

Proposal to increase the Doctor of Pharmacy Supplemental Fee from \$95.45/credit hour to \$120/credit hour

Background:

The School of Pharmacy's supplemental fee was instituted in 1994 and set at \$85/credit hour to move the program from a 5-year Bachelor of Science in Pharmacy degree (i.e., 2 years of Pre-Pharmacy and 3 years in the Professional Pharmacy Program) to the 6-year Doctor of Pharmacy (Pharm.D.) degree (i.e., 2 years of Pre-Pharmacy and 4 years in the Professional Pharmacy Program). The supplemental fee was based on 85 students/class in 1994 and was to fund primarily an Associate Dean and the increased faculty, staff, and student services necessary to support the 6-year program. The Pharm.D. degree became the sole recognized terminal degree in the discipline of Pharmacy in 2000 and is required for accreditation. The School of Pharmacy was awarded the maximum six-year accreditation in 2001 for the Pharm.D. professional degree program. The School is anticipating the next accreditation review in the 2007-2008 academic year.

The School of Pharmacy has not requested a significant supplemental fee increase in the intervening years since 1994. However, the fee has been indexed with approximately 4% increases over the last three consecutive years and is presently at \$95.45/credit hour. Unfortunately, expenditures over the last three years that now support 105 students/class as well as necessary increased teaching faculty and staff have now substantially exceeded the income from the supplemental fee. In FY05 for instance, the income from the supplemental fee will generate approximately \$1.43 million. Expenses through the first three quarters of the fiscal year were at approximately \$1.67 million and this has forced the School to begin using up very limited private funds to balance expenditures for the program. Major expenditure examples include about \$1.1 million to maintain the faculty and staffing additions that were necessary additions to move to the 6-year degree program; approximately \$250,000 for preceptorships (clinical clerkship sites for the students); \$80,000 for instructors for the Non-traditional Pharm.D. degree program; \$115,000 for medicinal chemistry and integrated teaching laboratories; \$10,500 for CPR and immunization training materials; \$45,000 for graduate teaching assistants; \$20,000 for student organizations; \$3,500 for professional white coats, name tags, etc. to wear in laboratories and when representing the School in professional and community settings; \$5,500 for photocopying course materials for the students; \$20,000 for an immunology instructor; and \$21,000 for the School's dues in the American Association of Colleges of Pharmacy. Accordingly, we are proposing the FY06 supplemental fee be increased to \$120/credit hour to meet our fiscal responsibilities for the program. Increasing the supplemental fee to \$120/credit hour will result in a net increase of approximately \$350,000 (based on a calculation for income from the traditional Pharm.D. students). (Please note that had the original \$85/credit hour rate in FY94 been indexed at 4% for the subsequent years through FY05, the supplemental fee currently would be \$125.82/credit hour.)

The requested adjustment in the supplemental fee will not be out of line with current fees by other Schools of Pharmacy in the Midwest region. Of the sixteen Schools of Pharmacy in the states immediately surrounding Kansas, we are the 7th largest of the group in numbers of students/class and operating at our maximum capacity within the space allocated (see Table 1 below) Note that the tuition listed for Kansas, \$7,722, includes the supplemental fee. The KU School of Pharmacy is number thirteen in costs for tuition and fees for the 2004-2005 academic year. The increase in supplemental fee as proposed (an increase of approximately \$825/year) would only move KU up to about number ten in tuition and fees for Pharmacy students. Obviously, this does not account for increases in standard tuition and fees that KU and any of the other Schools will propose for the 2005-2006 academic year.

The KU School of Pharmacy also remains at a competitive financial disadvantage relative to other KU-designated peer Schools of Pharmacy. The limited funding reduces potential programming opportunities we might offer our students. To place that in context we offer information on the personnel and OOE funding for the nine KU-designated peer Universities funding for their Schools of Pharmacy in the Table 2 below. In terms of all FY04 funding resources exclusive of fringes reported by the Schools, KU ranked last or number ten in funding. Although we did receive increased funding in FY05, our FY05

budget still ranks KU last or number ten against the FY04 budgets of our peers! Including fringes in the table below widens the gap between KU and the other Schools.

