

Meeting Notes from Mid year AACP meeting in Phoenix 2/23-2/25/10

FINANCIAL SURVEY

Charlotte opened the meeting by announcing that we had received a lot of feedback on the financial survey. Even though some of the participants had difficulty in completing the survey, she viewed this pilot as a positive step toward meeting our goal of revamping both the AACP survey and creating a new format for consistency in our ACPE accreditation reporting under Standard 30.

We then discussed the group's goals for the financial survey. The following ideas were presented:

- Obtain comparable data that is meaningful
- Simplify completion of the form, while still maintaining useful data
- Organize data so that we have the ability to rank and compare outcomes
- Create reporting formats that are useful to all and consistent amongst all completing the surveys.
- Use this format for both AACP and ACPE reporting.

We then discussed the various uses that the different schools have for the financial survey. They included:

- Requesting campus/BOD support for differential tuition.
- Ranking of state appropriations for legislative lobbying
- Comparing student/faculty ratios
- Identifying dollars per Pharm.D student
- Quantifying dollars for IPPE and APPE's

The revenue section of the financial survey seemed to meet everyone's need. The problems with completing the survey came on the expenditure side.

After much discussion, it was determined that to minimize the difficulties we were having in completing the expenditure portion of the survey, we would combine the bottom columns into one expenditure column per revenue section. There are now 4 columns that will be used to report expenditures. They are Direct Operational Support, Other Operational Support, Business Income and Sponsored Projects.

The group also discussed the desire to easily incorporate the data from the AACP report into the ACPE report so that the financial officers are not doing excess reporting and this information will feed easily when AACP and ACPE develop their software solution. Cheryl, from Kansas, provided us with the format of reporting that she has recently provided to the ACPE reviewers during their accreditation. This reporting was based on the NACUBO defined categories. The participants felt that while the coding of the data may not always be 100% correct, the NACUBO categories provided the schools, AACP and ACPE with an easier way to compare the various colleges and universities (this format would report instructional expenses separate from research expenses). These data could then be incorporated into the 5 year prospective financial pro forma for the

program as well as a 3 year financial analysis of past revenues and expenditures that is required by ACPE as part of Standard 30.

The breakdown would be for expenditure reporting only and would include the following categories: Instruction, Research, Public Service, Academic Support, and Student Services and the other NACUBO categories. For internal use within the colleges, these would further be broken down into salary and non-salary categories but the group did not feel that level of detail was required or necessary.

Several Schools including University of Washington, University of Pittsburgh and University at Buffalo need to look into this reporting mechanism further as we are not currently receiving our financial reports in the NACUBO format. These schools will report back on whether they can work within these parameters.

The group has decided to continue discussions as to whether to include indirect costs (F&A) in their reporting of sponsored projects expenditures. Some schools do not receive their F&A at all, others act as a pass through for the University, and some receive the entire amount and then are responsible for the related expenditures. There are several Schools that get varying amounts of their indirect costs back to them. We will need to be careful to make sure that we do not double count the amount of funds being attributed to the schools in this process.

We also discussed what to do regarding internal transfers

For university transfers;

The challenge was capturing comparable data with respects to the three types of transfers occurring within institutions:

- Transfers into the School from outside source was considered revenue
- Transfers out of the school to outside entity was considered an expense
- Transfers within the school are a wash and not captured.

The result was to have no transfer line and expenditures and revenue will be reflected under the appropriate functional category.

Regarding the issue of state dollars, the question arose if we should record net revenue and capture what institutions give back to the university as a revenue reduction? It was decided that the most comparable way of reporting this would be by capturing the NET REVENUE number. For those schools who receive a larger allocation but know that a certain amount must be given back to the campus or central administration, those schools would net out the amount of the return.

SALARY SURVEY

We then discussed the salary survey and what the Schools truly need from that survey which was comparability, accuracy and completeness.

We listed all of the different components of salaries at each of the schools and came up with the following: university base, summer salary, administrative supplements/stipends, temporary rewards/incentives/bonuses, excess compensation (additional fee basis) both

within and outside of the program, faculty fellowships, honoraria, 1/6 rule income and practice plans.

Charlotte then asked if we included these items in our reporting, and everyone said no. We then discussed what is reported to AACP as part of this survey.

Beginning this discussion on the salary survey, most Schools thought that this survey was the most accurate and the easiest to use when reporting data. As our discussion continued, it became apparent that the numbers being reported in this survey were as skewed as the numbers on the financial survey. Charlotte asked the group if we thought that the survey would be more useful as prospective reporting or retrospective reporting. Some argued for prospective reporting, stating that at least this information would be more current than if we reported retrospectively. Those favoring retrospective reporting looked at the fact that some schools, with 9 month faculty, were automatically adding in an additional 3 months of summer salary; not knowing whether their faculty would actually earn those funds and often overstating their salaries for almost all of their faculty. Colorado's institutional base each year is based on a percentage of the average salaries reported and as a result, their base will always be overstated. This group felt that at least in reporting retrospectively that we would be reporting actual numbers rather than budgeted or estimated.

A poll was taken of those who attended the meeting and the general opinion is that the survey would be more accurate and complete if AACP collected the data retrospectively. Charlotte suggested all those in attendance speak with their deans to find out what their preference is and then have them share that preference with AACP.

We discussed the fact that cost of living added a regional cost component to salaries but decided we could not accommodate those issues in reporting.

The group also suggested that AACP define institutional base salary as the actual contractual commitment of the university to the employee for the reporting fiscal year (not including any administrative supplement/stipend). Also, AACP should clearly indicate that incentives, bonuses, temporary rewards, excess compensation, summer salary (unless guaranteed) NOT be reported in the prospective survey.

