
AGENCY OVERVIEW**232 UND Medical Center****Date:** 12/07/2012**Time:** 13:45:37

Statutory Authority

ND Constitution Articles VIII and IX; North Dakota Century Code Chapter 15-52.

Agency Description

The University of North Dakota School of Medicine and Health Sciences (SMHS) is recognized nationally as one of the outstanding community-based medical schools in the nation and is a model for high-quality educational programs, efficiently delivered, with an emphasis on primary care. In addition to medical student and resident education, the SMHS provides educational opportunities for a wide variety of allied health service professionals including medical lab science, athletic training, physical therapy, occupational therapy and the physician assistant program. It is initiating a new master degree program in public health in conjunction with North Dakota State University. Further, the SMHS is acknowledged for its leadership in providing education in health professions through its commitment to American Indians.

Agency Mission Statement

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

Agency Performance Measures

The North Dakota University System publishes an annual accountability measures report each December, in response to the "flexibility with accountability" expectations of SB 2003 passed by the 2001 Legislative Assembly. Organized according to the five cornerstones of the Roundtable Report, these annual reports provide a useful framework for focusing the assets of the University System on the high-priority needs of the state. The 2012 annual accountability measures report is scheduled for completion in December 2012, and will be the most current information available to the 2013 Legislative Assembly. This annual document serves as a primary tool for reporting on the agreed-upon North Dakota University System accountability measures and as a vehicle through which the system demonstrates its commitment to enhancing the economic and social vitality of North Dakota.

Major Accomplishments

1. Recognized by the American Academy of Family Physicians (AAFP) as having the nation's highest percentage of graduating seniors select family medicine as their specialty choice.
2. Ranked by U.S. News & World Report as one of the best in the nation, ranking 5th for its commitment to rural medicine.
3. Initiated RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for graduating medical students.
4. Increased grant applications by 36.0 percent over the prior four years.
5. Continued a strong program in eating disorders (\$15.0 million in funding to Dept. Clinical Neurosciences).
6. Progressed in building research infrastructure with INBRE and COBRE grants (\$26.0 million in grant funding).
7. Sponsored or jointly approved 340 Continuing Medical Education (CME) activities involving some 4,500 physician and 7,100 other health professional encounters.
8. Supervised the Tobacco Quitline, which is a successful behavior modification tool to reduce health risks.
9. Sponsored 37 programs and research projects through the Center for Rural Health and Rural Assistance Center to address a variety of rural health issues in North Dakota and across the United States.
10. Improved school governance by emphasizing participatory and engaged faculty involvement, with open discussion and opportunity for input.
11. Completed major upgrade to the Clinical Education Center to improve the educational experience of medical and other health care students.
12. Enhanced bidirectional school communication through multiple approaches, including weekly column by dean in electronic newsletter from the school, ENews.

Future Critical Issues

Vice-President for Health Affairs & Dean, Joshua Wynne, M.D. lists the following issues as Concerns, Challenges and Priorities.

- North Dakota's elderly population is increasing rapidly. The SMHS, in conjunction with its Advisory Council, has developed a four-point plan to address health care provider needs now and in the future, including: 1) reducing disease burden; 2) increasing retention of graduates for practice in the state; 3) training more practitioners; and 4) improving the efficiency of the state's health care delivery system.
- The continued heavy dependence on volunteer faculty leaves the SMHS vulnerable to changes in availability of qualified and willing individuals.

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- The increasing medical school loan debt for graduating students creates an additional challenge to recruiting needed physicians to rural areas.
- The need for a new building for the SMHS programs in Grand Forks continues to be of significant concern, along with the need for the Legislature to approve and fund the full class size expansion plan as recommended by the SMHS Advisory Council.
- Anticipated contraction of federal National Institutes of Health and National Science Foundation funding is a concern.
- A continued need for more diversity throughout the institution.

Priorities:**Fundamental Concepts--**

There is a looming health care workforce shortage that is getting closer each day.

