



Meeting with OMB UND SMHS

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Overview of Today's Presentation

- Status and accomplishments (“return on investment”) of the UND SMHS
 - Where we are
 - Have we fulfilled the expectations of the citizens/legislature?
- Strategic direction going forward
 - Where we hope to go
- Opportunities and Challenges
- Budget considerations
- Discussion/Questions

Vision and Mission

Vision/Mission: The UND SMHS is the only institution within NDUS to have its **purpose** defined in ND Century Code (NDCC 15-52-01):

“The primary purpose of the University of North Dakota School of Medicine and Health Sciences is to **educate** physicians and other health professionals for subsequent service in North Dakota and to enhance the quality of life of its people. Other purposes include the **discovery** of knowledge that benefits the people of this state and **enhances the quality of their lives.**”

Healthcare Workforce Development

- **Goal**

- Our goal, as stated in NDCC, is “...to educate physicians and other health professionals for subsequent service in North Dakota...”

- **Actions**

- Various pathway programs throughout the state (SCRUBS Academy)
- Preferential admissions consideration for students from ND, especially rural ND
- Pathway programs focused on American Indian students, with the goal of increased matriculation at UND SMHS
- Rural experience for all medical students
- Scholarships and other programs to reduce student debt

Mitigate Student Debt

- **Goal**

- Reduce student debt as a strategy to encourage clinical practice in North Dakota and rural practice by graduates

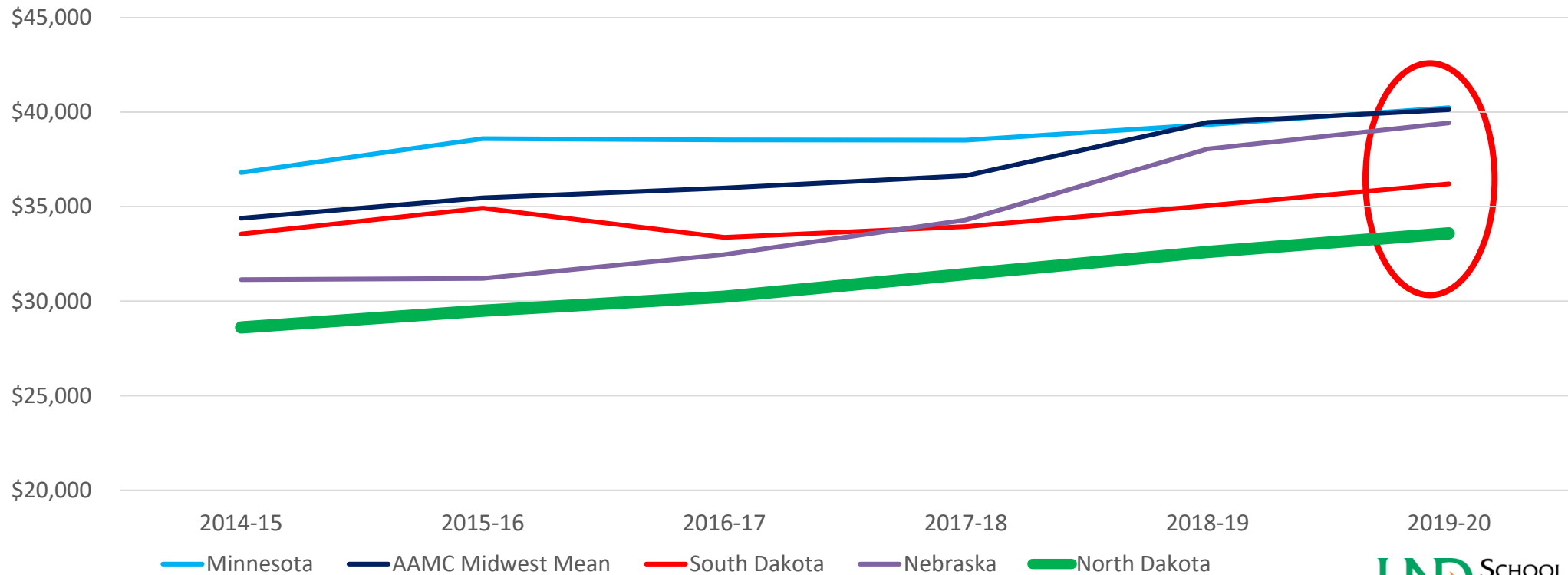
- **Actions**

- Focus on the development of scholarships as the primary pillar of our philanthropic requests through the UND Alumni Association and Foundation
- Keep tuition and other costs of students as low as possible
- Develop programs like the RuralMed program for debt forgiveness in exchange for practice in North Dakota after graduation

Tuition and Fee Comparison

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	FY20 Increase from FY19	FY20 Increase from FY15
Minnesota	\$ 36,800	\$ 38,601	\$ 38,537	\$ 38,518	\$ 39,342	\$ 40,231	2.2%	8.5%
AAMC Midwest Mean	\$ 34,386	\$ 35,466	\$ 35,989	\$ 36,640	\$ 39,455	\$ 40,134	1.7%	14.3%
South Dakota	\$ 33,554	\$ 34,924	\$ 33,373	\$ 33,946	\$ 35,054	\$ 36,204	3.2%	7.3%
Nebraska	\$ 31,145	\$ 31,199	\$ 32,465	\$ 34,302	\$ 38,052	\$ 39,427	3.5%	21.0%
North Dakota	\$ 28,614	\$ 29,496	\$ 30,239	\$ 31,433	\$ 32,601	\$ 33,588	2.9%	14.8%

