

Appendix 3

From Steven Shablin <shablin@oakland.edu>

To mcmillon@oakland.edu

Date Tue, Mar 30, 2010 at 8:37 AM

Subject FW: Senate Budget Review Committee - Request for information

Dear Gwen,

I am scheduled to receive two new general purpose classrooms to replace ODH 202A/C which will be used by the SOM starting May 2011. If so, I believe that the number of general purpose classrooms is adequate for BIO/CHEM/SOM courses.

The Registrar does not schedule laboratories or Varner Recital Hall. So, I have no information regarding those two entities.

Sincerely,

Steven J. Shablin, Registrar

Oakland University

Rochester, MI 48309

248.370.4581 (phone)

Appendix 4

From Arthur Bull <abull@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>

Date Wed, Mar 31, 2010 at 1:01 PM

Subject Re: ***Urgent -Senate Budget Review Committee request for information

Dear Gwen,

As it stands today, the two rooms I believe are involved are SEB 284 and 290. We should be able to accommodate morning classes for the SOM, but most afternoons both labs are used for teaching purposes. Analytical Chem (CHM 325) in fall and spring, Biochem lab Fall, Physical Chemistry lab and Inorganic/organic lab in the winter. Fridays and evenings have sporadic laboratory exercises for our General Education courses.

So I think we can manage the SOM needs, it is essential that consultation occur before schedules are made. The laboratories do not usually show up on a schedule as the associated lecture room is shown instead. All our lab classes are at or near capacity, if previous growth trends (about 10%/year) continue, we would need to open morning sections for our lab classes. Again, this should be manageable but consultation is key.

Art Bull

Arthur W. Bull, Ph.D.

Professor and Chair

Department of Chemistry

Oakland University

248-370-2347

Appendix 5

From Arik Dvir <dvir@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>,
bull@oakland.edu

Date Wed, Mar 31, 2010 at 6:03 PM

Subject RE: ***Urgent -Senate Budget Review Committee request for information

Dear Gwen,

Our department is the sole user of several teaching labs areas in DHE, SEB, and ODH. We use these laboratories at or near capacity, with respect to operating hours and/or the number of different types of activities that we carry out there.

I am aware that some of the laboratories that are operated by our department have been also listed in certain SOM documents. However, no specific information regarding usage of laboratory and classroom space by the SOM was forwarded to me, nor was I part of any discussion in this matter. Also, it is not known at what frequency and/or capacity they are marked to be used by the SOM or whether the listing is simply as back-up and would not be needed in effect. Therefore, there is not much that I can say.

Since we are using our teaching laboratory space very extensively, (and in fact, are close to a point where we will need additional space), sharing of these labs with another unit such as the SOM would be quite the challenge.

Hope that helps,

Arik Dvir

Appendix 6

From Jackie Wiggins <jwiggins@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>

Date Wed, Mar 31, 2010 at 8:32 AM

Subject Re: ***Urgent - Senate Budget Review Committee request for information

Hi Gwen,

I have been told that the SOM does not have any intention of using the recital hall on a regular basis. If they happen to bring a guest speaker to campus and need to use the hall, they will be able to go through the same processes as anyone else on campus who wishes to use the hall. They can contact our production coordinator's office to see if the hall is available. In all likelihood it will not be, since we use it almost constantly for our own business. But there is a process in place and anyone can utilize it to make such a request.

From inquiries I have made about this issue, it is my understanding that the case they had to make to the accreditation agency was that OU is a real campus with real facilities (like a hall that would accommodate this kind of special event should they decide to host one). The dean of the SOM has assured me, as he explained to everyone who toured their new facilities, that the nature of medical education is small group conversation and interaction not huge lecture hall classes (like one might see in fictional TV shows). He does not think they will need to use the hall, but evidently, to get accredited, they had to say they had access to one, which they do. Anyone on campus has access, if it is available.

Thanks for asking. We do not see this as a problem.

Jackie Wiggins, chair

Music, Theatre and Dance

Appendix 7-1

From Linda Gillum <gillum@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>

Cc Robert Folberg <rfolberg@oakland.edu>

Date Thu, Mar 25, 2010 at 3:32 PM

Subject SBRC: Student Fee Question

Gwendolyn,

The following statement provides an update and clarification in response to the SBRC's question regarding student health fees:

There are no student health fees.

The SOM tuition will cover health insurance. Medical students will be able to choose whether or not they want to use our health center or use their own provider.

Does this answer your question? If not, please give me a call.

Linda--

Linda Gillum, Ph.D.

Associate Dean of Academic Affairs, Faculty Development and Diversity

Oakland University William Beaumont School of Medicine (OUWBSOM)

478 O'Dowd Hall

Rochester, MI 48309

Direct Line: 248-370-3633

gillum@oakland.edu

Appendix 7-2

From Linda Gillum <gillum@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>

Date Thu, Mar 25, 2010 at 5:23 PM

Subject Re: SBRC: Student Fee Question

Gwen,

My statement was clarified with the earlier email.

We eliminated the health fee after the LCME site visit and rolled everything into tuition. My statement was to inform the committee that we do not have a separate fee. Indeed, that was formerly in an older copy of the SOM budget. I apologize for not noting this. I came back from the meeting and verified the recent information that I submitted to you today. There is no health fee any longer.

Thanks for your question. I truly understand how it may have confused you.

