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*Chair of the Assembly and the Academic Council
Faculty Representative to the Board of Regents
University of California
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June 16, 2008

**WYATT R. HUME
PROVOST**

Re: Academic Council Review of a New School of Medicine at UC Riverside

Dear Rory:

The Academic Council has completed its review of the UC Riverside proposal for a School of Medicine. The proposal was reviewed by the three university-wide 'Compendium' Senate committees: the Coordinating Committee on Graduate Affairs (CCGA), the University Committee on Educational Policy (UCEP), and the University Committee on Planning and Budget (UCPB). Per the Compendium, CCGA coordinated the comments of these three committees, with Council acting as the final arbitrator. Subsequently, the enclosed May 30th CCGA cover letter represents a synthesis of the issues raised in those reviews.

All Compendium committees praised the merits of the proposal, noting the rigorous and comprehensive way that the proposal was developed and reviewed on the Riverside campus. They also saw the clear need for a Medical School of UC quality and caliber, remarking that California needs to significantly expand the number of seats it has in M.D. programs, and that the Inland Empire region surrounding the Riverside campus is a particularly strategic place to do so.

However, Council is seriously concerned about the availability of necessary State fund for the kind of medical school that is envisioned. With that in mind, **Council recommends that the School only be approved contingent upon the commitment of new funding sources (funding that would be additional to existing UC funding streams) that would meet the estimated \$100 million start-up cost and \$25 million per year operating cost for the new Medical School.** It is this question of appropriate funding for the School – both the one-time setup costs as well as ongoing operating costs – that most deeply concerns the committees. **If it is planned that a significant amount of funding should come from a re-direction of existing resources, the School should not be approved.**

The funding issue aside, Council also had some concerns over academic and structural issues—the first of these is the appropriate faculty-student ratio for the School. UCPB's research suggests that the historic 18.7:1 student/faculty ratio funding formula, proposed for the School's academic graduate program, is far above the 8:1 ratio that has been realized for existing UC medical schools. Such a formula would assign the Riverside Medical School, ab initio, to an inferior position among the system's medical schools, and in all likelihood impose a stratification that would be counter to the University's stated goal of 10 differentiated but strong campuses. Subsequently, it is suggested every attempt should be made to fund the Medical School's academic graduate program at a level commensurate with that of existing UC medical schools. In addition, CCGA had a number of concerns about the campus's implementation of the dispersed clinical model. While we understand that dispersed clinical training is emerging as a standard for newly-formed medical schools, care will need to be taken to avoid a bifurcation of the school into a dispersed, locally-oriented clinical enterprise and a nationally- or internationally-oriented research program that dissociates itself from the locale in which it is sited. Therefore, CCGA recommends that the Administration ask for, and review critically, more complete descriptions of the following aspects of the proposal: 1) the facilities that are to be the sites of clinical training and the resources of each; 2) good-faith commitments of these facilities to become part of this distributed program as resources become available and programs developed; 3) criteria for appointment and evaluation of clinicians at these sites who will serve as clinical mentors to medical students and post-doctoral trainees; and 4) potential access to (and possible development of) specialized resources that, in the absence of a University hospital, are required for the academic program, including clinical research units and availability of clinical resources for research (e.g., MRIs, catheterization laboratories, etc.).

In summation, Council strongly supports the School and we believe that campus faculty and administrations would take all appropriate measures to ensure its success, but we can only recommend approval of the UCR medical school proposal contingent upon the tangible appearance of substantial and new resources. Please do not hesitate to contact me if you have any questions regarding Council's comments.

