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Arizona State University

Northern Arizona University

The University of Arizona

December 22, 2005

Representative Russell K. Pearce, Chair
Senator Robert L. Burns, Co-Chair
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007

Re: Arizona Board of Regents December 31, 2005, Progress Report Pursuant to
SB 1517

Dear Representative Pearce and Senator Burns:

Pursuant to SB 1517 (Laws 2005, Chapter 330), the Arizona Board of Regents is pleased to submit for your review our December 31, 2005, Progress Report on the development of The University of Arizona College of Medicine–Phoenix. This report was authorized for submission by the Board of Regents at its December 1, 2005, meeting.

Our Progress Report is responsive to the four specific requests contained in SB 1517 and reflects progress on the Phoenix Program as of November 30, 2005. As required by SB 1517, we will submit for review to the JLBC any significant material changes to the Phoenix Program operational plan, and to the JCCR any significant material changes to the Phoenix Program capital plan, as they may occur.

The Arizona Board of Regents, The University of Arizona, and Arizona State University continue to work with the Arizona Commission on Medical Education and Research (ACMER) as we move forward with the Phoenix Program. We again thank the Legislature and Governor for providing state funding to support this historic and critically

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Executive Director: **Joel Sideman**

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important effort. We appreciate your Committee's oversight role, and trust that this Progress Report is responsive to the statutory mandate.

Sincerely,



Christina A. Palacios
President

c: Governor Janet Napolitano
Members, Joint Legislative Budget Committee
Members, Joint Committee on Capital Review
Members, Arizona Board of Regents
President Peter Likins, The University of Arizona
President Michael Crow, Arizona State University
Executive Director Joel Sideman
Richard Stavneak, JLBC Director

ARIZONA BOARD OF REGENTS
DECEMBER 31, 2005, PROGRESS REPORT ON
THE UNIVERSITY OF ARIZONA COLLEGE OF MEDICINE-PHOENIX PROGRAM
AS REQUIRED BY SB 1517 (Laws 2005, Chapter 330)

SB 1517 requires the Arizona Board of Regents (ABOR) to submit to JLBC by December 31, 2005, "a progress report on the Phoenix medical campus. This document shall include at least the following:

- 1. Detail on expenditures to date by the Arizona Board of Regents, its institutions, and its partners.*
- 2. The status of renovations to Phoenix Union High School.*
- 3. The status of faculty, staff, and student recruiting.*
- 4. Any changes to the project scope or schedule*

There is also an ongoing obligation for ABOR to submit any significant material changes to the Phoenix program operational plan or capital plan from the plans last submitted to JLBC."

- 1. *Detail on expenditures to date by the Arizona Board of Regents, its institutions, and its partners.***

Table 1 below is an update of Table 1 on page 9 of the Arizona Board of Regents Response to SB 1517 (Laws 2005, Chapter 330), dated September 1, 2005 (hereinafter referred to as the September 1, 2005, ABOR response). An additional column has been added that includes expenditures for the first five months of FY 2006 (from July 1, 2005, through November 30, 2005) by the Arizona Board of Regents, The University of Arizona, and Arizona State University. Additional expenditure detail for ABOR, the UA, and ASU, through November 30, 2005, is shown in Tables 2, 3, and 4, respectively.

Table 1. Arizona Board of Regents, The University of Arizona, and Arizona State University FY 2003-FY 2006 Expenditures for The University of Arizona College of Medicine-Phoenix (through November 30, 2005)

	FY 2003	FY 2004	FY 2005	FY 2006 (through 11/30/05)	Total
Arizona Board of Regents					
Salaries	\$ 10,892	\$ 5,630	\$ 0	\$ 0	
Operations	59,595	79,130	68,965	31,023	
Subtotal ABOR	\$ 70,487	\$ 84,760	\$ 68,965	\$ 31,023	\$ 255,235
The University of Arizona					
Salaries			\$ 140,000	\$ 932,324	
Operations			170,300	434,157	
Subtotal UA			\$ 310,300	\$1,366,481	\$ 1,676,781
Arizona State University					
Salaries			\$ 3,750	\$ 325,849	
Operations			2,750	242,345	
Subtotal			\$ 6,500	\$ 568,194	
Capital (on behalf of UA and ASU)				1,712,600	
Subtotal ASU			\$ 6,500	\$2,280,794	\$ 2,287,294
GRAND TOTAL	\$ 70,487	\$ 84,760	\$ 385,765	\$3,678,298	\$ 4,219,310

¹ Source of funding for these expenditures is the FY 2006 state appropriations of \$6 million to the UA and \$1 million to ASU under SB 1517 (Laws 2005, Chapter 330).