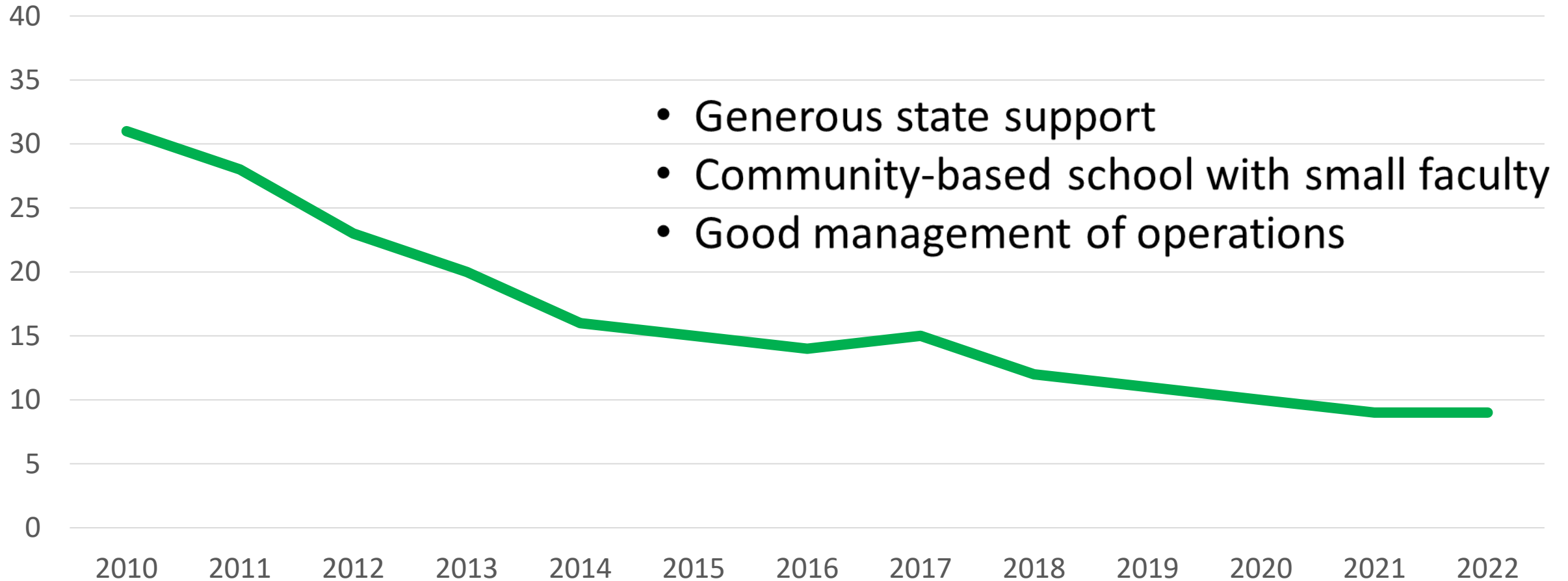
Resident Tuition & Fees for 1st Year Regional Medical Schools



