008:**

- [IUSM Office of Faculty Affairs and Professional Development Strategic Plan](#)
- [History of Women at IUSM](#)
- [IUSM Speakers Bureau Catalog](#)
- [Academy of Medical Education Scholars](#)
- [Leadership in Academic Medicine Program \(LAMP\)](#)
- [Faculty Enrichment and Education Development program \(FEED\)](#)
- [Sponsor annual "Diversity Week"](#)
- "Stepping Stones of Women in Leadership" luncheons, providing women physicians and researchers with the opportunity to network with women leaders.
- [New Faculty resources](#)
- Host annual Women's Leadership Conference
- Provide support for women faculty to attend national career and leadership development workshops sponsored by AAMC.
- Partner with the IUPUI Center for Teaching and Learning (CTL), coordinating joint programs, eliminating duplicate efforts, and participating in design and production of new offerings
- Formation of the IUSM Women's Advisory Council

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**Evidence of Progress for 2007-2008:**

- 79 people attended a plenary lecture and 53 people attended a luncheon presentation by author and social psychologist Carol Tavis
  - 41 people from Clarian, IUSOM, MSP, and IUMG graduated from the Indiana Healthcare Leadership Academy
  - 172 new IUSM faculty members have participated in the LAMP program since 2003-04. The average evaluation score is 4.52 on a scale of 1 (poor) to 5 (superb).
  - OFAPD has presented FEED to 695 people since 2003-04.
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**Activities planned for 2008-2009:**

- Currently, work is underway for a Spring rollout for the first phase of the Academy. Educators for key core competencies are currently being identified, including local and national experts.
- Create online modules on teaching skills



- Sponsor teaching skills workshops and seminars including a summer teaching workshop, teaching skills workshop for basic science, and additional scholarship of teaching workshops and support
- Complete and publicize online and in person workshops on peer review of teaching
- Determine appropriate ways to use Simulation Center for faculty development and prepare faculty to use Simulation Center for teaching
- Institutionalize culture of success by establishing cohort of faculty who will legitimize teaching and learning as an academic pursuit
- Develop professional standards process and committee

► **Development of highly qualified research faculty who will create and maintain robust research programs and increase extramural funding.**

☑ **Provide programs and services designed to support new research faculty with information and skills necessary to pursue their careers at IUSM.**  
Create an environment that encourages research in the area of faculty development.

**Campus Planning Theme:** Research, Scholarship and Creative Activity

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** Ongoing

**Actions taken for 2007-2008:**

- Second bi-annual Faculty Vitality Survey is currently underway
- Sponsor yearly two-day "Scientific Writing from the Reader's Perspective" and one-day writing consultation program
- Host "Research Faculty Development Seminar" series on topics such as: balancing grants and children, recruiting laboratory personnel, and mentoring graduate students and postdoctoral fellows
- Co-sponsor yearly grant-writing workshop with IUPUI and Department of Medicine
- Conduct face-to-face meetings with junior research faculty to assess needs, goals, and problems
- Published executive briefings on leadership topics:
  - Emotional Intelligence: An Indispensable Competency for Leaders
  - Faculty Vitality at IUSM

**Evidence of Progress for 2007-2008:**

- Research Faculty Development Seminars:
  - Features and Use of the "Guide for Applying for Research Grants" for New IUSM Research Faculty
  - Dual-Career Academic Couples: Rewards, Challenges, and a Few Survival Tips
  - How to Recruit Personnel to your Laboratory
  - Mentoring Graduate Students and Post-Doctoral Students
  - Dealing with Personnel Problems in the Laboratory
  - Patenting Inventions and Other Intellectual Property Elements
- In less than half a day, 175 seats were reserved for the 2008 "Scientific Writing from the Reader's Perspective" two-day seminar. Attendance was outstanding.

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**Activities planned for 2008-2009:**

- Develop executive briefings on mentoring best practices and models

► **Enhance civic activities, partnerships, and patient and client services.**

☑ **Enhance the Indiana University-Moi University partnership.**

**Campus Planning Theme:** Teaching and Learning, Research, Scholarship and Creative Activity, Civic Engagement, Collaboration

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** Ongoing.

**Actions taken for 2007-2008:**

This partnership continues to be one of the strongest, longest running collaborations between medical

this partnership continues to be one of the strongest, longest running collaborations between medical schools in post-industrial and emerging societies. It provides a model that other institutions have begun to emulate.