Table 2. Arizona Board of Regents FY 2006 Expenditure/Encumbrance Detail as of November 30, 2005, for The University of Arizona College of Medicine-Phoenix

Arizona Board of Regents	Expenditure/ Encumbrance
SALARIES AND ERE	
Subtotal Salary and ERE	\$ 0
OPERATIONS	
Consulting services	\$ 24,000
Printing, delivery charges, supplies for JLBC responses	7,023
Subtotal Operations	\$ 31,023
GRAND TOTAL ABOR	\$ 31,023

Table 3. The University of Arizona FY 2006 Expenditure/Encumbrance Detail as of November 30, 2005, for The University of Arizona College of Medicine–Phoenix

The University of Arizona		Expenditure/ Encumbrance ²
SALARIES AND ERE	FTE%	
Program Coordinator	80%	\$ 48,069
Special Asst. to Dean Curriculum Construction	100%	68,955
Special Asst. to Dean and Office Manager	100%	96,735
Special Asst. to Vice Dean, Clinical Professor, Dept. of Family and Community Medicine	100%	132,817
Senior Project Manager: COM 1, 2, 3	100%	137,230
Department Head, Basic Medical Sciences	100%	178,419
Vice Dean, Administration	100%	270,099
Subtotal Salary and ERE		\$ 932,324
OPERATIONS		
Consulting services		\$ 384,000
Materials and supplies		1,100
Non-capital equipment (computers and media)		14,963
Development and outreach		14,313
In-state travel		3,062
Faculty recruitment		16,719
Subtotal Operations		\$ 434,157
GRAND TOTAL UA		\$ 1,366,481 ¹

¹ Source of funding for these expenditures is the FY 2006 state appropriation of \$6 million under SB 1517 (Laws 2005, Chapter 330).

² Salary amounts reflect both salary and employee-related expenses (ERE) through June 30, 2006, commencing with date of hire or date of assuming new duties. University practice is to encumber salary and ERE at beginning of fiscal year for the entire year.

As shown in Table 3 on page 14 of the September 1, 2005, ABOR response, the UA anticipates spending the majority of its FY 2006 budget during the remainder of the 2006 fiscal year (December 1, 2005, through June 30, 2006) on new personnel and the attendant operational expenses and on capital project costs, primarily media and information technology for the newly renovated COM 1, 2, and 3 buildings.

In addition to the 12 new basic science educators, the UA College of Medicine will hire a Vice Dean, an Associate Dean, Research, and Associate Dean, Academic Affairs, as well as associated support personnel.

Table 4. Arizona State University FY 2006 Expenditure/Encumbrance Detail as of November 30, 2005, for the Department of Biomedical Informatics (BMI)

Arizona State University		Expenditure/ Encumbrance ²
SALARIES AND ERE	FTE%	
Office Specialist, Sr.	5%	\$ 1,507
Tech Supp Analyst, Sr.	3%	1,962
Administrative Assistant	10%	2,762
Research Assistant Professor	17%	11,390
Graduate Research Assistant	50%	11,750
Graduate Research Assistant	50%	11,750
Research Assistant Professor	100%	33,333
Clinical Professor	40%	36,000
Administrative Associate	100%	38,000
Clinical Professor	25%	41,667
Tenure-track Assistant Professor	50%	43,334
Associate Director	50%	45,902
Interim Chair	20%	46,492
Subtotal Salary and ERE		\$ 325,849
OPERATIONS		
Consulting and printing services		\$ 31,432
Materials and supplies		1,600
Non-capital equipment (computers)		6,543
Development and outreach		4,502
Out-of-state travel		1,672
Faculty recruiting		37,263
Faculty start-up		84,333
Seminars and symposia		75,000
Subtotal Operations		\$ 242,345
Subtotal Salaries and Operations		\$ 568,194 ¹
CAPITAL		
ABC (on behalf of UA and ASU):		
Pre-construction services (DPR Construction, Inc.)		\$ 183,000
Architecture and engineering fees, programming, reimbursables		1,331,600
Project management, rent		198,000
Subtotal Capital		\$ 1,712,600
GRAND TOTAL ASU		\$ 2,280,794