UND SMHS Medical Student Cost to Attend

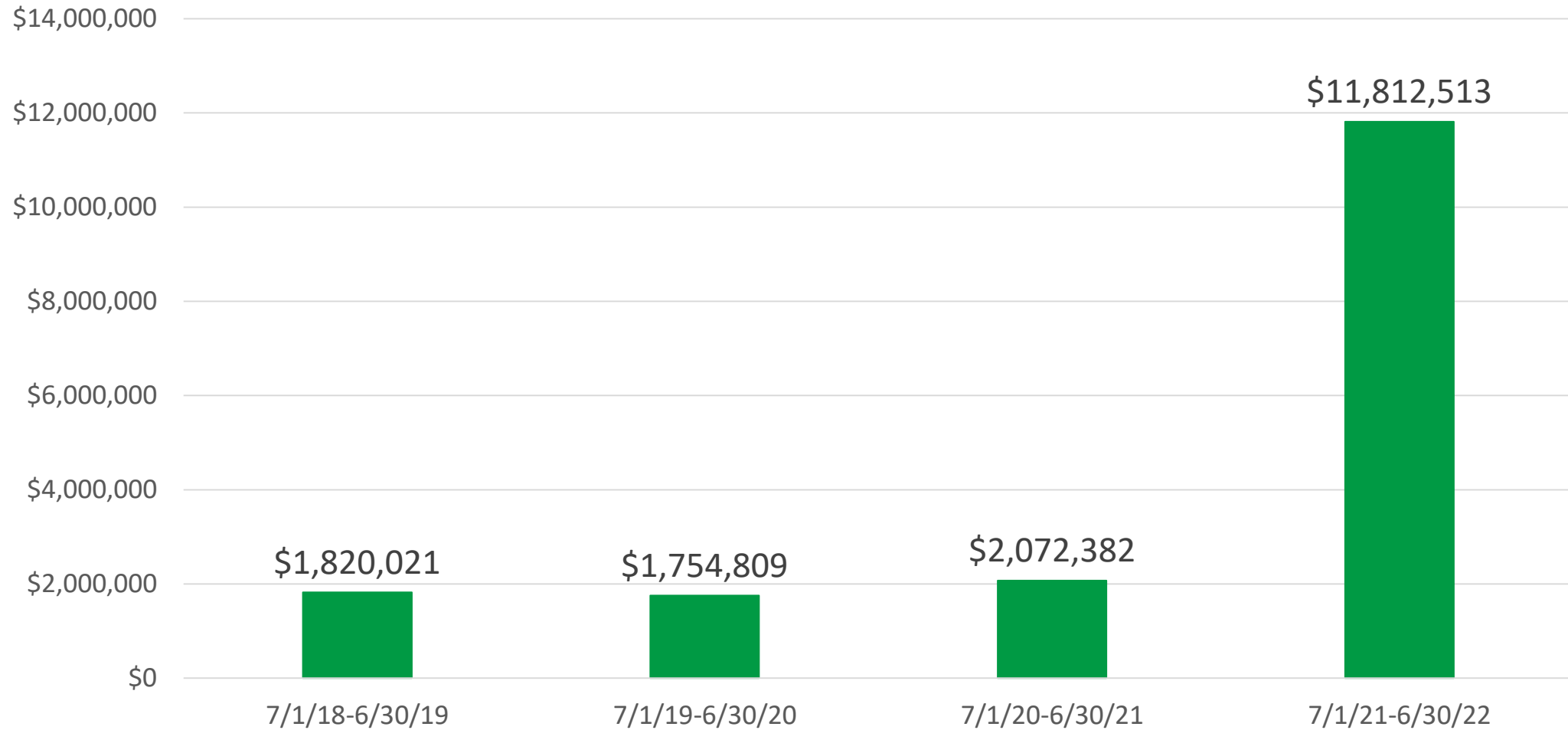
(In-State Rate)

Percentile

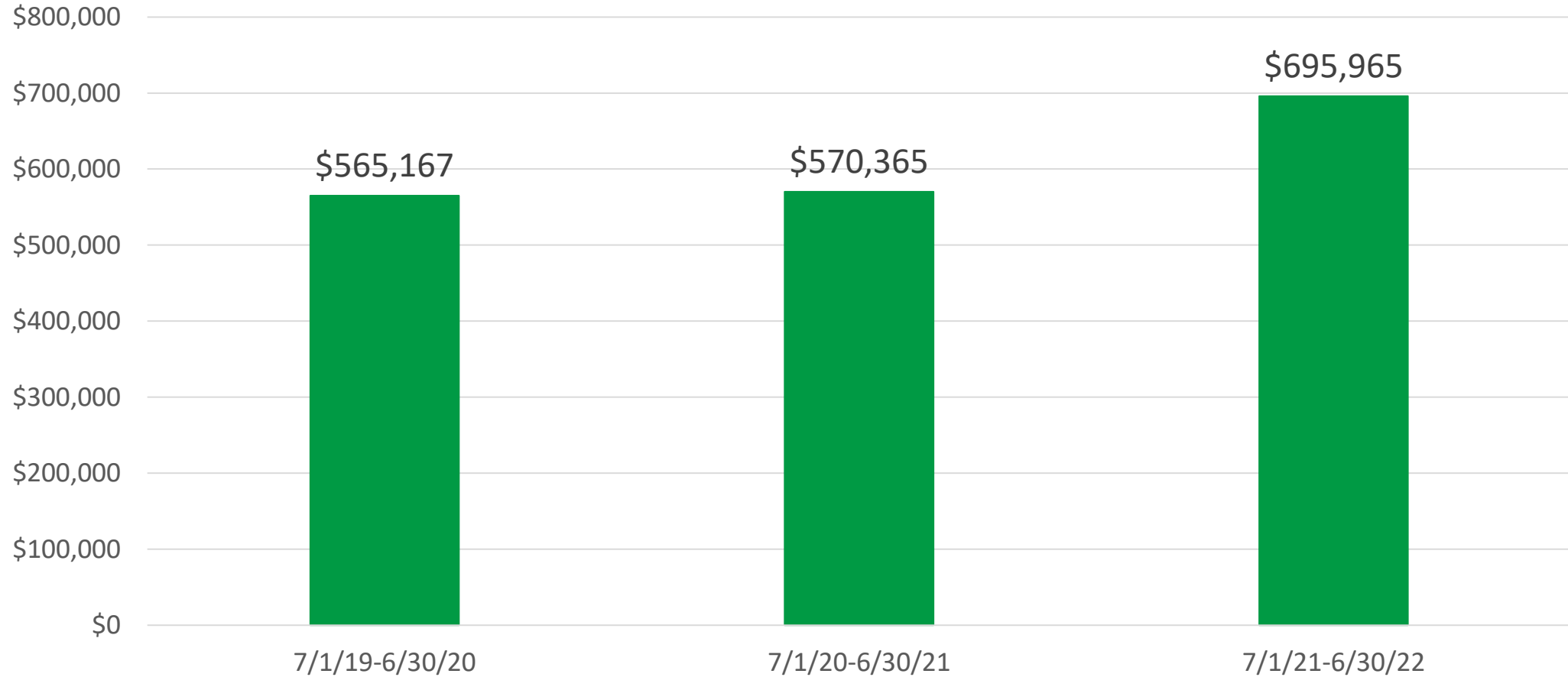


Source: Missions Management Tools 2010-2022, Association of American Medical Colleges

