

# TORT CAP FAQ's FOR STUDENTS

## THE DECISION-MAKING PROCESS

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**What values lay behind the decisions being made regarding which programs, or aspects of programs, will be cut?**

The OHSU Executive Leadership team has made strategic recommendations for budgetary revisions based on priorities established during the Vision 2020 planning process. Recommendations will be reviewed, per OHSU policy, by a faculty consultative process and the OHSU Board of Directors.

**When will these changes be taking effect: all at the same time or spaced out over years?**

Many expense reduction efforts are already underway (e.g., developing a consistent hiring approval process). Many program changes, however, have not yet been finalized, as they are still subject to faculty consultation. After this occurs, department directors and deans will develop timelines to meet their new budget targets at the individual unit level. Some cuts will occur immediately, while others may be delayed beyond July 1 of this year.

## TUITION/DEBT BURDEN CONCERNS

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**Who makes tuition increase decisions? How will they determine the various different tuition increases? How much of the tuition increase will be dictated by central administration?**

The actual tuition cost paid by students to attend any public institution of higher education is only a fraction of the total funds needed to provide that student an education. At OHSU, tuition costs are balanced with other sources of income, such as state funds, private foundation dollars and hospital revenues. This is true for any public academic health center. Tuition increases are calculated by central administration, whose goal is to balance competing mission priorities in a fair and equitable fashion. While OHSU tuition fees increase slightly each year, the increases are not consistent with the financial gap created by annual decreases in state funding.

**What will resident and non-resident tuitions be (in real dollars, not percents) next year both for new students and returning students in every program and school at the university? Are prospective students being told about these increases?**

Tuition rates for next year will be determined through the budgeting process that is currently underway. Updated information will be available in April 2008. As soon as new tuition rates are established, prospective students will be informed of relevant increases.

**How will the tuitions of students who are already matriculated into joint or transition programs be considered (for example, students accepted into the transitional accelerated baccalaureate nursing to midwifery program)? Will they be “new students” at time of transition and therefore be susceptible to large tuition hikes?**

Students that are currently enrolled in OHSU programs – joint, transition, or otherwise-- will not be subject to tuition increases as a result of the tort cap loss, however, increases in tuition due to normal inflationary costs will still apply.

**Annual tuition reflects only part of the real, long-term economic impact on students. After the proposed tuition increases, what will the anticipated debt burden be for students of every tuition category in every program and school at the university? How does this compare to the current debt burden? How does this translate into monthly payments over 10 to 15 years? Was this long-term impact considered when tuition increases were decided upon?**

Students' debt burdens will increase due to increases in tuition. However, it is difficult to predict the potential debt levels that students will ultimately have upon graduation. This is because individual student debt burden depends upon many factors, including availability of scholarship funds and individual student personal living situations. To illustrate this, the average indebtedness for graduating Oregon-resident students in the M.D. class of 2007 was \$143,390. In comparison, the total potential indebtedness (the maximum about a student could have borrowed over the four-year program) for this same group of students was \$179,733. This represents a \$36,343 reduction between the maximum potential indebtedness and the actual average indebtedness for this group of students. The default rate for OHSU students is extremely low. The Official FY 2005 Cohort Default Rate for OHSU students in the Direct Loan Program was less than one percent (actual rate was 0.3%). The Draft FY 2006 Cohort Default Rate for OHSU students in the Direct Loan Program is zero. These extremely low default rates indicate that the debt burden of graduating students is not so high as to cause students to default on their educational loans.

**How many students will now be above the \$38,500/year annual limit on federal loans? How will it impact students' ability to find alternative loans? Will the Financial Aid Office be better equipped to handle and help this increased need for alternative loans? Will they be able to do better than hand students a sheet with alternative loan sources (the current advising process)?**

The \$38,500 annual loan limit is applicable to M.D. or D.M.D. students borrowing in the Stafford/Unsubsidized Stafford Loan program. Due to federal regulation, effective in 2007-08 this annual limit was increased by \$2,000 to an annual maximum of \$40,500. (The annual loan maximum for students in other graduate programs was increased to \$20,500.) In addition to the Stafford/Unsubsidized Stafford annual loan limit, graduate students may apply for a Graduate PLUS Loan. The Graduate PLUS Loan does not have an annual loan limit, and students may apply for funds up to the Cost of Attendance minus their other financial aid awards. Therefore, graduate students borrowing in the Graduate PLUS Loan program can borrow additional loan funds as tuition increases. We cannot advocate for any particular alternative lender. The Financial Aid Office provides an Alternative Loan Comparison Chart with information from several lenders. Graduate students wishing to borrow an Alternative Loan instead of the Graduate PLUS Loan can use this information to decide which Alternative Loan lender offers the loan terms and conditions that best fits their needs. An Alternative Loan Comparison Chart is also available for undergraduate students to assist in their choice of a loan.

**Where does this increase in tuition go? To the programs? To the hospital? Directly to insurers to offset malpractice insurance for practitioners at the hospital?**

Fees collected from students go directly to supporting programs associated with OHSU's educational mission. Revenue from tuition *is not* used to subsidize hospital costs or insurance for practitioners within the hospital system.