Sincerely,



Michael T. Brown, Chair
Academic Council

Copy: Academic Council
María Bertero-Barceló, Executive Director

Encl. 4



COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)
Bruce Schumm, Chair
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May 30, 2008

**MICHAEL T. BROWN, CHAIR
ACADEMIC COUNCIL**

Re: Final Joint Report on the Proposed School of Medicine at UC Riverside

Dear Michael:

The proposal for a School of Medicine at the Riverside campus has been reviewed by the University Committee on Educational Policy (UCEP), the University Committee for Planning and Budget (UCPB), and the Coordinating Committee for Graduate Affairs (CCGA). All three committees find great merit in the proposal, and give praise to the rigorous and comprehensive way that the proposal was developed and reviewed on the Riverside campus. The case made for the need for a new Medical School in the Inland Empire resonated with the committees, with one member of UCPB stating that "California cannot keep strip-mining the rest of the country and the world for physicians and other health-care professionals while not providing the educational opportunities for the children of our own citizens". It is clear that California needs to significantly expand the number of seats it has in M.D. programs, and that the Inland Empire region surrounding the Riverside campus is a particularly strategic place to do so.

Nonetheless, the Compendium Committees are agreed that if the school is ultimately approved by all other reviewing agencies, it only be approved contingent upon the commitment of new funding sources (funding that would be additional to existing UC funding streams) that would meet the estimated \$100M start-up cost and \$25M per year operating cost for the new Medical School. While there are several academic and structural issues to which the committees would like to draw the Council's attention, it is the question of funding the school – both the one-time setup costs as well as ongoing operating costs – that most deeply concerns the committees. If it is planned that a significant amount of funding should come from a re-direction of existing resources, the school should not be approved.

The concern about the availability of State funding is accentuated by the committees' further concern that revenue projections for other sources may be somewhat optimistic. UCPB's research suggests that, over the past five years, fundraising at the Riverside campus has averaged \$22M per year. The proposal's projections of an additional \$25M per year in philanthropic revenue suggests a significant change in scope of fundraising activities on the Riverside campus, without a physical "UC" hospital with which to focus appeals, and with an existing medical center (the Eisenhower Medical Center) tending to draw the upper income patients and thus their potential donations. CCGA noted that the expectation of \$500,000 per annum external support per senior faculty implies a very high-caliber faculty who typically require compensation packages well beyond those envisioned in the proposal. Public health experts on CCGA also expressed concern that the Medicaid revenue stream that supports Medical Residents is at some risk.

Both UCPB and CCGA had some broad concerns about the School's academic programs. UCPB's research suggests that the historic 18.7:1 student/faculty ratio funding formula, proposed for the School's academic graduate program, is far above the 8:1 ratio that has been realized for existing UC medical schools. UCPB is concerned that this formula would assign the Riverside Medical School, ab initio, to an inferior position among the system's medical schools, and in all likelihood impose a stratification that would be counter to the University's stated goal of 10 differentiated but strong campuses. UCPB suggests that the Medical School's academic graduate program, which could be strengthened at a relatively modest additional cost, may be a very cost-effective target for resources, and every attempt should be made to fund it at a level commensurate with that of existing UC medical schools.

While acknowledging that dispersed clinical training is emerging as a standard for newly-formed medical schools, CCGA nonetheless had a number of concerns about the campus's implementation of the dispersed clinical model. CCGA believes an effort will be needed to avoid a bifurcation of the school into a dispersed, locally-oriented clinical enterprise and a nationally- or internationally-oriented research program that dissociates itself from the locale in which it is sited. CCGA also recommended that the University administration ask for, and review critically, more complete descriptions of the following aspects of the proposal: 1) the facilities that are to be the sites of clinical training and the resources of each; 2) good-faith commitments of these facilities to become part of this distributed program as resources become available and programs developed; 3) criteria for appointment and evaluation of clinicians at these sites who will serve as clinical mentors to medical students and post-doctoral trainees; and 4) potential access to (and possible development of) specialized resources that, in the absence of a University hospital, are required for the academic program, including clinical research units and availability of clinical resources for research (e.g., MRIs, catheterization laboratories, etc.). These are all potential stumbling blocks for a medical school opening with a distributed clinical model, and it should not be assumed that Riverside's implementation of distributed clinical training will be effective just because that model is gaining in prevalence elsewhere.