Donations to Support UND SMHS

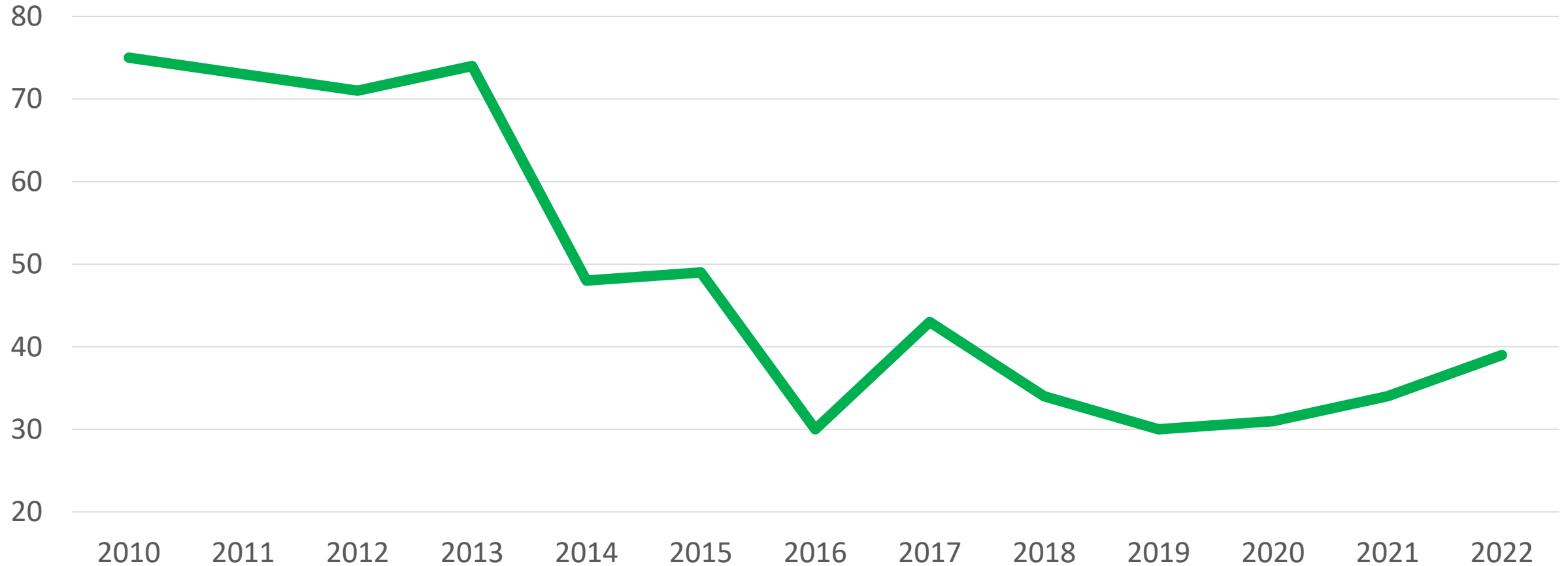


Endowment Payout for Scholarships for UND SMHS



UND SMHS Medical Student Debt

Percentile



Source: Missions Management Tools 2010-2022, Association of American Medical Colleges

