College of Pharmacy
FY21 Expense Reduction Planning

All College Meeting
MAY 27, 2020
As a result of budgetary constraints the university is currently facing, each unit is being asked to prepare plans to cut spending from projected FY20 levels by 3%, 7.7%, and 10%.

Those spending reductions can be comprised of both personnel and non-personnel costs.

Use of accumulated fund balance from prior years and/or one-time resources may be utilized to minimize expense reductions.
On the brighter side…

* A projected $400k transfer out to subsidize the SHS Pharmacy is reflected in the FY20 Q3 expense projections used in the Budget Office reduction targets.

* Closure of the SHS Pharmacy provides an immediate $400k expense reduction for FY21.

* The college has gift funds (a one-time resource) in the amount of $345k.

* The E&G fund balance is relatively healthy, though that is subject to various future impacts.
College of Pharmacy Reduction Targets

Using third quarter FY20 expense projections, the university Budget Office provided the following targets for planning purposes:

* 3% target - $467,000 in expense reductions
* 7.7% target - $1,199,000 in expense reductions
* 10% target - $1,557,000 in expense reductions

The scenarios that follow evaluate the net financial impact of position/personnel changes made in FY20, proposed position/personnel changes for FY21, and provide potential savings through non-personnel reductions (i.e., travel, supplies, events, services) relative to those targets.
Proposal to Meet 3% Expense Reduction Targets

The college could achieve the 3% expense reduction target by implementing the following actions:

* Eliminating E&G subsidy made to the SHS Pharmacy - estimated at $400k for FY20

* Reducing travel expenses by $67k - roughly one-third of FY18 and FY19 actual travel expenses
Proposal to Meet 7.7% and 10% Expense Reduction Targets

The college could meet the 7.7% target by implementing the 3% target plan and adding the following:

* 1.0 FTE Professorial position in Pharmaceutical Sciences is not replaced for FY21

* The 0.5 ADR position is filled internally

* Allowance of $30k contracted instructional costs to absorb teaching loads currently assigned to departing faculty in Pharmaceutical Sciences
* Pharmacy Practice Chair position is filled 9/1/20
* Clinical professor position in Pharmacy Practice is filled 7/1/20
* Clinical research faculty position in Pharmacy Practice is not replaced in FY21
* 1.0 FTE Clinical Professor position in Pharmacy Practice voluntarily reduced to .5 FTE and no “back fill” of .5 FTE will occur in FY21
* 1.0 FTE Instructor in Pharmacy Practice voluntarily reduced to .6 FTE and no “back fill” of .4 FTE will occur in FY21
Proposal to Meet the 7.7% and 10% Reduction Targets (continued)

* Administrative Program Assistant position left vacant in March 2020 will be filled 9/1/20

* Portland Office Manager position, vacant due to retirement on 6/30/20, is filled 7/1/20

* Portland Office Specialist position left unfilled for FY21

* Executive Assistant position, vacant due to retirement on 5/31/20, is filled 7/1/20

* SHS Pharmacy Residency Director position (0.4 FTE) is not refilled
Proposal to Meet the 7.7% and 10% Reduction Targets (continued)

* Student Advisor position will be recruited (estimated hire 8/1/20)

* Corvallis Office Manager position - filling delayed to FY22 (Graduate Program responsibilities transferred to APA)

* Executive Associate Dean retires 12/31/20

* ADAA to be hired as internal hire no earlier than 1/1/21

* ADSA - delayed hire – will be evaluated as budget projections progress

Estimated savings from personnel changes noted above is $522,455.
The Bottom Line - Overview to Meet Targets

Savings from personnel actions previously noted - $522,455
Savings from SHS Pharmacy - $400,000
Contribution from gift accounts - $200,000

$1,122,455

7.7% target - $1,199,000 in expense reductions (-$76,545)
10% target - $1,557,000 in expense reductions (-$434,545)

* Additional expense reductions can be achieved through reductions to services/supplies/travel/events
* Salary reductions University-wide are also possible and would contribute to reaching target numbers
## The Bottom Line – Potential Non-personnel Cost Savings – Prior Year Actuals

### FY18 Expenses:
- Services/supplies: $1,694,284
- Hosting: $43,006
- Travel: $203,125

### FY19 Expenses:
- Services/supplies: $1,635,596
- Hosting: $62,153
- Travel: $211,161

### FY20 (Year to Date):
- Services/supplies: $1,445,773
- Hosting: $45,206
- Travel: $184,051