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#### Evidence of Progress for 2007-2008:

**The Indiana University-Kenya Partnership** was selected by the National Institutes of Health to join the Global Network for Women's and Infant's Health Research. A five-year, \$5 million grant will allow Indiana University School of Medicine and Moi University School of Medicine faculty to conduct research to demonstrate the feasibility and effectiveness of simple, community-based health-care interventions such as protein supplementation for infants and training of traditional birth attendants in the proper care of obstetrical and neonatal emergencies.

**AMPATH**, a program that grew out of this partnership, received a 5-year, \$60-million grant to prevent and treat HIV/AIDS in Kenya in November 2007. The IU School of Medicine will augment this with \$6 million over the 5 years of the grant.

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#### Activities planned for 2008-2009:

Ongoing activities.

☒ Improve educational programs/processes AND high quality outcomes.

☒ 'Improve educational programs/processes.'

**Campus Planning Theme:** Teaching and Learning

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** Ongoing

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#### Actions taken for 2007-2008:

**The IU School of Medicine began expanding in August 2007** with an entering class of 294, an increase of 14 students, in response to projected physician shortages. IUSM plans to expand its student body 30% by 2012.

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A plan was developed to expand of the 3rd and 4th years of the medical school curriculum at the eight regional medical campuses. Discussions concerning this plan began with the local community physicians, state legislators, and others.

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#### Evidence of Progress for 2007-2008:

After a year of preparation, in November 2008 IUSM underwent its every seven year accreditation site-visit by the Liaison Committee on Medical Education (LCME). Preliminary feedback from the site-visit committee has been quite positive.

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#### Activities planned for 2008-2009:

August, 2008. The Office of Educational Affairs is pleased to announce the first class of medical students enrolled in [IUSM-Terre Haute's four-year Rural Medicine Program](#).

In September 2008 a weekend long, school-wide education retreat was held to "think outside the box" and develop an IUSM education strategic plan.

Winter/Spring 2009 - The High-Tech Education Simulation Center, a collaboration among IUSM, Clarian, and IU School of Nursing opens in Fairbanks Hall.

Winter/Spring 2009 - Work begins on renovation of the 2nd and 3rd floors of the Ruth Lilly Medical Library to transform approximately 20,000 square feet of space currently occupied by "stacks" of scientific and medical periodicals and textbooks, into state-of-the-art, flexible student learning spaces that will better serve the needs of the medical school curriculum and its focus on small



group&nbsp;teaching.&nbsp;The&nbsp;print periodicals are being&nbsp;replaced with electronic access to these materials, available&nbsp;to IUSM scholars anytime, anywhere.&nbsp;&nbsp;

☑ **Infrastructure to support research mission.**

☑ **Development of a Clinical Translational Sciences Institute and achieving an NIH CTSA grant award.**

**Campus Planning Theme:** Research, Scholarship and Creative Activity, Collaboration

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** FY 2007-08 and ongoing.

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**Actions taken for 2007-2008:**

In May 2008 The National Institutes of Health&nbsp;awarded a five-year Clinical and Translational Science Award (CTSA) of \$25 million to the IU School of Medicine, which will fund CTSI activities at IU and Purdue. A total of \$56 million will be invested in the Indiana CTSI by IU and Purdue, the state of Indiana and Eli Lilly and Co., which is underwriting the cost of a senior faculty position for three years.

The NIH created the clinical and translational science awards as a high priority effort to improve the process by which basic science laboratory discoveries are transformed into new medical treatments and products – a process called translational research.

The CTSI will implement the NIH initiative in Indiana with new programs to accelerate translational research, train new translational researchers, interact with community health-care professionals and the public, build research resources and technologies, and leverage Hoosier resources with health care, business, government and foundation partnerships.

The Indiana CTSI's statewide collaboration involves university scientists in Indianapolis, Lafayette and Bloomington. However, the initiative also includes community partners such as Clarian Health, Eli Lilly and Co., BioCrossroads, Cook Group, Roche, WellPoint, the Indiana Economic Development Corp., the Indiana Department of Health and the Marion County Health Department.

Anantha Shekhar, MD, PhD, professor of psychiatry at IUSM and IU assistant vice president for life sciences, has been named director of the Indiana CTSI. Connie Weaver, PhD, head of the Department of Foods and Nutrition at Purdue, has been named deputy director of the CTSI at Purdue. Bennett Bertenthal, PhD, dean of the IU College of Arts and Sciences, has been named deputy director for the IU Bloomington campus.