¹ Source of funding for these expenditures is the FY 2006 state appropriation of \$1 million under SB 1517 (Laws 2005, Chapter 330) to establish the Department of Biomedical Informatics (BMI).

² Salary amounts reflect both salary and employee-related expenses (ERE) through June 30, 2006. University practice is to encumber salary and ERE at beginning of fiscal year for the entire year.

2. The status of renovations to Phoenix Union High School.

Renovations to the three former Phoenix Union High School buildings (preliminarily designated as COM 1, COM 2, and COM 3, from west to east) are progressing according to schedule. COM 1 and COM 3 will be substantially complete by late June 2006, and COM 2 (auditorium) will be substantially complete by late July 2006. The goal set by DPR Construction, Inc., the contractor, is to have all contracts in place with all subcontractors by December 1, 2005. Construction status as of November 30, 2005, is as follows:

- New core facilities: Concrete foundations and bases are in place. Contractor will begin extending the cores up from the foundation by December 1, 2005.
- COM 1: Structural steel and floors are completed.
- COM 2 (auditorium): Steel framing is in place.
- COM 3: Construction of interior walls has begun.
- The audio/visual equipment for the project has been specified and will be ready to bid in December 2005.
- Furniture selection and specification is underway.

The City of Phoenix Education Bond Subcommittee recommended that \$1.5 million of a proposed bond issuance to go before the Phoenix voters in March 2006 be allocated for the completion of the interior renovation of COM 2 (auditorium). The City's Historic Preservation Bond Subcommittee recommended that \$1.19 million of the bond issuance be allocated for the rehab of the exterior of all three COM buildings. This funding will provide the historical buildings, built in the early 20th century, with replica wood windows, stucco and plaster repairs, repainting, historical reconstruction work, and landscape restoration in front of the COM 2 (auditorium). The Mayor and City Council approved the Subcommittees' recommendations on November 1, 2005.

The Institute for Advanced Telemedicine and Telehealth (THealth) in Phoenix was the recent recipient of a U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) award that will provide \$391,200 to fund the interior finish-out of second-floor space in COM 2 (auditorium). As described on page 59 of the September 1, 2005, ABOR response, THealth's mission is to create next-generation innovations in health care delivery and education, especially those that leverage advances in medical informatics, wireless telecommunications, telemedicine/telehealth, simulation, and robotics. The design for the interior finish-out is in the design development phase and will soon be sent to DPR Construction, Inc. for initial pricing. The audio/visual equipment has been specified and will be ready to bid in December 2005.

3. *The status of faculty, staff, and student recruiting.*

Department of Basic Medical Sciences:

Faculty Recruitment. The Arizona Board of Regents approved on December 2, 2005, the establishment of the Department of Basic Medical Sciences, in collaboration with ASU, as the first academic unit of the UA College of Medicine–Phoenix Program. The search committee for the Basic Medical Sciences faculty is chaired by Mark Haussler, PhD, Regents’ Professor in Biochemistry, who also serves as head of the new Basic Medical Sciences Department. The search committee includes representatives from the College of Medicine faculty in Tucson and Phoenix, ASU, TGen, and Barrows Neurological Institute. The faculty of the Basic Medical Sciences Department will consist of a core of current UA and ASU life scientists, complemented by faculty drawn from a national search, to yield a faculty of 25 by July 1, 2007.