- Increasing Faculty/Staff Salaries.
- Adoption of Healthcare Work Force Initiative (HWI) to provide the health care workers that North Dakota will need by 2025.

Because of the long pipeline (>10 years from college entry until ready to practice medicine), we need to act now rather than later. The SMHS and its Advisory Council has developed an integrated plan that addresses multiple workforce educational issues and associated needed capital investment, and stresses its impact on economic development for North Dakota.

The projected shortage of physicians will be exacerbated by:

- Increased demand due to an aging population.
- Assuming that the projections are correct, action is required now to alleviate the impending shortage.
- Raising endowments for student financial aid and faculty positions.
- Maintaining outstanding curriculum.
- Construct a new building for the SMHS in Grand Forks.
- Continued research emphasis and focus on modifiable behaviors such as smoking, obesity, drug abuse (methamphetamine), and alcohol use.
- Shift in the gender make-up of the workforce.
- Generational change in time devoted to the practice of medicine.

REQUEST SUMMARY

232 UND Medical Center
Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

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Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
By Major Program					
UND-Medical Center	41,115,401	47,847,971	11,075,837	58,923,808	0
Total Major Program	41,115,401	47,847,971	11,075,837	58,923,808	0
By Line Item					
Operating Expenses	41,115,401	47,847,971	11,075,837	58,923,808	0
Total Line Items	41,115,401	47,847,971	11,075,837	58,923,808	0
By Funding Source					
General Fund	41,115,401	47,847,971	11,075,837	58,923,808	0
Federal Funds					
Special Funds					
Total Funding Source	41,115,401	47,847,971	11,075,837	58,923,808	0
Total FTE	137.43	156.55	0.00	156.55	0.00

REQUEST DETAIL

232 UND Medical Center

Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 13:45:37

Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Budget Request
Operating Expenses					
Operating Fees and Services	41,115,401	47,847,971	11,075,837	58,923,808	0
Total	41,115,401	47,847,971	11,075,837	58,923,808	0
Operating Expenses					
General Fund	41,115,401	47,847,971	11,075,837	58,923,808	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total	41,115,401	47,847,971	11,075,837	58,923,808	0
Funding Sources					
General Fund	41,115,401	47,847,971	11,075,837	58,923,808	0
Federal Funds	0	0	0	0	0
Special Funds	0	0	0	0	0
Total Funding Sources	41,115,401	47,847,971	11,075,837	58,923,808	0

CHANGE PACKAGE SUMMARY

232 UND Medical Center
Biennium: 2013-2015

Bill#: SB2003

Date: 12/07/2012

Time: 13:45:37

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
One Time Budget Changes						
A-E 3 Remove Other One time Funding		0.00	(100,000)	0	0	(100,000)
Total One Time Budget Changes		0.00	(100,000)	0	0	(100,000)
Ongoing Budget Changes						
A-A 1 Cost to Continue		0.00	3,247,487	0	0	3,247,487
A-A 2 Inflationary Increases		0.00	513,544	0	0	513,544
A-A 20 2011-13 Adjusted FTE		156.55	0	0	0	0
A-A 4 State Priorities		0.00	7,414,806	0	0	7,414,806
Base Payroll Change		(156.55)	0	0	0	0
Total Ongoing Budget Changes		0.00	11,175,837	0	0	11,175,837
Total Base Budget Changes		0.00	11,075,837	0	0	11,075,837

BUDGET CHANGES NARRATIVE

232 UND Medical Center

Bill#: SB2003

Date: 12/07/2012

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Cost to Continue - \$3,247,487

- **\$703,248** - Continuation of 12-13 legislatively funded salary increase @ 3%
- **\$569,097** - Continuation of 11-13 retirement increases, including **\$89,951** for underfunded increases in 11-13, due to calculation error
- **\$1,975,142 (SMHS only)** - CTC FY13 SMHS growth in resident positions and medical and allied health students (add'l growth not included).