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**Evidence of Progress for 2007-2008:**

See <http://www.indianactsi.org/>&nbsp;for details.

Grant proposals are already being accepted for newly established&nbsp;state-wide grant awards through the CTSI.&nbsp;

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**Activities planned for 2008-2009:**

The CTSI has been established, including the administrative office that will oversee this program, under the direction of&nbsp;Dr. Shekhar.&nbsp;Activities are underway.

☑ **Increase funding available to support administrative and facilities infrastructure of IUSMs research mission.**

**Campus Planning Theme:** Research, Scholarship and Creative Activity

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** FY 2003-04 and ongoing.

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#### **Actions taken for 2007-2008:**

Since 2003-04 IUSM has received a total of \$10.9 million of state research infrastructure support appropriations. Of this amount, \$2.1 million supports the CTSA grant institutional match. Another \$417,000 was used to create a base budget for the administrative operation of the grant, the Clinical Translational Sciences Institute (CTSI), headed by Dr. Anantha Shekhar. \$3.36 million of these funds have been used to fund IUSM's direct-billed building operating costs for the HITS building and for Research Institute III. \$2.25 million enabled IUSM to continue funding research space rent at Wishard, internal grant award programs for pilot projects and start-up funding and pre-award grant administration and support after the FY 2006 state operating appropriation cut. Finally, the balance of these funds went to expand IUSM's Laboratory Resources Center (LARC), research facilities and equipment support functions, and other research infrastructure in support of the goal expanding research at IUSM and becoming a top ten public medical school in terms of NIH ranking.

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#### **Evidence of Progress for 2007-2008:**


Without this investment by the State it would not be possible to operate these research facilities, and IU would not have been awarded the CTSA grant by NIH, only one of eight nation-wide.

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#### **Activities planned for 2008-2009:**

- Research Institute III opens spring 2009, adding 254,000 new gross square feet of research space.
- Glick Eye Institute planning and design is nearing completion.
- South Bend Cancer Research Center planning and design complete.

 To promote a diverse and inclusive environment where all members of the community can succeed to their highest potential.

 Establish a prominent and visible presence for diversity and multicultural affairs.

**Campus Planning Theme:** Teaching and Learning, Research, Scholarship and Creative Activity, Campus Climate for Diversity

**Secondary Goals:**

**Sub Unit:**

**Time Frame:** Ongoing

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#### **Actions taken for 2007-2008:**

The formal Office of Multicultural Affairs was established in June of 2007 to further advance the campus-wide diversity effort at IUSM. Diversity efforts at IUSM are a long held practice and passion of individuals and departments, and the development of a dedicated office provides the centralization, continuity, and resources necessary to maintain such a robust portfolio of diversity programs established by past champions of diversity. The Office serves as both a clearinghouse for existing programs geared toward diversity, but also as an office to create and implement new strategies, programs, and policy which promote diversity at IUSM. See <http://faculty.medicine.iu.edu/body.cfm?id=12>

Krystal Ardayfio was recruited as director of this new office.

Strategic goals and objectives were established for diversity affairs as part of the strategic plan for IUSM's Office of Faculty Affairs and Professional Development.

**Diversity Week 2008** activities were observed Jan. 14-25 at the IU School of Medicine. Organizers and sponsors included the Student National Medical Association, the IU School of Medicine Office of Multicultural Affairs, and the IU School of Medicine Society of Latinos

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#### **Evidence of Progress for 2007-2008:**

See above.

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#### **Activities planned for 2008-2009:**



George Rausch, Ed.D., has been hired as IUSM's Associate Dean for Diversity, and will begin work in early 2009. Dr. Rausch's impressive talents and energies will augment IUSM's existing diversity efforts, such as the Office of Multicultural Affairs.

A \$662,000 five-year grant from the [\*\*Howard Hughes Medical Institute\*\*](#) will allow the Indiana University School of Medicine to encourage underrepresented minority students to pursue careers in science.

## Fiscal Health

### Fiscal Health

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IUSM's fiscal health is threatened by the 2009-11 biennium budget recommendations of both the Governor and the Indiana Commission for Higher Education. Other major threats to IUSM's fiscal stability are the uncertain future of the NIH budget, the very significant decline in market value of IUSM's holdings in the IU Foundation, declining reimbursement rates for physician services, an increase in the number of self-pay patients caused by job losses related to the current financial crisis, and patients delaying care to avoid the cost of their deductible.