**TABLE 1. SURVEY OF SCHOOLS OF PHARMACY SURROUNDING KU
2004-2005 Pharm.D. Programs**

<u>School</u>	<u>1st Year Tuition</u>	<u>Mandatory Fees</u>	<u>Tuition Total Resident/Year</u>	<u># Students</u>	<u>NIH Rank</u>
1 Creighton	\$22,258	\$964	\$23,222.00	169	NR
2 Drake	\$22,250	\$0	\$22,250.00	128	NR
3 St. Louis	\$18,500	\$140	\$18,640.00	164	NR
4 UMKC	\$14,749	\$0	\$14,749.00	79	34
5 Oklahoma	\$8,402	\$5,764	\$14,166.00	130	53
6 Colorado	\$11,088	\$2,120	\$13,208.00	129	10
7 Iowa	\$11,728	\$694	\$12,422.00	109	32
8 Texas Tech	\$8,200	\$1,940	\$10,140.00	79	38
9 Nebraska	\$9,003	\$747	\$9,750.00	64	36
10 Montana	\$4,910	\$3,800	\$8,710.00	61	5
11 South Dakota State	\$2,668	\$5,684	\$8,352.00	58	NR
12 North Dakota State	\$3,981	\$4,356	\$8,337.00	85	52
13 Kansas	\$7,722	\$574	\$8,286.00	105	3
14 Arkansas	\$7,280	\$280	\$7,560.00	94	46
15 Wyoming	\$6,426	\$316	\$6,742.00	47	60
16 SW Oklahoma	\$6,400	\$300	\$6,700.00	68	NR
Private National Average			\$21,473.00		
Public National Average			\$8,931.00		

Kansas includes supplemental fee in basic tuition credit hour.

Information Source: American Association of Colleges of Pharmacy. NR = Not Ranked, no funding.

TABLE 2. PEER SCHOOL OF PHARMACY FUNDING EXCLUSIVE OF FRINGE BENEFITS

<u>Peer Universities</u>	<u>NIH Rank</u>	<u>FY 04 Funding all sources</u>	<u># Students</u>	<u>\$/Student</u>
University of Illinois-Chicago	8	\$11,271,567	162	\$17,394
University of Maryland	23	\$10,827,386	125	\$21,655
University of North Carolina	17	\$9,801,296	124	\$19,761
Purdue	14	\$9,236,929	159	\$14,523
The Ohio State University	15	\$8,850,140	120	\$18,438
University of Kentucky	16	\$8,393,370	101	\$20,776
University of Florida	13	\$7,978,874	169	\$11,803
University of Tennessee	39	\$7,640,371	121	\$15,786
University of Georgia	31	\$6,893,082	134	\$12,860
University of Kansas	3	\$5,432,031*	105	\$12,933
AVERAGE OF PEERS		\$8,988,113		

For FY05, Kansas' budget is \$6,390,459.*

Data obtained from school and college of Pharmacy Deans through the Pharmacy Deans Research Group, January, 2004. Source: William Riffie, Ph.D., Dean & Associate Vice Chancellor, University of Florida, College of Pharmacy.

* Includes supplemental fee.

Brief Update on the Academic and Research Status of the KU School of Pharmacy

The KU School of Pharmacy faculty and students have excelled both in research and academically and are widely recognized nationally and internationally for their accomplishments. As examples, among the sixteen Schools of Pharmacy surrounding the state of Kansas, KU is ranked number three and is the only School of Pharmacy in the region ranked in the top ten in funding from the National Institutes of Health (NIH) (refer to Table 1 above). Among the designated peer Universities, at number three, KU is one of only two Schools of Pharmacy ranked in the top five in NIH funding (refer to Table 2 above). The KU School of Pharmacy has been ranked in the top five of NIH funding for six of the last seven consecutive years and in the only year out of the top five, was ranked at number six. These rankings alone speak to the remarkable productivity and continued excellence of faculty research at KU and the School of Pharmacy.

Instructors in the KU School of Pharmacy have been recognized with a number of teaching awards as well as the performance of our students on national exams in part reflects faculty dedication to teaching. Our professional Pharm.D. graduates have scored exceedingly well on the NAPLEX licensure examination. Our graduates achieved a pass rate of 100%, 98%, and 98.7% on the 2002, 2003, and 2004 examinations, respectively. The 98.7% pass rate during the 2004 examination period is reflective of all but one member of the May 2004 graduating class achieving a passing score on the examination. The national pass rate average on the 2004 exam was 95.1%.

