

BUDGET 2009.

Communications

On Tuesday, March 17, 2009, Dean Teresa Dolan gave the following presentation to a special Faculty Assembly as part of shared governance at the UF College of Dentistry. Please note the college plans to submit to the UF Provost in preparation for expected reductions in state appropriations for the next fiscal year from the Florida Legislature.

I know that all of you are aware of the budget reductions we face in our state, at UF, and here in our college. As I did last year, I will make every effort to communicate in a timely manner with our college as we move through this process and reach decisions regarding budget reductions.

Communication strategies have included:

- Updates at each faculty assembly
- E-mail communication and Web posting
- Budget meetings with deans and chairs, who were asked to consult with their faculty prior to these meetings.
- A meeting last week with the Faculty Assembly Steering Committee
- Today's open forum

Today's presentation is made at the request of the Faculty Assembly Steering Committee and will provide an additional opportunity to request feedback about our decision-making regarding budget reductions.

The Budget Process

On January 15, the UF Provost Joe Glover instructed all deans to prepare proposals for a 10 percent permanent reduction in allocated state funding to our respective units. For our college, this equates to an additional reduction of \$1.67 million. Note that this is in addition to the cuts we've already absorbed during the last two years. Collectively, the college's state appropriations will have been cut about 20 percent, or \$3.4 million. To put that in context, \$3.4 million is the approximate equivalent of about 20 to 22 faculty positions. We have avoided significant layoffs through implementation of management strategies to ensure the fiscal health of the college.

We were originally asked to have our proposals submitted by March 4 for consideration by UF administration. This deadline was later extended to April 1.

While our state appropriations are important to us, we have worked to diversify our revenue sources so that state budget cuts would not devastate our college. We have been very successful in increasing:

- clinical revenue
- tuition and fees
- research-related contracts and grants
- gifts and donations to the college

Our gross clinical revenues are up from last year, by about \$1.2 million, or 16 percent. The increase is partly attributable to the changes implemented with the new DMD clinical education model, so thank you (again) to all of you for making the change happen and also making it work!

In addition, we are seeing more patients in the DMD program, resident programs, faculty practice and in our statewide clinics. The increased clinical revenue is offset somewhat by increased expenses related to higher salaries and the increased cost of doing business. However, the increases in clinical revenues will buffer us somewhat from the full impact of the cuts. These increases reflect effort and dedication on the part of our clinical teams and we appreciate your hard work.

In addition, through some changes in the university's funding model, we now receive additional tuition revenue that helps offset some of these ongoing budget cuts.

I'm sure you've seen the recent announcement that our college is ranked 4th in NIDCR funding, and our faculty have worked hard to diversify extramural research support from not only NIDCR but also other NIH institutes, federal and state agencies, corporate and private sources.

The economic stimulus package will offer unprecedented opportunity for research funding, and I expect that all research-oriented faculty will be busy submitting and resubmitting proposals to take advantage of the stimulus funding. Additional funding will also be available from NIH for faculty development and curriculum development, and I expect increased HRSA funding will be available for training grants. We will do our best to keep the faculty informed of these opportunities.

Finally, we have been working hard to increase gifts and donations to the college. As you know, the UF Foundation embarked on a capital campaign that ends in 2012, and to date, the college has raised about 90 percent of its \$15 million goal. We continue to actively solicit alumni, friends, grateful patients, corporations and foundations. Please continue to share your ideas with me and Cathy Jenkins, our director of development. I see no reason why we can't exceed our goal of \$15 million.

How did we arrive at our budget reduction proposals for next fiscal year?

I conducted budget meetings with departments and business units in our college during January and February of this year. Chairs, associate deans and directors were presented a set of questions and were asked to discuss those questions with their faculty and staff, as appropriate, and to present those responses to me and members of the college administration. Their suggestions for cost savings or revenue enhancement were used to develop a college plan for meeting our anticipated budget cut.