As reflected in the attached fiscal health table, IUSM's state appropriation allocation has increased \$8.0 million, or 9.0%, from \$88.4 million in FY 2005 to \$96.4 million in FY09. This seems a large increase over a three year period, however, this increase includes \$10.9 million of state research support appropriations that must be spent to support research infrastructure and expansion, and are not available to cover general operating cost increases. In FY 2006 IUSM absorbed a \$3.8 million state operating appropriation allocation reduction.

During this same four year period IUSM student fees increased by \$12.2 million, but indirect cost recoveries (ICR) remained flat until FY 2008 and are expected remain relatively flat for the foreseeable future. IUSM absorbed approximately \$12.0 million of RC assessment increases over this period (the FY 2009 budget of \$51.8 million excludes \$4.0 million of RIF assessments). The net effect of this is that, apart from the state research support appropriations, IUSM received about \$1 million to cover salary and fringe benefit increases on the general fund, leaving no new funds to help expand and enhance education programs. The net result is that IUSM is funded at the 10th percentile relative to its peers. Expressed in another way, the average State supported medical school receives approximately \$100,000 per medical student from the net of State and institutional allocations/assessments. IUSM receives \$30,000. This is not sustainable.

Of the \$10.9 million of state research support appropriations, \$2.1 million supports the CTSA grant institutional match. Another \$417,000 was used to create a base budget for the administrative operation of the grant, the Clinical Translational Sciences Institute (CTSI), headed by Dr. Anantha Shekhar. \$3.36 million of these funds have been used to fund IUSM's direct-billed building operating costs for the HITS building and for Research Institute III. \$2.25 million enabled IUSM to continue funding research space rent at Wishard, internal grant award programs for pilot projects and start-up funding and pre-award grant administration and support after the FY 2006 state operating appropriation cut. Finally, the balance of these funds went to expand IUSM's Laboratory Resources Center (LARC), research facilities and equipment support functions, and other research infrastructure in support of the goal to expand research at IUSM and become a top tier public medical school in terms of NIH ranking.

Because the Indiana general assembly has discontinued funding the plant expansion appropriation for new buildings, the research support appropriation is the only source of new funds available for this use. Were it not for these funds, it would have been extremely difficult to open these new research facilities without decimating existing IUSM programs. In fact, without additional research support dollars, it may not be possible to open future research buildings, such as the neurosciences facility, the Glick Eye Institute, or the Cancer Research Center at the South Bend regional medical campus.

The general fund ending balance has remained at approximately \$24.5 million since June 30, 2006. Approximately half of this balance is held by the academic departments of the school. IUSM's policy is to allow these departments to retain unspent general fund budget rather than returning it to the Dean's coffers. This encourages entrepreneurship and enables departments to invest their savings, mostly grant related salary savings, in new faculty start-up and retention packages that will help attract outstanding teachers and researchers to IUSM. Of the \$12 million held in the Dean's Office, \$4 million is required shortfall reserve, \$3.5 million was carried forward into FY 2009 to cover outstanding encumbrances, and the remainder is committed to new chair or faculty start-up packages, pilot research projects, and similar items. Although \$24.5 million is a substantial sum, it represents only 48 days of general fund cash on-hand, which is not a large reserve.

With the market value of an IUF long-term pool share down 37% since 12/31/2007, IUSM's endowment base has lost \$147 million







IUSM programs are not IUSM's primary focus, however, and it is not proactively trying to expand them at this time. Therefore, the first four bullets are not directly applicable to IUSM.

IUSM has worked and continues to work very hard to expand its research mission and funding. Evidence of this work includes the entire Life Sciences Initiative, a 13% increase in the number of grant proposals submitted between FY 2005 and FY 2008, and the opening of Research Institute III, scheduled for spring 2009. Evidence of the success of this work includes the \$15 million appropriated for IU and IUSM by the Indiana general assembly as part of the Life Sciences Initiative budget request. Other evidence of success includes the \$2.8 million increase in ICR between FY 2007 and FY 2008, and the awarding of the Clinical and Translational Sciences Award from the NIH in the spring of 2008.

2. If you had to implement a budget reduction of 3-5% a) what would be your budget priorities and b) what strategies would you employ to walk the fine line of maintaining critical operations and investing in your future? Please describe how faculty will be involved in the decision making process.