Overall, though, the committees wish to commend the effort that has been made to start a new Medical School at the Riverside campus. It seems clear that the campus – both faculty and administration – strongly supports the School and would take all appropriate measures to ensure its success. In better fiscal times, the work done by the campus to plan its Medical School would almost certainly meet with timely approval and be rewarded with developing success. However, given the tremendous fiscal pressure faced by the University and the State, the committees can only recommend approval of the UCR medical school proposal contingent upon the tangible appearance of substantial and new resources.

Respectfully submitted,



Bruce Schumm
Chair, CCGA

Copy: CCGA
UCPB Chair Chris Newfield
UCEP Chair Keith Williams
Executive Director Bertero-Barceló



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May 8, 2008

CHRIS NEWFIELD, UCPB CHAIR
KEITH WILLIAMS, UCEP CHAIR

Re: CCGA Comments on the Proposed School of Medicine at UC Riverside

Dear Chris and Keith:

I write to convey CCGA's comments on the Proposed School of Medicine at UC Riverside.

CCGA evaluated the proposal for a School of Medicine at UC Riverside over the course of its April 8 2008 and May 6 2008 meetings. Members were complimentary of the great deal of thoughtful work that had been put into the proposal, the degree of external advice that had been solicited and incorporated, and the thoroughness of the Riverside Senate's review of the proposal. Several members with expertise in Medicine and allied fields were excited about the possibilities suggested by the potential interplay between the developing medical research effort with the existing areas of expertise on the Riverside campus. Nonetheless, several substantive concerns were expressed by committee members during the discussion on these two dates.

Although members had no reason to doubt the assertion that a majority of recently-started Medical Schools have been based on a distributed model for clinical training, this did not completely allay fears that such arrangements might be subject to a number of destabilizing influences as these site-based clinical arrangements age. It was also less clear how the research effort, as it materializes, will contribute to the training of latter-year Medical students as their focus and attention turn to demanding clinical experiences at remote sites. Will the dispersed clinical component of the School's M.D. program have enough presence to counterbalance pressures to become a world-class research institutions, thereby causing the School to drift away from its original commitment to enhance the availability and quality of medical care in the Inland Empire? While these academic concerns do not compel CCGA to withhold its recommendation for the approval of the School, CCGA encourages University administration to ask for, and review critically, more complete descriptions of the following aspects of the proposal: 1) the facilities that are to be the sites of clinical training and the resources of each; 2) good-faith commitments of these facilities to become part of this distributed program as resources become available and programs developed; 3) criteria for appointment and evaluation of clinicians at these sites who will serve as clinical mentors to medical students and post-doctoral trainees; and 4) potential access to (and possible development of) specialized resources that, in the absence of a

University hospital, are required for the academic program, including clinical research units and availability of clinical resources for research (e.g., MRIs, catheterization laboratories, etc.).

CCGA members also raised a number of questions about School finances and funding that, while nominally somewhat outside its purview, seemed so central to the health of the School and the University that the Committee felt compelled to bring them forward. These questions lie at the heart of the prospects for the School's aspirations for excellence, and of the Senate's ability to evaluate the impact of the School on the rest of the University. CCGA feels that it can't recommend approval of the School until more is understood about these concerns.

CCGA is concerned about a number of the assumptions that are made about revenue sources, and would like to have a better idea of whether these projections are realistic, and to the extent warranted, how the School would anticipate evolving with somewhat reduced revenues. Is the expected level of annual external support per senior faculty member realistic given projections for the availability of funds from federal agencies, and particular the National Institutes of Health? Even if plausible, attracting the caliber of scientist that will command this level of support may require exceptionally large compensation packages – has this been fully considered? Also, is it safe to assume that the federal Medicaid program will continue to support Medical Residents at the current level?