What will we be proposing to the Provost?

Some of our strategies will be similar to those used last year and will represent the continued implementation of prior year's decisions. The university has requested suggestions for targeted or programmatic budget reductions. We made two difficult choices last year in response to this request:

- Closing of the Parker E. Mahan Facial Pain Center and related fellowship program.
- Phasing out of the two-year certificate IEDP program.

We did not enroll new IEDP students this year, and our final class will be completing their education at the Hialeah, Jacksonville and Seminole clinics. Thus the college will be saving the operational expenses related to the first year of the IEDP program, and save approximately \$400,000 in state support when the program is phased out.

Faculty — including Dr. Nery Clark and Dr. Roberta Diehl, the Hialeah Clinic Advisory Committee members — and the college administration has been exploring options for implementing an off-book two-year AEGD program at the Hialeah Clinic. If this were developed, the international students' tuition would have to fund the operation of the program and the Hialeah Clinic.

During the budget meetings several groups questioned our state investment in our community-based clinics. These clinics are primarily funded by the Shands GME contract, patient-care revenues, the DOH indigent care contract, other local contracts and gifts, and some state support. These same funding sources are also used to support the advanced and graduate dental education programs in Gainesville. With decreasing state support, we are proposing a 5 percent reduction in state support for each advanced education faculty director, which would have to be shifted to non-state sources – most likely clinical revenue.

Other targeted cuts include:

- Combining the departments of operative dentistry and dental biomaterials. This would save approximately \$60,000 by not filling an open staff position.
- Elimination of state support for administrative supplements for research centers. We would expect that such administrative supplements would be paid by IDCs.
- Administrative supplements for advanced education program directors would be paid by department AEF funds.
- We would expect all auxiliaries to be financially self sufficient. This would primarily affect the CE department and we are proposing a three-year phase-out of state support for CE operations.
- We will work to minimize expenditures for college-funded meals.
- Elimination of the SSOG funding to departments and replacing this support with a new allocation formula that, at a minimum, allows research-oriented departments funds for AEF faculty benefits and clinically intensive departments a pool of funds to use for OPS faculty support to replace lost teaching effort when faculty obtain research grants. This proposal is under development and will be discussed with chairs and reviewed by the EAB prior to implementation.
- Our modifications to the research bonus plan will save some money while continuing to provide financial incentives to productive researchers.
- All faculty effort reports have been reviewed, and we have been asking all dentist and dental hygienist faculty who can assist more in our teaching program to do so. Faculty have been very accommodating to these requests. These changes in assignment will reduce our need to hire paid OPS faculty while maintaining an appropriate faculty:student ratio in the DMD program.
- We are proposing several short-term changes to the use of the dean's IDC funds (about \$400,000), including:
 - Eliminate .5 OPS position
 - Reduce Summer Research Program to 10 to 15 students
 - Reduce Start Up funds
 - Reduce Student Seed/MIPPPG grants
 - Reduce number of speakers for the dean's seminars
 - Reduce food for research-related meetings
- We propose not filling a graduate assistant position in the dean's office communications area, saving about \$25,000.
- We are proposing eliminating about \$45,000 in operating expenses in the Office of Education and Admissions and a \$25,000 reduction in the student affairs budget.

The remaining cuts would be distributed as an across-the-board cut to departments. If the college is ultimately faced with a 10 percent budget reduction, we hope to be able to keep departmental reductions to 2-3 percent across the board.

Several individuals and departments suggested furloughs or pay cuts as a strategy for budget cutting. These ideas were presented to university administration, but are currently not planned for the university.

This combination of strategies should allow us to sustain an additional 10 percent budget cut without major disruption to our college, with minimal or no faculty or staff lay-offs assuming we can manage through reassignment and attrition, and with the implementation of the proposed strategies. I will need your continued assistance and support to achieve this goal.

I thank you for your consideration and I welcome your feedback and suggestions prior to the April 1 submission deadline.