Linda

Appendix 8

From Linda Gillum <gillum@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>

Cc Susan Awbrey <awbrey@oakland.edu>,

Robert Folberg <rfolberg@oakland.edu>

Date Thu, Mar 25, 2010 at 3:21 PM

Subject Re: SBRC requests

Dear Gwendolyn,

The responses to the SBRC's question below follows:

1. A summary paragraph - stating that Oakland SOM is "financially sound." Also a brief explanation of the source of the report will be provided as well.

The recent report from the Higher Learning Commission following the focused visit and review of the School of Medicine- January 24-26, 2010 - states the following:

Overall budget planning is well documented, and the Focused Visit Team heard strong commitments from both Oakland University and the Beaumont Hospital System to maintain the necessary level of funding. The operating budget and commitment of ongoing financial resources appears adequate to meet the needs of the MD program into the foreseeable future.

Gwendolyn, a copy of this report can be requested from Associate Vice Provost Susan Awbrey.

Thanks,

Linda

Appendix 9

From John Beaghan <beaghan@oakland.edu>

To Gwendolyn McMillon <mcmillon@oakland.edu>

Date Mon, Mar 29, 2010 at 5:25 PM

Subject Re: SBRC request for final SOM information

Gwen, the following is in response to your questions below. I hope it will help you finalize your report.

The Oakland University William Beaumont School of Medicine (SOM) is comprised of two components; basic science and clinical, with the clinical component being the most expensive. By contract with William Beaumont Hospital, we have permanently "fund raised" well over half of the cost of the SOM, with Beaumont completely covering the clinical component (i.e. clinical faculty, clinical administration, clinical facilities, etc.). In addition, Beaumont is funding half of the Dean's and the Dean's Assistant's compensation.

The basic science component, including non-clinical administration and half of the Dean's and Dean's Assistant's compensation, is being funded by medical student tuition, SOM gifts (of which over \$24 million has been received or contractually pledged), SOM grants, SOM contracts, and SOM indirect cost. There seems to have been some confusion by those who have reviewed the LCME database budget which notes "Unrestricted Gifts" as a revenue source. "Unrestricted Gifts" in the budget refers to SOM unrestricted gifts, not University unrestricted gifts. No University unrestricted gifts, state appropriation or undergraduate tuition are being used to fund the SOM. As part of the SOM budget we also identified "in-kind" expenses and reflected them in the SOM budget as University support (e.g. accounts payable, payroll, UHR). These are expenses the University is already incurring with no incremental cost related to the SOM.

In the first few years of operation, the SOM is heavily reliant on gifts, until students are admitted and tuition revenues are realized. As enrollment increases (year 1 cohort of 50 students, year 2 cohort of 75 students, year 3 cohort of 100 students, year 4 cohort, and beyond, 125 students) the dependency on gifts evaporates; in year 5 the SOM is expected to be solvent without gifts. As of March 26, 2010, the SOM gift fund has a \$16.8 million fund balance consisting of cash and contractual unrestricted gift pledges, approximately equal to the gift budget for the first two operational years. In addition, we have permanently fund raised half of the scholarship expense line, equal to 7.5% of tuition costs. A vigorous fund raising effort is underway. We anticipate no problems with raising the additional gifts needed to fund the early stages of the SOM.

Bonds will not be issued to fund SOM operations. There is no anticipated need to "borrow" funds from the University's general fund or gift funds. There are no current plans to involve the OU Foundation in SOM fundraising. With the entire clinical component fund raised, over \$24 million in gifts and contractual pledges raised to date, the anticipation of full enrollment and student tuition to begin flowing in FY2012, no further financial contingency plans are necessary.

John

John W. Beaghan, CMA

Vice President for Finance & Administration and Treasurer to the Board of Trustees

Appendix 10

From: John Beaghan <beaghan@oakland.edu>

Date: Mon, Apr 5, 2010 at 1:36 PM

Subject: Fwd: Re: SBRC info for SOM and Mechatronics

To: Gwendolyn McMillon <mcmillon@oakland.edu>

Cc: lemarbe@oakland.edu

Gwen,

Tom LeMarbe forwarded the email below to me which notes several follow-up questions from Kevin Murphy, with a couple reiterated by Shea Howell. For further clarification:

- The \$16.8M consists of \$800k cash and \$16M contractual pledges. Of the \$16M in pledges, \$2M in cash is due July 1.
- The term "contractual pledges" is meant to denote that these pledges are 100% collectible due to agreements made between OU and certain anonymous donors.
- We have 3-5 years to raise the \$11.5M gifts noted in budget years 3-5.
- The year 5 budget shows a bottom line of +\$3.9M. If you eliminate the \$2M gift revenue from the year 5 budget, the SOM has a bottom line of +\$1.9M, operational revenues exceed operational expenses, thus solvency. My statement that "in year 5 the SOM is expected to be solvent without gifts" is accurate.
- Because of success to date in SOM fund raising (i.e. 100% of the clinical component has been secured plus the previously described \$24M) and considering the SOM becomes solvent in year 5, we don't anticipate the SOM needing to "borrow" from the University. However, to ease SBRC concerns, if for some unanticipated reason the SOM does need to "borrow" from the University, we would carefully account for such a transaction and guarantee that the SOM would pay the University back all funds borrowed, in a timely fashion.
- The \$24M is gross, cumulative gifts/pledges raised to date. The \$16.8M is equal to the \$24M less expenditures to date and less an accounting discount for net present value of future gifts. The two numbers tie and have been confirmed by auditors as represented in the University's June 30, 2009 audited financial statements.

If these answers do not fully address the SBRC's outstanding issues, I would suggest we get together again to iron out any remaining issues. This will help the SBRC avoid submitting a report with "concerns noted".

John