College of Pharmacy
Report to the Strategic Alignment/Budget Reduction Review Committee

Date: November 20, 2009

Budget reductions implemented:
- FY09, November, 2008 reduction in base budget: $92,479
- FY09, March, 2009 reduction in base budget: $75,111
- FY10 , reduction in targeted budget: $0
Total cumulative reduction in base budget: $167,590

Notes:
The College of Pharmacy entered FY09 with a negative fund balance of $521,288 that was turned to a positive fund balance of $55,083 at the start of FY 10.

The College of Pharmacy does not receive Statewide or other targeted state funding.

Strategies employed to manage budget reductions:
- Two open faculty positions in Pharmacy Practice (resignations) were frozen and one classified staff position was eliminated for an estimated salary and OPE budget reduction of $231,000. One new position in Pharmaceutical Sciences was also unfunded and the search postponed.
- Services and supplies expenditures were reduced by 13% for a total budget reduction of $197,668 despite a $90,000 per year increase in lease fees for the Portland campus operations (see next bullet.) Services and supplies budgets fund course expenses, college wide research expenditures, lease fees for the Portland campus, professional development, administrative expenses, and student services.
- Targeted funds of $90,000 were received from the Provost’s office to offset the lease fee increase described above.
- Differential tuition for resident students entering the PharmD program rose by 18% to $16,488 in AY 2009 ($25,992 for non-residents) on top of significant annual increases each year since AY 2006. The tuition increase on top of increasing admissions to the four year Pharm D program from a target of 85 students per year to 90-95 students per class and a slight increase in the ratio of non-resident to resident students resulted in $355,000 of additional budget revenue.
- Endowment revenues of $150,000 were used to pay a portion of two administrative faculty salaries.
F&A indirect cost return to the College increased by approximately $57,000

Planning for further biennial budget reductions:

- The College of Pharmacy provides two undergraduate services courses. Enrollment of both of these courses exceeds the guidelines for minimum enrollment. These courses will continue to be offered.

- The four year PharmD curriculum has 85-95 students enrolled per class [total fall 2009 college head count of 369 students; 66(18%) non-resident] in a professional curriculum that complies with Accreditation Council of Pharmacy Education (ACPE) accreditation standards. The core curriculum is taught entirely by College of Pharmacy faculty with all courses exceeding the guidelines for minimum enrollment (85-95 students for every course); no elimination of core courses is possible. In accordance with ACPE standards, the College curriculum committee requires students to take one elective course per year. Approximately 60% of electives chosen by students are taught by College of Pharmacy faculty with the remainder being selected from a listing of courses offered across campus (at either OSU or OHSU) and pre-approved by the curriculum committee for elective credit. Because of the specialized nature of some of these electives, enrollment in some electives falls below the minimum recommended by OSU guidelines, for undergraduate courses, but all are expected to exceed minimums recommended for professional and graduate level courses. There would be no cost savings by eliminating these courses since faculty already teach in other courses in the College.

- The College of Pharmacy has 36 full time faculty in two academic departments (Pharmaceutical Sciences and Pharmacy Practice.) This is in compliance with guidelines relating to the number of subunits per college. While neither department meets the threshold of 20 FTE faculty, anticipated future growth in both departments will bring them into compliance. Because of the diverse nature of these two departments it is not desirable to dissolve the departments. In addition, there would be no cost savings gained by abolishing the departments and their chair positions because the college would have to replace the Pharmacy Practice chair with an administrator (assistant or associate dean) for the Portland campus. The other department chair already has a dual appointment as associate dean, as well as carrying a heavy teaching load as a tenured faculty member. Without departments or department chairs, the Dean would be responsible for annual faculty reviews.

- 25-30 graduate students (primarily PhD candidates) are enrolled in the College of Pharmacy Graduate programs each year, with 1-4 students receive degrees annually. Graduate courses generally meet the guidelines for minimum enrollment by opening enrollment to students in other disciplines (e.g., MCB program) and only offering selected courses every other year.

- Additional budget reductions will be offset by continued ramp up of previous differential tuition increases and an additional 6% increase to $17,496 per year for resident students who entered the program in AY 2010. Non-resident
tuition remains unchanged at $25,992 per year to remain competitive with other pharmacy programs in the Northwest, though as noted above there has been a slight increase in the percentage of non-resident students enrolled in the program. Summer session income will increase commensurate with growth in size of the fourth professional year class (all students enroll in at least 8 credits for core courses during the summer between the third and fourth professional year.) The net effect of the increase in differential tuition is approximately $350,000 per year to the College of Pharmacy operating budget. Tuition is scheduled to rise again in AY 2011 to approximately $18,000 per year for resident students, generating an addition $150,000 in revenue.

- Three faculty resignations have been submitted since the start of the AY 10, bringing the total number of open positions to five. While the salary and OPE savings from these open lines (approximately $250,000 for AY 10) could offset any additional budget cuts, the College cannot sustain its curriculum and could face potential loss of accreditation of the professional program if these positions are not immediately replaced. Searches are currently underway to replace 2-4 faculty and additional searches are anticipated as the new tuition revenue is realized.

- The policy of compensating selected health systems teaching sites for advanced pharmacy practice experiential program placements was discontinued starting with AY 09. This will result in up to $125,000 in budget savings, but has the negative consequences of having reduced sites available to our students where competing programs continue to pay or place part time faculty.

- The College will be starting an externally facilitated strategic planning process later in AY 10 starting with the College Council, but ultimately engaging the entire college faculty in anticipation of the hiring of a new dean and in preparation for a comprehensive self study in advance of a full accreditation review in 2011. The strategic plan will alignment of future hires with a balance of critical teaching needs, the research agenda for the College, and the goals of the Division of Health Sciences.

- Budgetary decisions in the College of Pharmacy are made collaboratively by the College Executive Committee (Dean, Associate/ Assistant Deans, and department chairs) in consultation with the College Cabinet and the Director of the Health Sciences Business Center.

- The Division of Health Sciences will be exploring cross college and cross university synergies, collaborations, and shared faculty positions for graduate education and research initiatives.