A 3-5% reduction in total state appropriations allocations for IUSM would be anywhere from a \$2.9 million to a \$4.8 million reduction. This is a wide swing, but either scenario could be very difficult for IUSM to manage in terms of potential impact on programs, if it has no power to control the rate of increase of certain significant cost factors, such as fringe benefits and RC assessments. The pooled fringe benefit rate for faculty and professional staff is already at 40.6% and climbs an average of 2% per year. The pooled fringe benefit rate for biweekly staff increased 22.4%, from 28.07% in FY 2005 to 34.35% in FY 2009. The combined impact of these benefit rate increases on IUSM's general fund budget was a cost increase of \$1.5 million over the four year period, calculated on the FY 2005 actual salary and wage expenses. RC assessments continue to climb 4% or more per year.

The School's academic priorities will continue to drive its budget priorities. Dean Brater has stated a goal of preserving valuable programs wherever possible in order to continue progress toward the School's goal of becoming a top tier medical school in both education and research. The approach to preserving valuable programs is to contain costs wherever possible. This may mean not filling non-critical vacancies, or in the case of critical positions, identifying job sharing opportunities across positions or even across units. Another option is to permanently restructure workloads in order to eliminate FTE. Hopefully, this could occur through attrition. Another alternative would be to refill critical positions with part-time employees where possible. It would certainly mean eliminating all unnecessary travel and capital expenditures, and reducing S&E expenses. Scenarios currently being modeled are 0.00% salary increases and even salary decreases. One of the biggest concerns is that costs over which the School has little or no control, such as fringe benefits and RC assessments, could turn a 2% or 4% reduction into a 4% or 8% reduction.

At the January 12, 2009 IUSM Executive Committee meeting, Dean Brater lead a frank discussion regarding the current financial crisis, including the Governor's and ICHE's budget recommendations. The executive committee is comprised of all department chairs and directors, the School's deans and staff level administrative leaders. Dean Brater outlined the many areas in which IUSM has made great progress the past 8-10 years and stated his goal for this next period of not decimating programs, of treating faculty and staff as partners in planning and of treating everyone with compassion. He also spoke of the need to look at cost containment as the solution to the current fiscal crisis, and said we must work together, think outside the box and find new ways to achieve more with fewer resources. He challenged the group to think of this as an opportunity. The committee's response was very positive and many good ideas were suggested by its members. The Dean indicated that he and his staff would follow-up on these ideas. He finished the meeting by asking each member to go back to his/her respective unit and hold the same conversation with faculty and staff and to provide him with any additional suggestions that came out of those discussions. In this way, the entire school has been engaged in this conversation.

3. Please describe current commitments or plans that require multiple year funding, including the amount of funding required and the length of time the initiative's funding is required.

IUSM has eight searches underway for new deans, department chairs and directors. Most if not all of these new recruits will receive some type of start-up package, or commitment, from the Dean to assist in accomplishing the goals mutually agreed upon as part of that recruitment. Funding for these start-up commitments will come from a variety of sources, dependent in part upon the planned use of those funds. The primary sources are state research support appropriations, other IU general or designated funds, gifts and endowments, and academic support provided by our clinical partners; the IUSM practice plans (via dean's tax and departmental support), Clarian, and Wishard Hospital. There is currently \$16 million in hand available for new recruitments.

Dean Brater has successfully recruited nineteen new department chairs and directors in his eight years as dean, twelve of whom have outstanding (undisbursed) start-up commitments totaling \$31.6 million. Some of these recruits have now been at IUSM for several years, such as Gerry Oxford, Ph.D., with the Stark Neurosciences Research Institute, and some were just recently named, such as Lou Cantor, M.D., in the Department of Ophthalmology. Many of those who have been here multiple years and have not yet fully utilized their start-up packages have also received INGEN funds as part of that package. They were instructed to utilize the INGEN funds first. Because those funds have now been largely expended, it is anticipated that the non-INGEN funds will now be drawn down at a much faster rate. Of this \$31.6 million \$8 million is held in IU accounts. \$6.3 million is



held at IUF, and \$17.5 million is held by the IUSM's clinical partners.

The majority of these funds will be used to recruit or retain individual faculty, mostly researchers, and to provide lab and compensation support while they get their research lab operations running and can become competitive in the grant arena. It is difficult to determine how quickly these funds will be drawn down, it will depend upon the length of the recruitment cycle, which itself has become much more competitive in the past few years. It may take three to five years to expend all of these funds.