As of December 1, 2005, the search committee had received and ranked over 340 applications for basic science faculty positions. The candidates were representative of top medical schools and universities, leading biotech companies, and worldwide health care institutions. All basic sciences disciplines were well represented in the applicant pool. The committee has identified 32 candidates as highly qualified, and by mid-December 2005 will invite individuals for interviews in Arizona. Interviews will occur primarily in January 2006, with the goal of filling the first 12 faculty positions in Spring 2006.

Concurrent with this search process, and also under Dr. Haussler’s leadership, the Phoenix Program has worked with ASU to identify ASU candidates for joint appointment with the UA College of Medicine to serve as basic medical sciences faculty. As of November 30, 2005, efforts are underway to establish joint appointment for four such candidates in the basic medical sciences. These four highly qualified individuals are over and above the 32 who will be invited for interviews. The Phoenix Program will also identify potential candidates for joint appointment from other research and health care organizations in Phoenix.

Curriculum Development. The UA College of Medicine has established an Academic Working Group, chaired by Dr. Haussler, to develop the initial academic framework and curriculum for the new integrated four-year Phoenix Program. The Academic Working Group includes representatives from the UA College of Medicine faculty in Tucson and Phoenix and from ASU. As new faculty members are recruited for the Phoenix Program, they will join the Academic Working Group and assume primary responsibility for completing the new curriculum.

The Academic Working Group is charged with establishing core objectives, structure, teaching methodologies, and assessment methodologies for the new curriculum. The curriculum will be developed in conformance with the Liaison Committee on Medical Education (LCME) standards, timeline, and process

requirements for accreditation. The goal of the Phoenix Program is to graduate physicians who have the competencies and skills to provide first-rate patient care and adapt to the changing demands for new knowledge, skills, and attitudes in the health care field. To this end, the Phoenix Program will build from the competencies of the new *ArizonaMed* curriculum developed by the UA College of Medicine–Tucson Program in patient care, medical knowledge, interpersonal and communication skills, professionalism, practice-based learning and improvement, and systems-based practice. The Phoenix Program curriculum will emphasize biomedical informatics, personalized medicine, integrated basic science and clinical education, and critical thinking for physicians. The curriculum will be presented in an integrated fashion, including life sciences and clinical training throughout all four years. In addition, the curriculum will include contemporary methodologies of case-based instruction and small group learning communities.

The Academic Working Group initially established an admissions subcommittee and a faculty and appointments subcommittee to develop the necessary processes in these areas. Additional subcommittees will be formed to address specific areas of curriculum content, teaching methodologies, clinical training, and related areas as the development moves forward.

Staff Recruitment. The UA College of Medicine has begun key administrative staff recruitment. The senior leadership post for the new program will be the Vice Dean, Phoenix Program. Recognizing the importance of this position and the unique opportunity presented by establishing a new four-year medical school program, the UA College of Medicine has contracted with the Korn/Ferry search firm to conduct a national search for this position. Representatives from the firm are scheduled to meet in December 2005 with the Dean of the UA College of Medicine and key faculty and administrative personnel to initiate the search process. In the interim, the UA College of Medicine has established and filled the position of Vice Dean, Administration to coordinate the Phoenix Program efforts pending the recruitment of the new Vice Dean.

The UA College of Medicine also has begun recruitment for the Associate Dean, Academic Affairs through national advertisements, postings, and directed inquiries. On-site interviews with the top candidates will begin in December 2005 and will be completed in early January 2006. The College will begin recruitment for the Associate Dean, Research in January 2006. The Associate Dean, Clinical Affairs has already been appointed.

Student Recruitment. The Academic Working Group subcommittee on admissions is developing both the admissions process for the Phoenix Program and the manner in which it will coordinate with the current UA College of Medicine admissions program. Marketing and admissions materials for the College of Medicine–Tucson and Phoenix Programs will be available for prospective students in March 2006. The first class of 24 students for the Phoenix Program will matriculate in July 2007.