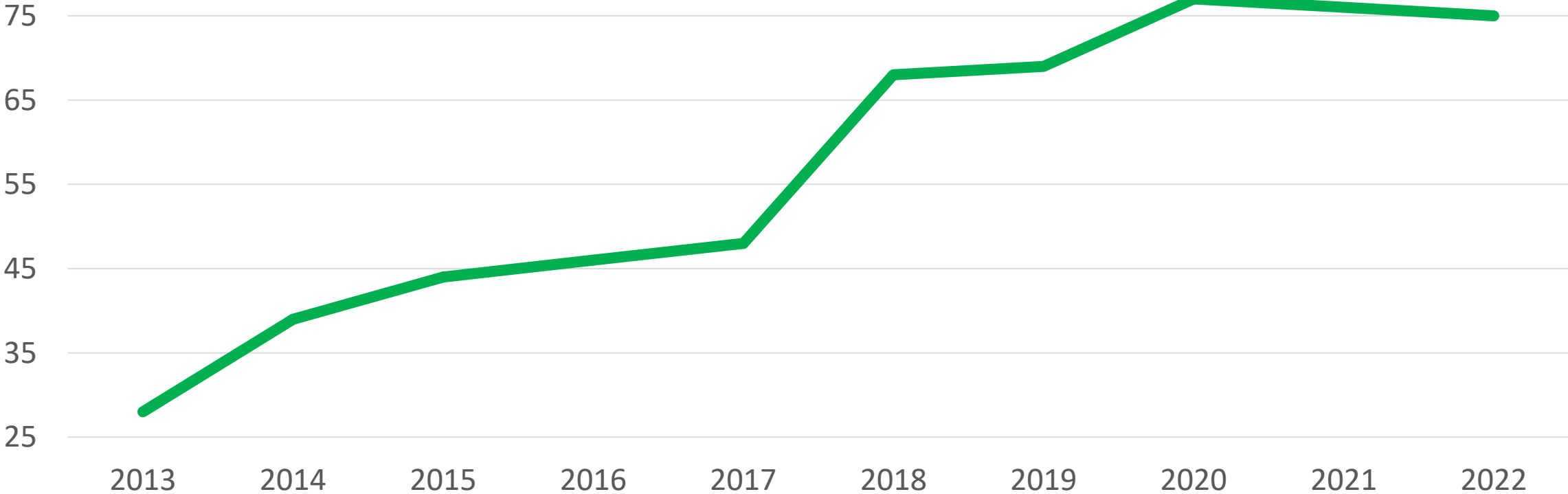
UND SMHS Outcomes

Metric	Percentile Rank
Percent of graduates practicing in rural areas	98 th
Percent of graduates entering family medicine	92 nd

Source: Association of American Medical Colleges Missions Management Tool 2022

Retention of UND SMHS Medical Student Graduates for Practice In-State

Percentile



Source: Missions Management Tool 2013 – 2022, Association of American Medical Colleges

UND SMHS Outcomes

Metric	Percent
Percent of physical therapy graduates practicing in ND	48%
Percent of occupational therapy graduates practicing in ND	52%

Source: UND SMHS Vital Signs 2021

Research and Economic Development

- **Goal**

- Engage in research activities consistent with high-performing medical/health sciences schools.
 - Be in the top three of all community-based medical schools in terms of grants and contract awards.

- **Actions**

- Build on success.
 - Engage in productive research that benefits the people of North Dakota.
 - Aging
 - Epigenetics
 - Viral diseases (“host-pathogen interactions”)
 - Neurodegenerative disease (especially Alzheimer’s)
 - Study the impact of historical trauma on Indigenous health
 - Possible role of epigenetic factors

Research and Economic Development

- **Actions**

- Be the future

- Virtual care

- Telehealth – partnering with College of Nursing and healthcare firms
- Wearable/home devices – partnering with Engineering and industry
- Autonomous systems – partnering with Aerospace, Grand Sky, and industry

- Translational research (“bench to bedside”)

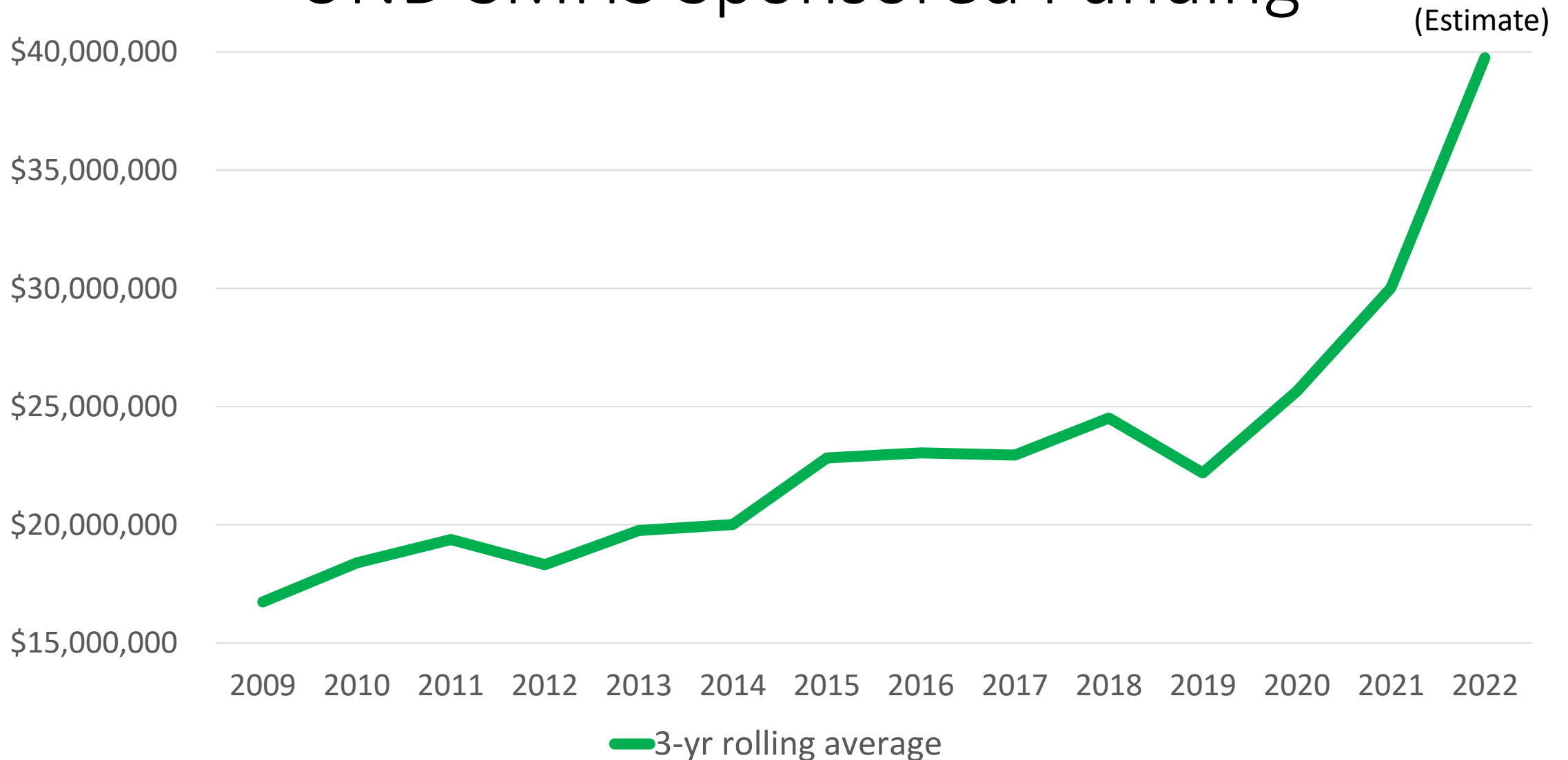
- Develop a network of hyperbaric oxygen therapy chambers (HBOT)