In December 2010, the SBHE approved a modified HWI funding initiative for the SMHS. The SMHS testified to the 2011 Legislature on the following proposal:

- Initiate (2011)
 - Revise the plan to reflect what we can accommodate (barely!) without a new building, but beginning this biennium
 - The updated plan calls for 8 additional medical students/year (with a plan in place for preferential admission for applicants with strong rural and/or primary care interests), 15 additional health science students, and 9 new residency slots at a cost of \$1,779,050.
- Study (2012-2013)
 - Have the Legislature commission an interim study, in conjunction with the SMHS Advisory Council, to study further the continuation of the class size increase, and the need for a new building
 - The Interim Commission Study needs to have broad representation, especially from the western/rural parts of the state
- Build (2013-2015)
 - Have this session's Legislature commit its intention to a new building next session if the Interim Commission Study supports further growth in class size and the need for a new building
 - Should the Legislature, after reviewing the results of the Interim Commission Study, decide to downsize back to current class size and terminate the residencies, the total cost would be limited to \$6,036,905 (\$1,779,050 in 2011-13, \$3,775,145 in 2013-15, and \$482,709 in 2015-2017). (Eight additional medical students, 15 additional health science students, and 9 additional residents will have been trained in the process, however).

The 2011 Legislature appropriated \$1,800,000 to the SMHS for the HWI modified proposal. In addition, the Health Services Interim committee has been studying the HWI plan and building proposals. The Health Services Interim committee will have recommendations in the fall of 2012. Also, the 2011 Legislature provided the SMHS \$100,000 to do a space utilization study, which has been completed and provided to the State Board of Higher Education, School of Medicine Advisory Council, North Dakota Office of Management & Budget and the ND Legislature Health Services Interim Committee.

Starting in the FY13 academic year the SMHS has begun implementation of the modified HWI plan through the following actions:

Medical Student Program

- Eight new medical students have been admitted to the FY13 class.
- Renovations of small group teaching rooms and the gross anatomy teaching lab for the first semester of FY13.
- A third year clerkship on the Minot Campus was initiated, recognizing the need to develop programs which contribute to healthcare in western North Dakota.
- Further development of the ND Star (simulation training) for medical students and residents. Simulation training is a key to healthcare workforce training.

Medical Residents Program

Seven additional Residents on July 1, 2013 in the following programs:

- UND Surgery Rural Residency added 3 residents
- Bismarck St. Alexius Hospitalist Residency added 1 resident

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- Grand Forks Altru Family Medicine Rural Residency Program added 2 residents
- Bismarck Center for Family Medicine Rural Training Program in Hettinger added 1 resident

Planning Grants for new Resident Programs to start July 1, 2014

Health Science Students Program

The Health Science programs added the following student for FY13:

- Essentia Health Fargo Family Medicine Residency Program
- Minot Center for Family Medicine Rural training program in Williston
- UND OB/GYN Residency Program in Bismarck
- Athletic Training added 3 students
- Medical Lab Science added 5 students
- Occupational Therapy added 4 students
- Physical Therapy added 4 students

\$1,975,142 of additional funds are requested in 2013-15 to continue the education of the residents and students who were added in FY13 (\$459,914 for Medical Students, \$215,622 for Health Science Students and \$1,299,606 for Resident positions). These additional funds added to the 2011-13 base funding of \$1,800,000 provide for \$3,775,142 in 2013-15 for the education of the students and residents added in FY13.

Change Group: A	Change Type: A	Change No: 2	Priority: 2
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Inflationary Increases - \$513,544

\$513,544 - Operating inflation (excluding utilities) of 2.9% for FY14 and 2.4% for FY15, based on projections from Economy.Co

Change Group: A	Change Type: A	Change No: 4	Priority: 3
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State Priorities - \$7,414,806

Included in the SBHE's approved biennial budget request is a component for base funding to support initiatives tied to state needs/priorities. As has been previously addressed in the SMHS's \$1,975,142 Cost to Continue (CTC) request, the 2011 Legislature provided \$1.8 million general funds for the SMHS HWI modified proposal for additional resident positions, medical students and allied health science students.