The overall retention rate of the school of pharmacy is 95.95% for the four classes in our professional program curriculum after completion of the 2004 fall semester. The doctor of pharmacy degree program is 2 years, 68 credit hours of required pre-pharmacy coursework, in the college of liberal arts and sciences, and 4 years, 132 credit hours of required coursework, in the professional curriculum of the school of pharmacy. Admission to our program is highly competitive. Starting in 2001 we began accepting 105 students into the first year of the professional curriculum in the fall semester of each academic year. We have had in excess of 400 applicants in 2004 and 2005. This increase in applications represents a doubling from previous years and is consistent with national trends. The average GPA of the admitted class for the 2004 fall semester was 3.6. We have admitted 420 students over the past 4 years and 403 or 95.95% remain as students in our program today. After conclusion of the 2004 fall semester the retention rate for our first year students is 100%; 98.1% for second year students; 93.3% for third year students; and, 91.4% for 4th year students. The total loss from these four classes is currently at 17 students. A minimum GPA of 2.25 is required to be a student in good standing in the school of pharmacy. However, due to the competitive nature and high GPA of students that gain admission to our program loss of students due to poor academic performance, while occasionally an occurrence, is not a major problem. The average age of a first year pharmacy student is 24 and 35% have already completed a college degree program. Our loss of students is often attributed to student and/or family health issues, including in one case the death of a student, and personal family issues/crises. Approximately 20% of our students are 30 years of age or older and we occasionally have students in good standing withdraw from our program due to a job change of their spouse which requires relocation.

Students in the Pharm.D. program at KU are recognized by their peers at the national level. The National Community Pharmacists Association (NCPA) student chapter has received the designation as the 2004 National Chapter of the Year; this is fourth time for the chapter to receive this award in the past five years. In addition, an NCPA Chapter member was 2nd Runner-up nationally in the NCPA Small Business plan development competition. The Kappa Epsilon Professional Pharmacy Fraternity has also been recognized as National Chapter of the Year in 2003 and have received this award for two of the last three years.

Our graduates are in demand by employers in Kansas and surrounding states. In the 2004, like all recent years, in the graduating class of 86 members, 100% were placed with either employers (67) as Pharmacists or in competitive Pharmacy residencies (19) before graduation day. (Note that the class of 2004 was the last class in which the KU School of Pharmacy admitted only 95 students.) At least 75-80% of all graduates from the KU School of Pharmacy remain and practice Pharmacy in the State of

Kansas. The average starting salary for a new Pharm.D. graduate will range from \$80,000 to \$90,000 per year for graduates of the Class of 2005.

Immediate Needs for the Supplemental Fee Increase

To maintain the remarkable success of the KU School of Pharmacy as a provider of Pharmacists to the State of Kansas, the program requires the increased funding from the supplemental fee to not only meet current fiscal responsibilities but also to remain competitive with peer programs and to provide the best Pharmacy education possible. The net increased funding from the supplemental fee will be used as follows:

- To meet fiscal responsibilities of the Pharm.D. program detailed above for current faculty, staff, and student support services including instructors for laboratories and assistants to aide students with computer access, classroom and laboratory equipment. This will include programmatic changes necessary for future accreditation such as addition of electives into the curriculum and working with the Schools of Medicine and Nursing to provide interprofessional and multidisciplinary teaching and programming.
- To provide 10% of the net increase in funding generated by this fee for scholarships for students with financial hardships starting with the 2005-2006 academic year and succeeding years (this will be added to the more than \$125,000 per year in scholarships awarded by the School from endowed private fund sources).
- Funding of preceptors to \$500 to provide clerkship opportunities for students (Currently preceptors receive \$400 per student per 4 week clerkship, a fee that has not been increased since the mid-1990's. Competing School's of Pharmacy in the region offer at least \$500.).

Notification and Discussion with Current Pharm.D. Students

Students in the Pharm.D. program at KU each received an e-mail on November 9, 2004 from the Dean's office with a full explanation of the fiscal status of the School of Pharmacy and the need to increase the supplemental fee for the purposes described in this proposal. In addition, the Dean presented the case in open forums to the student leadership (student leaders from each of the four professional years and all of the student professional organizations) on November 9, 2004, to the first year class (i.e., the 3P class) as requested by the students on December 9, 2004, and in a brown-bag forum requested and open to all students in the School of Pharmacy on February 15, 2004. Finally, this written proposal was also presented to the student leaders and a letter of support was requested to accompany this request through the KU Provost's Office on March 3, 2004. A letter signed by all of the leaders from the student organizations is attached.