- Develop a network of Clinical Research Units (CRUs)

- Expand the healthcare and research workforce to be more inclusive and diverse

- Women
- Indigenous people

UND SMHS Sponsored Funding



Opportunities

- UND SMHS research is growing substantially, with a doubling of grants and contracts (most federal, especially from NIH) over the past decade.
 - In addition to the obvious healthcare benefits, such research also is an economic driver for North Dakota.
- Public-private partnerships, especially with healthcare entities, are vital to the success of the UND SMHS.
- Fundraising campaign supports student scholarships & faculty.
 - Expanded scholarship support has reduced medical student debt and thus encouraged clinical practice in-state after graduation.
 - Endowed chairs vitally important for faculty recruitment and retention.

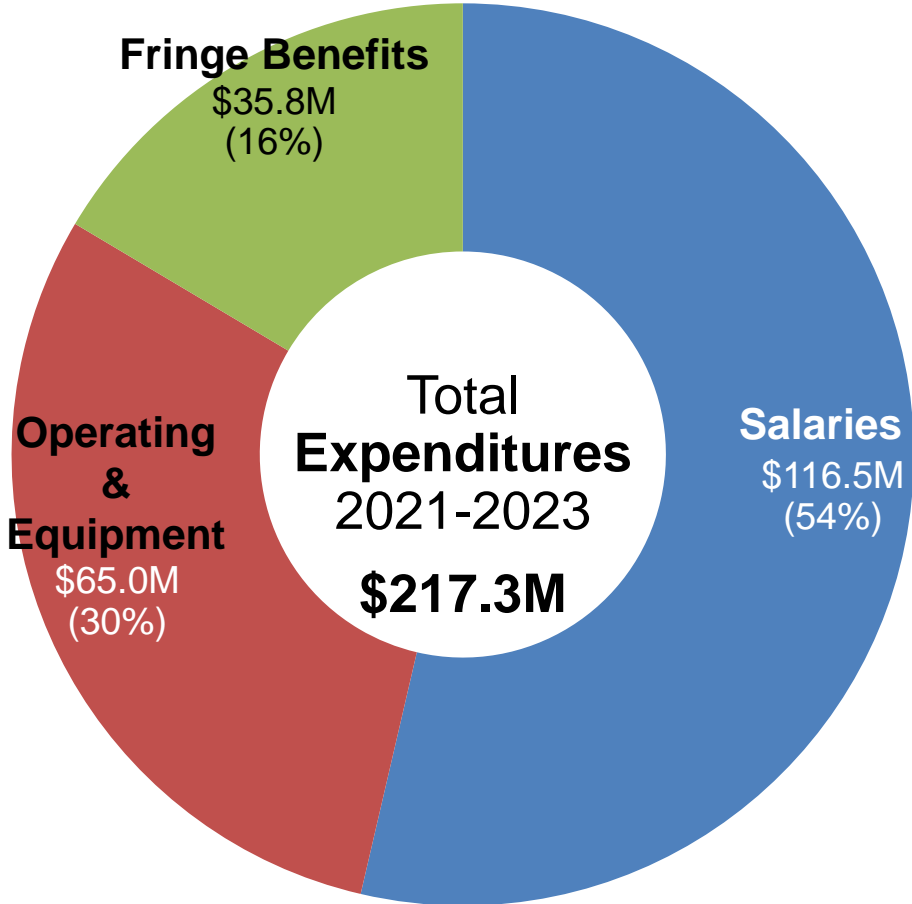
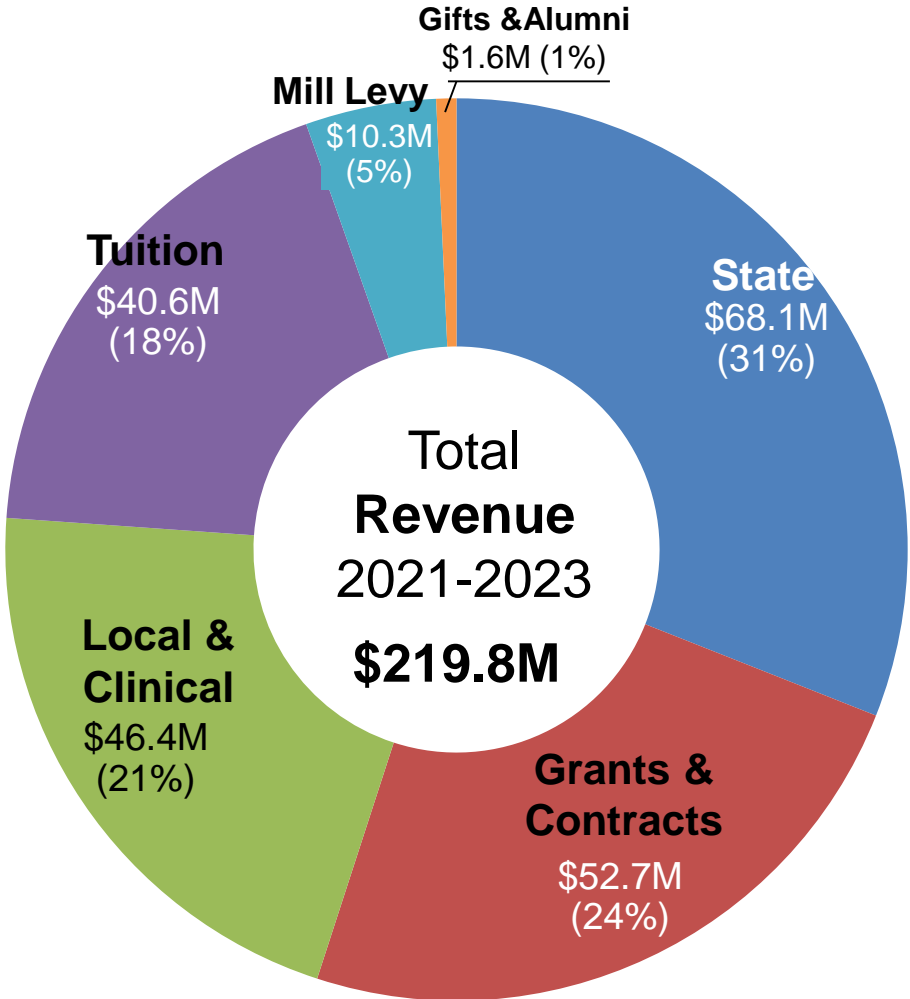
Where UND SMHS Is Headed