IUSM's plans to expand the medical school curriculum (3rd and 4th year) at the regional medical campuses will require approximately \$5 million in new annual expenditures (see Attachment A). The primary purpose of this expansion is to better meet the current and future healthcare needs of the population of Indiana. One way this will be accomplished is by creating magnet-type programs, such as rural health medicine at the Terre Haute campus. Placing 3rd and 4th year students in these programs will expose them to local physicians, hospitals, and patients. Many of these students will develop a bond with the community and will be much more likely to return after completing their residency training to settle and practice medicine. If this can be achieved, it will begin to address current and projected physician shortfalls in these communities.

The planning and design phase for both the Glick Eye Institute and the South Bend Cancer Research Center projects are nearing completion. 100% of the funding for the \$20 million Eye Institute is from a very generous gift of Eugene and Marilyn Glick. 50% of the South Bend Cancer Research Center is being funded by state appropriation and the other 50% is being funded by a generous gift to the University of Notre Dame. The budgetary concern regarding construction of these facilities is ensuring that the projects stay within the funding provided and this has been done. The real multiple year funding commitment implicit in each project is its annual operating cost. In each case the current estimate is \$400,000 or higher. Because the state legislature discontinued funding plant expansion for new facilities several years ago, IUSM must fund these costs out of future increases in the research support appropriation or from existing budget.

**4. How do you intend to use your reserves over the next four years? Please provide the information by fiscal year.**

Per the attached fiscal health table, IUSM ended FY 2008 with \$24.5 million of general fund reserves and \$86.6 million of non-general fund reserves. As discussed in the fiscal health summary section approximately half of the general fund balance belongs to the academic units of the School. These funds are an accumulation of salary savings over time, particularly grant related savings. Most IUSM departments have policies that allow research faculty to retain some of the salary savings they generate to be used as bridge funding in rough times, to purchase new equipment, and or to help fund lab costs. The remainder is largely new chair start-up commitments, research infrastructure commitments and shortfall reserve. As mentioned in question 3 above, it may take three to five years to expend these funds, depending upon success in recruitment. The same is true of the designated funds. The restricted funds could be depleted in one year or less due to the market losses incurred at the IU Foundation.

In light of the recent state budget rescission, a wise goal might be to maintain at least thirty days' general fund reserves, or approximately \$15 million.

**5. What are the current numbers and percentages of tenure-track faculty, clinical faculty, and lecturers in your school?  
Please describe your plan for allocating new faculty positions so as to influence the number and percentage in each category.**

IUSM's faculty distribution is as follows:

Tenure Track 646 50.6%

Clinical Track 507 39.7%

Scientist Track 118 9.2%

Lecturer 7 0.5%

TOTAL 1,278 100.0%

These numbers and percentages will be influenced by IUSM's ability to successfully recruit new researchers, teachers, and clinicians in support of its goal of becoming a top tier medical school in terms of research and education. IUSM's goals also include providing excellent access to



high quality patient care and expanding the medical&nbsp;school curriculum and student body across the State of Indiana&nbsp;to meet the current and future&nbsp;healthcare needs of&nbsp;its population.&nbsp;

&nbsp;

6. How do you define return on investment for diversity efforts in your unit (e.g, numbers of faculty/staff/students recruited and retained, grants received for special studies, new teaching methods or courses, placement of graduates, program reputation)? What are you doing to improve your ROI?

In 2008 IUSM created a strategic plan for the Office of Faculty Affairs and Professional Development, which is headed by Stephen P. Bogdewic, Ph.D., Executive Associate Dean.&nbsp;One critical element of this strategic plan&nbsp;is diversity, and the strategic objective established in this plan for diversity is "To promote a diverse and inclusive environment where all members of the community can succeed to their highest potential."&nbsp;The ultimate ROI will be the achievement of this environment.&nbsp;

IUSM will achieve this environment&nbsp;through a series of more tactical goals and objectives, such as the recruitment of a senior leader to provide needed direction and support for diversity affairs.&nbsp;This goal, in fact,&nbsp;has now been accomplished.&nbsp;George Rausch, Ed.D., has been hired as IUSM&nbsp;Associate Dean for Diversity and will begin work in&nbsp;spring 2009.&nbsp;Dr. Rausch's&nbsp;impressive talents and energies will augment IUSM's existing diversity efforts, such as the Office of Multicultural Affairs.&nbsp;Much has been done already, but&nbsp;much&nbsp;remains to be done to achieve a truly diverse and inclusive environment.&nbsp;Dr. Rausch is a tremendous addition to the School and&nbsp;will help ensure our success in this and other goals.

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