**As tuitions rise, many students consider their tuitions an investment and desire to monitor how well their money is being spent. Will detailed budgets and operating expense explanations for each school be made available?**

Providing accurate, transparent information to students regarding their tuition costs is important. As a public entity, information regarding tuition must be made available to the public. It's also important to realize that tuition fees are calculated with a variety of different factors in mind – most of which relate to balancing OHSU's ability to provide a quality education while maintaining its long-term financial viability.

## **EDUCATIONAL PROGRAM CHANGES**

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**With soft talk about programs being cut, many students feel they are on unsure footing. Exactly which schools and programs will no longer exist after the cuts are in place? Which will exist in significant reduced form or function?**

Final decisions concerning program reductions are part of the budget process that is currently underway. Where possible, OHSU's leadership will attempt to merge and integrate programming in a way that creates greater efficiencies and preserves core activities. Updates regarding the budget process will be available later this spring.

**Will cuts in faculty be made? Who and what values will drive those cuts?**

Because some program budgets will be affected by the loss of tort cap, it is possible that faculty appointments may change with these reductions as well. As soon as the budget process for FY08 is complete, faculty and staff changes will be determined by leaders within each unit.

**With more detail, could you explain how the basic science classes will be integrated for dental and medical students?**

Integration of the basic science classes is the result of an on-going effort to make OHSU's curriculum more interdisciplinary in nature and to expose students to multiple perspectives in the learning process. Integration is not the by-product of losing the tort cap, but rather an intentional decision based on best practice standards across the country.

**Will the tort cap affect the degree and nature of contact that students are able to have with patients (clinical integration, procedures, etc)?**

No.

**The statement about cutting non-Portland elective rotations (Bend, Eugene, etc) was rather vague. Which experiences exactly will see cancellation? What reasons lay behind decisions to**

**cancel these elective rotations in other Oregon locales? Are there ways that individual students can offset these costs/reasons, as many students value these experiences enough to contribute to their funding (providing their own housing, away rotation fees, etc)?**

Again, final decisions concerning program reductions are still pending as part of the budget process currently underway. Rationale for budget changes will be consistent with the priorities identified by Vision 2020. You can read more about the university's Vision 2020 plan by visiting: <http://ozone.ohsu.edu/ozone/president/strategic-planning.cfm>

**How will training in indigent or low income care be maintained in light of the closing safety net and outreach programs such as Russell Street dental clinic, or is this type of training deemed no longer relevant to modern practice? Will the closures also increase the number of people we see in urgent care, potentially increasing the amount of outstanding fees we have in OHSU's clinics?**

The future of the Russell Street Clinic and the rural clinics in Elgin/Union is still being determined. Some of the options include closing, restructuring and strategic partnerships. Our goal is to preserve a quality, comprehensive education for all OHSU students and to meet the health care needs of Oregonians.

**The dismantling of the School of Science and Engineering (SoSE) has been said to be a done deal. Will this closure affect all programs and all tracks within the SoSE? What is the timeline for the closure? Are there alternatives to this? Would it be possible to keep the SoSE in some form, perhaps with a merger with the SoM, or distribution to an outside institution more academically aligned, such as OSU Engineering? How would a merger with the SoM affect the school's funding/structure/governance, ability to attract good engineering students, or the current relationships with local industry (Intel, IBM, Oracle)? How will the closure affect students in the middle of degrees, some with only a couple credits remaining?**

While the School of Science & Engineering (SoSE) will no longer exist as a school, it will be integrated as a scaled down engineering unit inside the School of Medicine (SoM). Core funding for the unit will come from SoSE's endowment, but specific details about educational programs, structure, and governance are currently being worked out. It is anticipated that those details will be finalized by the end the current fiscal year, though their implementation will occur over a longer period of time. If an educational program is eliminated, every effort will be made to teach out its courses for matriculated students. The SoM-based engineering unit will remain focused on combining science and engineering to solve human and environmental health problems; given its focus on health, OHSU--the state's only academic health center--is its logical home. Deeper integration with SoM presents opportunities for further collaboration--a key goal of OHSU's Vision 2020--between scientists, physicians, engineers. SoSE's excellent academic profile will be preserved inside SoM, as will its relationships with industry partners--many of whom are also beginning to shift their focus to health and bioscience.

**Could you please describe in more detail the "reorganization" of OHSU's research programs - are we looking at cutting jobs, eliminating overhead, merging groups, or something else? What is the time frame? How can we guarantee continued student funding for students who are**

**currently placed in a center/department that is to be "reorganized," especially if their PI is in CROET or is tenured faculty relying on bridge funding from OHSU?**

As soon as the budget process is complete, OHSU leaders will be responsible for implementing changes as appropriate at the unit-level. Funding can never be guaranteed; however, OHSU is committed to its research enterprise, and we encourage researchers to see this as an opportunity to eliminate redundancies in operations and to collaborate in leveraging resources. Reduction in faculty positions is not anticipated. In addition, we are working closely with the OHSU Foundation to help ensure faculty retention and recruitment.