The SBHE has endorsed the SMHS to move forward and request \$7,414,806 general fund appropriations to begin implementation of the full HWI plan. The 2013 Legislature will not be adjourned in time for the SMHS to admit additional student on July 1, 2013, thus the full implementation of the HWI plan is proposed to begin on July 1, 2014. The full implementation of the HWI plan will include the following increases in students and residents, effective July 1, 2014: (these increases are above the increases already being implemented in the modified plan which began on July 1, 2013).

- \$1,819,827 - Increase of 8 additional medical students/year (total medical student class size will thus be increased by 16 medical students/year)
- \$853,044 - Increase of 15 health science students/year (total health science student class size will thus be increased by 30 medical students/year)
- \$4,741,935 - Increase of 9 residents/year, emphasizing family medicine specialty training (such as combined family medicine and one year of surgery, psychiatry, public health, OB-GYN, etc) (total resident positions will increase a total of 51 residents/year over 3 years)
- \$7,414,806 - Total increase requested, in addition to CTC in AA1

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In summary, the total funding requested in the 2013-15 budget to begin the implementation of the full HWI plan is as follows:

2011-13 Budget Base for Modified Plan	\$1,800,000
2013-15 Cost to Continue Modified Plan	\$1,975,142
2013-15 State Priorities (begin implementation of full HWI)	\$7,414,806
Total HWI funding 2013-15	\$11,189,948

The full HWI plan will not be fully implemented until FY18, when the full medical student program will be filled. In addition the SBHE has endorsed the request of a \$38.5 million renovation/new building capital request, which will be required to house the roughly 150-200 additional students, faculty, and staff associated with the class size expansion. This capital request is included in the UND biennial budget request.

Change Group: A	Change Type: A	Change No: 20	Priority: 1
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2011-13 Adjusted FTE

Per HB1003 (Section 13), "the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. The university system shall report any adjustments to the office of management and budget before the submission of the 2013-15 biennium budget request." A report was run as of 4-30-2012 to determine the total "appropriated fe" as of that date. Consistent with the methodology used in previous biennia, the current year's annual budgets were used to estimate the amount supported by general fund only, based on the percentage of budgeted general fund revenue to total appropriated revenue. The increase in appropriated FTE from 137.43 in 2009-11 to 156.55 in 2011-13 consists of the following:

1. FTE added for Healthcare Workforce Initiative (HWI): 14.12
2. FTE added from Equity Fund: 1
3. FTE added to Academic Departments: 4

Change Group: A	Change Type: E	Change No: 3	Priority: 1
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Remove Other One time Funding - \$100,000

To remove \$100,000 for SMHS space utilization study (HB1003-Section 2). A Request for Proposal (RFP) was developed in the summer of 2012 for the SMHS Space Utilization Study. The SMHS selected JLG Architects, who partnered with Perkins + Will, to perform the study. The Space Utilization Study was completed in March 2012 and the \$100,000 budget was expended in FY12. The space utilization study has been distributed to the State Board of Higher Education, School of Medicine Advisory Council, North Dakota Office of Management & Budget and the ND Legislature Health Services Interim Committee.

Change Group: R	Change Type: A	Change No: 1	Priority:
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Remove Initial Funding Request

Removes the initial funding request for UND SoMHS's portion (if any) of the following budget request items:

- Cost to Continue
- Inflationary Increases

BUDGET CHANGES NARRATIVE

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- Increased Extraordinary Repairs
- State Priorities
- Security and Emergency Preparedness
- Student Mental Health
- Statewide Nursing Consortium
- Healthcare Workforce Initiative

Change Group: R	Change Type: B	Change No: 2	Priority:
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Healthcare Workforce Initiative Start-Up Costs

Provides one-time funding of \$7,414,806 from the general fund for the expansion of the SoMHS class sizes. At the time of full implementation of the initiative, one-time funding will be removed and ongoing funding will be provided through the new completed student credit hour based funding formula.