- The “What” will remain unchanged.
 - Teach
 - Discover
 - Serve
- The “How” will change dramatically.
 - Teach – More hybrid learning (but tough to teach team and procedural approaches virtually)
 - Discover – Big focus on translational (“bench to bedside”) research
 - Serve – Bring medical care to the patient, rather than have the patient come to a medical care facility
- The “Who” will change too.
 - More diverse and inclusive healthcare workforce

Challenges

- Because of the expansion of our research enterprise, the availability of additional dry and wet lab space is beginning to become an issue.
- Growth of undergraduate teaching also is straining available teaching space in the Grand Forks building.
- Attracting and retaining talent.
- Limited opportunities to expand class size further due to the saturation of clinical sites with our trainees.
- Relatively homogeneous patient population.
- Student well-being issues specifically related to the pandemic.

UND SMHS Revenue and Expenditures 2021-2023



Budget Considerations

- UND SMHS supports measures to deal with unprecedented inflation in personnel and operating expenses.
 - UND SMHS supports the NDUS request for a 5% minimum annual salary merit increase pool for each year of the biennium
- UND SMHS supports the NDUS request for the provision of general funds to offset the tuition portion of the compensation package.
 - For the UND SMHS, the estimated offset amount is about \$1M

2023-25 SMHS Budget based on base funding formula/general fund request

SMHS Appropriated Funding	2021-23 Budget	Salary & Benefit Adjustment	Other Adjustment	2023-25 Budget	Note
Revenues					
				(In \$millions)	
General Fund	\$57.4	\$2.3	\$0.0	\$59.7	
General Fund HWI	10.7	0.0	0.0	10.7	
	<u>68.1</u>	<u>2.3</u>	<u>0.0</u>	<u>70.4</u>	
Tuition & Misc	40.6	0.0	2.6	43.3	Avg. annual tuition increase 3% (MD 2%, Health Sci 4%)
1 Mil Levy	10.3	0.0	1.6	11.9	Est. annual increase 4.5%
Total Revenue	<u>\$119.1</u>	<u>\$2.3</u>	<u>\$4.2</u>	<u>\$125.5</u>	
Expenditures					
Salaries	\$72.7	\$5.5	\$0.0	\$78.2	5% + 5% annual merits
Fringe Benefits	22.5	1.7	0.0	24.3	FB rate = 31.03%
	<u>95.2</u>	<u>7.3</u>	<u>0.0</u>	<u>102.5</u>	
Operating	22.7	0.0	0.0	22.7	No change
Capital Expenditures	1.2	0.0	(0.8)	0.4	Contingency
Total Expenditures	<u>\$119.1</u>	<u>\$7.3</u>	<u>(\$0.8)</u>	<u>\$125.5</u>	