Even if these are assumptions are fully justified, though, CCGA is concerned about the University's capacity to provide the degree of State support cited in the proposal. The proponents request \$100M in one-time startup funds, and securing these funds is listed as one of their milestones. This suggests that the proponents would not want to move forward with the formation of the School without a commitment of these funds. Also, and understandably, the School's proponents have assumed that the University will support the School with the established marginal rates of \$50,000 per year per M.D. student and \$25,000 per year per resident, amounting to approximately \$25M of additional operating expenses for the University, with no cited source of revenue to offset these expenses. CCGA can not recommend approval of the School until it understands the University's thinking about whether these expenses – \$100M in startup and \$25M per year in operating costs – will be offset by new revenue sources. If so, what sources, and why do we have confidence that they will materialize? To the extent that they will not be offset, CCGA would want to understand, in some detail, how the University will re-allocate existing revenue to meet these expenses.

We offer these observations for the consideration of the Academic Council, and remain available to discuss any of the issues we have raised.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Bruce Schumm', written in a cursive style.

Bruce Schumm
Chair, CCGA

Copy: CCGA
Executive Director Bertero-Barceló



UNIVERSITY COMMITTEE ON EDUCATIONAL POLICY (UCEP)

KEITH WILLIAMS, CHAIR

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May 12, 2008

BRUCE SCHUMM, CHAIR

COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)

Re: Proposed UC Riverside School of Medicine

Dear Bruce,

At its May meeting, UCEP reviewed the proposed UC Riverside School of Medicine. We have mostly positive impressions and comments to share about the proposed School, and I note some of our general observations, as well as a few concerns below.

The proposed School has very strong support from the California medical establishment, the Riverside community, and the UCR faculty, and it addresses an identified State need for increasing resources to care for a growing and aging population. With 75% of California physicians trained out of state, there is clear need for additional medical education opportunities here, particularly those that benefit the Inland Empire and Central Valley regions. We note that the School's start-up faculty cohort will consist partly of existing faculty from the UCR/UCLA medical education program, so the new School will augment and established and successful enterprise. Finally, we believe the School will help advance the overall profile of UC Riverside and will have a positive effect on undergraduate education there by providing research opportunities for undergraduate students doing their capstone experiences or otherwise engaged in research.

The concerns we have relate to the funding model for the School, particularly the capital plan's significant reliance on fundraising, which UCR is counting on to supplement a \$100 million request from the state, and the eventual \$25 million in enrollment-driven funds. While the plan calls for the state to provide "a significant portion of the total capital expenses," there is little detail about how the projected \$250 million in fundraising dollars would be apportioned. Some of the funds are targeted toward covering the net funding excess (deficit), but it is not clear whether the rest is solely for capital improvements, and there is no description of how fundraising shortfalls would affect the development and operation of the School. There was also a concern about the potential negative impact on undergraduate education, systemwide or at UCR, if resources are diverted into the new School from existing budgets, which makes it essential that finding come from new sources. We also recommend careful consideration of the UCR School of Medicine in the broader context of medical education in the UC system, including its role in relation to the less developed but evolving proposal for a School of Medicine at UC Merced.

Sincerely,

Keith Williams
Chair, UCEP

cc: UCEP members
Executive Director Bertero-Barceló



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May 12, 2008

MICHAEL T. BROWN
ACADEMIC COUNCIL CHAIR

Re: UC Riverside Proposal for a School of Medicine

Dear Michael,

We have reviewed the proposal submitted for the establishment of a new School of Medicine (SOM) at UC Riverside. In general we agree with the proposal's claim that California needs more medical schools. As one member put it, California cannot keep strip mining the rest of the country and the world for physicians and other healthcare professionals while not providing the educational opportunities for the children of our own citizens. UCR's proposal makes a compelling case for the establishment of a Medical School that would serve California with a focus on the inland region of Southern California. The goals, as outlined on Page ii of the UCR SOM proposal, are to establish a premier research-based Medical School built upon the highest quality basic, applied and clinical research while developing an innovative health care delivery system for Inland Southern California that will serve as a model for the nation. Overall, we favor this proposal. And yet we have several concerns regarding the financial feasibility that warrant further exploration. Our initial thoughts and responses focused on a number of areas:

Construction costs for the instructional and research facilities: The establishment of a new Medical School is expensive; a research-based medical school similar to the other medical schools in the UC system will cost at least as much as starting a new UC campus. As outlined on Page 65, Table 20, the projected costs for capital planning and construction phases include \$466 million in instructional and research facilities, and a vivarium facility along with an additional \$42 million for infrastructure, all of which have State or Others as the source of funds. It would appear from the proposal that this money has to come from the state since there does not seem to be any local or UC systemwide source of funds for these capital investments.