## **STUDENT FACILITIES/SUPPORT**

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**Why is the March Center closing after being open for just 1 year?**

It has yet to be determined whether March Wellness will close, will be restructured or whether management of the program will be transferred to another party. If it is decided that the Center will close, it will be the result of budget cuts related to OHSU's loss of the tort cap.

**If the March Center is losing money, why?**

The Center is not yet self-supporting, which is typical of start-up venture of its kind. OHSU cannot continue to subsidize the Center's development given our current financial environment, thus the decision to close the program or transfer its management.

**Will the fee levied on students associated with MARCH be stopped?**

If the program closes, yes.

**Will students have to pay the spring quarter portion of the incidental fee that is associated with MARCH?**

If the program closes before the spring quarter commences, no.

**Will they be refunded all or a portion of those fees associated with the winter quarter?**

No. March Wellness is currently still operational and, therefore, no fees will be refunded for services still available.

**What will happen with the equipment once MARCH is closed or outsourced?**

These answers are yet to be determined. Much depends on whether the program is closed, restructured or outsourced. If it is outsourced, equipment will likely remain in the hands of new management.

**FOR MORE INFORMATION ON MARCH WELLNESS, VISIT:**

<http://ozone.ohsu.edu/ozone/president/tortcap.cfm#z>

**Are there plans to establish another fitness facility available to students? Would OHSU support conversion of some of the proposed Student Union space for fitness use?**

OHSU is developing a plan to reopen the student fitness center on the hill. More information on the timing and program is forthcoming.

**Will the school still provide a forum for intramural sports?**

Yes.

**Will the cuts impact the creation of a student center? In scope? In completion date? In amount of student oversight?**

Plans to create a student center on Marquam Hill are still underway, although the scope of the project may be re-evaluated during the upcoming budget year. We have not yet determined an opening date. Student input into the process remains welcome.

**Will the cuts impact upgrading of Student Health Center services and equipment (especially in light of the Student Health Center's evidently low priority in medical records – EPIC - upgrades, etc)?**

Budget cuts related to the tort claim decision should have little if any effect upon the budget of the Student Health Services, as this service is supported by student fees. The SHS, informed by the Student Health Services Advisory Committee which has significant student input, will continue to develop their own plans and budgets for providing services to students. The SHS will be working closely with the hospital and clinics to implement EPIC in the Student Health Services clinic during the coming year and should not be affected by budget cuts in other parts of the University.

**Will the cuts impact current insurance supports and structures for students?**

No.

**Will the cuts impact the number of credits students are required to register for in order to maintain eligibility for student insurance? (some unfunded PhD students and other long-term program students that may have small quarterly course loads [because much of their work consists of practice or practicum], are forced to pay for more credits than they often take in order to be eligible for OHSU student insurance that, because of school requirements, they have no option to waive.)**

No.

**How do the cuts affect proposed IT/Laboratory Equipment Upgrades? How are losses in productivity being factored into determining facility/equipment cuts?**

Scheduled upgrades in IT/Laboratory equipment are still progressing as scheduled for the current fiscal year ending in June 2007. Budget changes for FY2008 are currently being determined and will be announced in April of 2008. Once allocations have been announced, decisions regarding budgetary spending will be determined at the individual department and/or unit level.

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## **WORKFORCE EFFECTS**

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**How will OHSU staffing be affected, and what will be the impact on students' potential to be employed by OHSU after graduation?**

OHSU will not employ an across-the-board hiring freeze as a result of the tort cap loss. A hiring freeze would mean some vital positions might go unfilled, and this would hurt the ability of our core areas to meet their goals. A new hiring process requiring approval by an appropriate ELT (Executive Leadership Team) member for any new hire will allow leaders to make strategic decisions regarding personnel. Loss of Tort Cap should not affect a student's potential to be employed by OHSU post-graduation.

**If funding for indigent treatment is reduced, how do you anticipate this will affect the diversity of our already meager student and resident training on indigent care? Do you anticipate that this will impact interest in OHSU post-graduate/resident training?**

As Oregon's only academic health center, it is our responsibility to maintain a commitment to the healthcare needs of the uninsured in Oregon. It's important to remember, however, that indigent care is a statewide issue requiring a statewide solution. As OHSU looks to balance its financial ability to offer services in a sustainable, long-term way, so must we advocate for changes in policy that make this possible. Our rural health rotation programs remain strong and viable. Options are even expanding within the School of Dentistry. We certainly hope that necessary budget cuts won't adversely affect OHSU's ability to attract qualified post-graduate students and residents.

## **HOW CAN STUDENTS HELP?**

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**Will student input be solicited on how to sustainably and equitably enact the proposed cuts?**

As soon as the budget process is complete, and departments across the university are informed of FY08 changes and allocations, feedback from students – especially creative, resourceful feedback on spending -- will be welcomed at the individual unit level.

**What actions can be taken by students to appeal to legislators? If there is political action to be taken, what could the students ask for or do to help?**

Students can play a vital role in helping OHSU advocate for tort reform within the legislature by becoming well-informed on the complexities of the recent Tort Cap decision. Information on the decision and the effects of the tort cap loss at OHSU can be found at:

<http://ozone.ohsu.edu/ozone/president/tortcap.cfm>