Department of Biomedical Informatics (BMI):

Faculty Recruitment. Dr. Sethuraman Panchanathan has been named Interim Director of ASU's Department of Biomedical Informatics (BMI). The following faculty positions have been hired:

- Interim Director: Academic Administration and Leadership; Imaging Informatics
- Tenure-track Assistant Professor: Biostatistics; Bioinformatics
- Clinical Professor: Curriculum Development; Medical Informatics
- Clinical Professor: Medical Informatics; Clinical Databases
- Research Assistant Professor: Artificial Intelligence
- Research Assistant Professor: Bioinformatics

A targeted search is underway to hire a Chair for the Department of Biomedical Informatics. The Department has established a faculty search committee with an anticipated hire date of Spring 2006.

Staff Recruitment. The following staff has been hired:

- Associate Director: Strategic Planning, Program Development
- Administrative Assistant: Office Management and Administration

In support of biomedical informatics start-up activities, BMI shares staff resources with the Department of Computer Science and Engineering (CSE). Shared BMI/CSE staff includes:

- Technical Support Analyst: Provides web support to the BMI website.
- Administrative Assistant: Serves as receptionist; assists BMI visitors.
- Office Specialist, Sr.: Provides budget, payroll, and office management support.

A consultant has been hired to assist with program development and the hiring of a Chair and senior faculty for BMI.

Two graduate research assistants have been hired to assist with program development and provide analytic support:

- Graduate Research Assistant: Masters student in the Computational Bioscience program at ASU
- Graduate Research Assistant: Masters student in the Department of Computer Science and Engineering

BMI Curriculum Approvals and Student Recruitment. *Master's Degree in Biomedical Informatics:* The proposal for the master's degree in Biomedical Informatics will be submitted for internal review on December 15, 2005, and will be submitted to the Arizona Board of Regents with an anticipated approval date of

June 2006. Student recruitment for the first year will be internal to ASU and will begin in January 2006.

Graduate Concentration in Biomedical Informatics: The proposal for the graduate concentration in Biomedical Informatics will be submitted for internal review on December 15, 2005. Student recruitment for the concentration will begin in January 2006.

Doctoral Degree in Biomedical Informatics: The proposal for the doctoral degree in Biomedical Informatics will be submitted for internal review in Fall 2006 and will be submitted to the Arizona Board of Regents with an anticipated approval date of December 2006. Student recruitment will begin in January 2007.

Informatics in the Medical School Curriculum: Dr. Panchanathan is a member of the Academic Working Group designing the curriculum for the new UA College of Medicine–Phoenix Program. He is working closely with representatives from the UA College of Medicine and from ASU to infuse informatics literacy and training into the Phoenix Program curriculum.

4. Any changes to the project scope or schedule.

The only change to the project scope or schedule as of November 30, 2005, involves the Arizona Biomedical Collaborative (ABC) facility.

Arizona Biomedical Collaborative (ABC)

- At its September 29, 2005, meeting the Arizona Board of Regents awarded project approval to the UA and ASU for construction of the Arizona Biomedical Collaborative (ABC) building and approved a \$2.4 million budget increase. Total project cost is now \$29.6, with the identification by ASU of an additional \$2.4 million available from state Research Infrastructure appropriations (HB 2529) to begin in July 2007. This funding will finish the proposed ASU shell space and provide for biomedical informatics equipment, laboratory equipment, computer servers, upgraded HVAC, additional electrical support, and additional design fees resulting from programming.
- ABOR also approved at its September 29, 2005, meeting an amendment to the Intergovernmental Agreement (IGA) with the City of Phoenix approved on January 23, 2004, to permit purchase from the City of Phoenix at a purchase price of \$590,000 the land on which ABC will be constructed. The sale of Certificates of Participation (COPs) to finance building construction requires that the land be purchased by ABOR prior to commencement of construction rather than purchasing the land through annual lease payments that would have been paid as an operating cost as originally planned.

- At its October 26, 2005, meeting, the Joint Committee on Capital Review (JCCR) recommended a favorable review of the ABC building project, provided that the UA and ASU submit to the JCCR for approval any expenditures that exceed \$100,000 or 10 percent of the original contingency total for add alternates that expand the scope of the project.