HWI and Annual Merit Increase

- The HWI (Healthcare Worker Initiative) is a four-pronged plan to help address North Dakota’s healthcare workforce needs now and in the future. An important component is funding for residency training that is growing over time.
 - UND SMHS will start a new Pediatrics residency program in FY24. This will be a 3-year resident program with 4 slots each year.

	Resident Slots
FY22	36
FY23	36
FY24	40
FY25	44
FY26	48
FY26	48

- Current HWI budget proposal does **not** include an annual merit increase. Based on the continued program growth and the proposed 5%/5% merit increase in the upcoming biennium, the estimated impact is about \$1.3M.
- UND SMHS is committed to funding this plan regardless, but would appreciate the \$1.3M decompression.

If HWI includes 5%/5% merit increases (In \$millions)

	2021-23	2023-25	Change
Faculty/Staff	\$3.9	\$4.2	\$0.3
Resident	\$3.9	\$4.9	\$1.0
Operations	\$2.9	\$2.9	\$0.0
Total	\$10.7	\$12.0	\$1.3

Funding Consideration for HWI

- UND SMHS will use the approved budget guidelines for the annual merit increase
- Although HWI funding has remained flat to date, we will apply the same merit % to the HWI-funded positions
- Considering the increase of HWI-funded resident slots and the annual merit, we anticipate the impact is \$1.3M

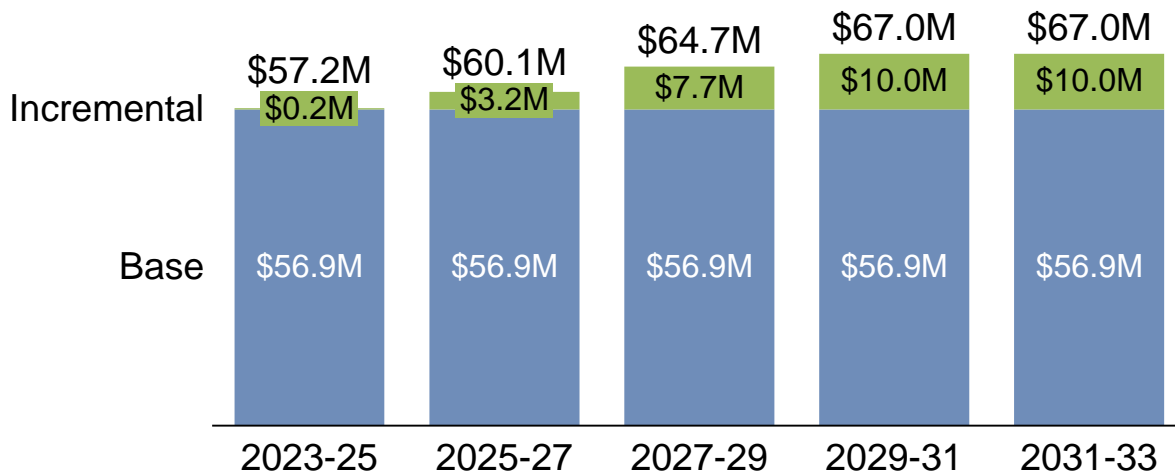
SCH Funding Issues for the UND SMHS

- Projected increase in funding of approximately \$247K for the upcoming biennium in student credit hour funding as an unintended consequence of a major curricular revision for the medical student program
 - **No** increase in student numbers *per se* but major change in the way the curricular content is delivered
 - The increase in SCH funding grows to \$10M by the 2029-31 biennium

Curriculum 2.0, Student Credit Hours (SCH), and General Funding Formula based on SCH

- UND SMHS implemented Curriculum 2.0 for its MD program starting with the Class of 2025 (AY2021-22) to provide a more competitive and balanced education and address the rapidly changing healthcare environment. It provides more elective courses and integrates basic and clinical sciences throughout all 4 years.
- Curriculum 2.0 demands a robust and intensive learning experience and requires more credits for graduation (177 → 208.5).

General Fund based on the current formula



- If there is no change in the funding formula, the estimated general funding increase in 2023-25 biennium is \$247K. We request that no immediate change in the formula be made at this time, considering considerable additional cost (~\$850K).
- We would propose discussing possible SCH formula adjustments for the subsequent biennium (2025-27) and beyond if necessary.

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An architectural rendering of a modern, multi-story university building. The building features a mix of orange-brown brick and large glass windows. In the foreground, there is a wide, paved walkway and a large green lawn. Several people are walking on the path. A row of young trees with yellow-green foliage is planted along the walkway. The sky is blue with scattered white clouds and a few birds flying. The text "Discussion/Questions?" is overlaid in the center of the image.

Discussion/Questions?

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