Continuing state support: In addition to the funds needed to build facilities, the state is expected to provide \$100 million in operating funds to cover the start-up and growth phases. Even after the school is established, the costs for students and residents (\$50,000 per annum per medical student, \$25,000 per annum per resident) amounts to roughly \$25 million annually over and above what one would normally expect in terms of Marginal Cost funding for that number of students. To offset these expenses as the School is established, fund raising is expected to provide \$25 million per year (a \$250 million fund raising target over ten years). This is very ambitious, as discussed below, and if not realized, it would saddle UCR with continuing deficits that would impinge upon other programs.

Fund raising: As with all medical schools, fund raising is going to be a continuing issue for the UCR SOM. A potential long-range problem may result from the proposed use of local hospitals as the sites for clinical teaching with a heavy emphasis on the Riverside County Regional Medical Center. Without a "UC" hospital to focus fund raising there could be a drop off in donations, as happened in the initial years at UCSD. In addition, the Eisenhower Medical Center will draw away upper income patients and thus their potential donations, especially since the primary clinical site will be the county hospital. The UCSD Medical School had a related problem with Scripps Clinics, especially in the early years of their program. Finally, the fundraising expectations seem to be aggressive. UCR has raised an average of \$22 million per year over the past five years and the largest multi-year campaign they have successfully completed was for \$50 million. But the proposal has an operating assumption of raising \$25 million per year beginning in 2009-10 (Appendix F, Exh 3). This would be in addition to the campus present fundraising efforts, which now average \$22 million per year. The proposal does not explain why this would be possible.

Research program: Another area of concern is the student/faculty ratio (SFR) proposed for the graduate program, which is defined as 18.7:1. The historic SFR at the system's senior medical schools is 8:1, a number that reflects high-level investments in the kind of mentoring, teaching, and research oversight that top-quality medical programs require. We understand that UCOP has told UCR that it cannot expect to be funded at more than an 18.7:1 ratio, but this is an SFR that has traditionally been applied to undergraduate programs. This high SFR raises the issue of whether the UCR SOM can expect to achieve the same levels of quality as the other medical schools in the UC system. UCPB opposes the stratification of the system, including the stratification of the quality of its professional schools. We recommend that this question of appropriate student funding be reconsidered in the planning process: either this higher SFR must be shown not to affect adversely SOM quality or the SFR must be brought into line with that of the system's other medical schools, and funding assumptions revised accordingly. While such a SFR review may increase the cost of the SOM proposal (although only modestly, given the size of the total package), this is not a place to cut corners if the goal is a research oriented medical program.

Summary: While the proposal outlines a state-of-the-art medical school program at UCR, the financial feasibility of achieving this goal is questionable at this time. The heavy reliance on state funding at a time of state financial retrenchment, and on philanthropic fund raising in a financially stressed region of the state is unfortunate. A major concern is that even if there is a shortfall in funding, the intensity of the desire for a Medical School at Riverside will encourage the campus to go forward with a compromised program. The Medical School at Riverside must be set up for success. UC should not allow a stratified system of medical schools; nor should UCR's SOM be structurally underfunded in a way that would lead to a second-tier medical school within the UC system: this would not be fair to the campus, the University, or the state. A first-rank SOM can only be achieved if a new medical school is built with the same core resources granted the existing medical schools. If UC and the State of California are not willing to fund the new medical school to achieve the level of excellence of the existing schools, it should not be built.

Sincerely,

Christopher Newfield
UCPB Chair

Copy: CCGA Chair Bruce Schumm
UCPB
Executive Director Bertero-Barceló