KEY QUESTIONS

There was significant discussion on the various key questions that are part of the survey. Most felt that this was the most valuable piece of the entire survey.

- 1.) Start up package – The average seemed to be a problem for one school, but the balance of the group was comfortable with the question as it was stated. We will keep it as it is.
- 2.) Scholarships – Attendees felt that the question should focus only on funds within the schools and should not include financial aid which is not controlled by the schools along with total # of actual students supported by the school's scholarship funds.

3. Graduate Student Support – group felt that it needed to define the terminology.
Tuition waivers – tuition support provided (Change “waiver” to “tuition waiver”)
Stipends – Salary only, do not include fringe benefits

It was felt that we should report amount provided to first year student only. It was decided that we will report the money provided to first-year graduate students (stipend only, no fringe). This way we will be able to benchmark against what other institutions are doing to recruit graduate students. It was felt that we did not need to know the number of students being provided stipends.

4. Residents and Fellows – Group felt that this number should include clinical fellows only and not graduate research.

5. Payments to preceptors – Includes direct payments to individual or institution only NOT other forms of compensation such as free CE or travel reimbursement.

6. Research Dollars per Assignable Net Square Foot of Space – Group thought this number is valid and important.

It was felt that before the survey goes out next year, that we need to do a better job of explaining the general thrust of the survey and that all items may not apply to all schools. Perhaps conference calls could be set up by AACCP to provide verbal information about the surveys soon after the surveys are sent to the schools.

Bill Cooper requested an additional key question related to clinical revenues and its uses in supporting your school’s operations. Bill agreed to work on a format for this query (may be independent from this financial survey).

QUESTIONS

Toward the end of the meeting, the floor was open to questions from participating Schools. This elicited a lot of conversation and questions. They are listed below:

Question - When we are looking at student /faculty ratio, are we including the PhD’s and the MS students? When looking at dollars per student which degree students are included in the calculations? The thought was that this number was supposed to represent the Pharm.D. program only. However, with school that have large graduate programs and faculty who teach across academic programs these ratio are less comparable

Question – To calculate ratios for the financial survey is AACCP able to pull out enrollments from other surveys? Charlotte will pose the question to AACCP.

Jessica at Creighton was looking for disclosure statements. She is to send out email requesting information. We also discussed supplemental or excess income and some people shared best practices on implementing disclosure agreements among their faculty.

Any faculty member over .50 FTE is required to disclose information about activities they complete outside of the university. In terms of supplemental income, the group shared their policies on the maximum level of additional income faculty could make on top of their contracted salary. For most, it was 20%.

Question - How are people compensating preceptors at the VA?

Ohio State – Set up prior agreement and then invoice.

University of Colorado – Payments go to a 501c3 research corporation affiliated with the VA.

University of Iowa – Pay directly. Faculty have joint appointments.

University of the Pacific – Pay entire salary of preceptors at site.

Washington State University – Pay preceptors

University of Arizona – Places funds in the UAriz foundation for VA preceptors to utilize.

Question - Do schools allow volunteers in their laboratories – particularly foreign scholars who may not have work VISAs?

University of the Pacific – Cannot do.

University of Colorado – Shadow in labs as volunteers; cannot do any productive work

Ohio State and Oklahoma University – cannot volunteer in lab

Washington State University – Depends on visa as to whether they can volunteer.

Question - What are the indirect costs for clinical trials and how are they negotiated?

Ohio State – Goes through hospital 25%

University of Washington – All contracts are negotiated at a local level and then sent to legal for language. Their rate is currently 33%

Oklahoma University – Negotiated at local level 20%

Dick Weidhopf from University of Arizona commented on how Pharmacy is being forced out of being able to directly apply for clinical trial funding. MD is required to be the PI or Co-PI on all clinical trial grants. This is directly impacting the number of pharmacy practice faculty who are able to obtain sponsored research; eliminating lucrative activity.

Discussion was had regarding responsibility center budgeting. Several schools, including University of Minnesota, Ohio State, and University of the Pacific currently have this model and the University of Washington is moving in this direction.

Ohio State and University of Arizona indicated that their universities have begun decentralizing their health science libraries by moving individuals into the actual departments. University of Washington is moving in this direction.

Question – What type of technology is available and how is it currently being used?

Ohio State mandates all of their students to have an I-pod Touch. They use this, instead of clickers and laptops. These are provided to the students by Ohio State and purchased

at a wholesale price in conjunction with the medical school so there's a significant discount. Capabilities also include students taking live quizzes.

University of Maryland, University of the Pacific and University of Colorado all require their students to own laptops.

Oklahoma University, Ohio State and University of Maryland all record and re-broadcasts their lectures. Ohio State and University of Maryland are considering to selling/swapping their recordings.

University of Colorado records their lectures and makes them available to the class only for the semester in which the course is offered.

Texas discussed how their institution is exploring the use of the virtual application, *Second Life*, as a method of conducting future case studies and practice sites. The group watched a brief YouTube video showcasing *Second Life* at Duke University. The University of Washington also uses *Second Life*. They are using it for recruiting, meetings, classroom instruction and practice labs.

What is the policy on Social networking?

Pittsburgh is considering uploading their student portal on *Pharmacist Society*, which incorporates other websites like YouTube, Facebook, AACP, SNPFA, etc and provides students free access. Many students are using *Pharmacist Society* now without the endorsement of university, but it could provide a one-stop resource for students if the Pittsburgh student portal was included. Ohio State indicated it is going in the same direction as Pittsburgh

Respectfully submitted,

Candy Morris