Minutes Faculty Council
March 13, 2012

Present: Drs. Stock, Walworth, Millonig, Hegyi, DiCicco-Bloom, Roth, Weiss, Ayers

Absent: Drs. Aisner, Kim, Kiss, Walker

Many additional non-council faculty members were present, though a list of attendees was not recorded.

The minutes of the January 31, 2012 meeting were approved.

The invited speaker was Dr. Christopher Molloy, Rutgers University Interim Provost for Biomedical and Health Sciences. Dr. Molloy is also special assistant to the president of Rutgers charged with overseeing the merger of RWJMS, CINJ and the School of Public Health with Rutgers. The faculty council invited Dr. Molloy because of this special function.

Dr. Molloy opened his discussion saying that he would answer whatever questions he could. He understood there was some reticence on the part of UMDNJ to convey information. The question of the membership of the integration teams came up and he asked what the standpoint of UMDNJ was in disclosing the membership. He was told that Denise Rodgers, Interim President of UMDNJ, stated to the RWJMS Executive Council that there was no reason not to release the membership, but it still had not been released. He said that he didn’t object to sharing the team memberships.

Dr. Molloy said that his involvement in the process of the merger of RWJMS and Rutgers started early last November (http://president.rutgers.edu/writings/letters/university-preparations-medical-school) and he viewed this as an amazing challenge. The high-level steering committee (some of the members are President McCormick of Rutgers, Drs. Rodgers and Molloy, the head of legal) meets with the Governor’s office once per month, which is not frequent enough. Dr. Molloy thought there was general acceptance that the merger will happen despite the Rowan/Rutgers-Camden issue, although there was a small chance something could stop it.

He explained his background, coming from Johnson & Johnson. In the private sector, mergers would be handled by hiring outside companies. In the Universities, many offices are understaffed and this is a challenge.

Dr. Molloy highlighted the general topics that the integration teams were looking into and the names of some of the people who work on them. He said there was a 6 page excel sheet that listed all the topics in need of attention that have been recognized. The biggest issues are financial. There are ~$500 million dollars in bonds that have to be settled. If 15% of the property of UMDNJ is divested, the bonds have to be renegotiated, and the loss of RWJMS, CINJ, and SPH would trigger this. Molloy said that Rutgers will not settle them and the State needs to have input on this. Operationally, Rutgers is spending more than $40 million to hire an investment firm, the Cain Brothers to understand this issue and report to the Board of Governors and the Trustees. Rutgers is also interviewing other companies that operationally have experience in the merger of institutions. They are looking for a company that has experience with hospital systems
and medical schools. A project manager is also being hired. They have also leased space off of Hoes Lane for 100 people to work on the integration starting March 1, 2012.

Right now, the unofficial view is that because of the tight timeline, RWJMS would be “swallowed whole”. Departments will not be changed “immediately” but they are considering a new academic system in the future. They are looking at Michigan, UNC and Pittsburgh as models. The goal is to hire the best faculty and to have the school be the best it can be. The merger would not produce lay-offs for cost savings, but is proceeding with a vision of synergy between the two Universities. They want to leverage excellence and mentioned CINJ as an example of a Center for Excellence. Dr. Molloy said that faculty may change departments in the future when other areas of excellence are created. He mentioned other areas of potential synergy including Neuroscience, the Brain Institute, cardiovascular research, and Public Health. He mentioned that there were departments in Rutgers that could be moved to SPH. He didn’t see this as a wholesale structural reorganization, but some faculty could be pulled in. He said that when the senior leadership has a more clear date set, they can start to consider these questions.

With regard to the timing of the merger, Dr. Molloy said the proposed date of July 1, 2012 was aspirational, and coincides with the start of a fiscal year. However, because 30-40% of UMDNJ is being moved, this is a challenge, and would be even in the private sector. He said in private industry an intermediary company could be hired to act between the two companies to service their payroll, for example. Dr. Molloy thought that by July 1, we would minimally have political clarity of what will happen and that by next month there should be clarity, though not necessarily a vote from the Board of Governors.

Dr. Molloy took questions from the RWJMS faculty. One question was whether the Rutgers Boards are very involved in this process. He said they were because they have a fiduciary responsibility to make sure Rutgers remains financially sound. The Camden campus of Rutgers is a concern of the Boards and he explained the history of Rutgers becoming a state institution from what was originally a private school.

Dr. Molloy thought the merger would allow the schools to save costs and grow. His goal is to attract industry, other hospitals and to facilitate progress as a University without charging private school tuitions. Rutgers runs on tuition.

There was a comment from the floor that there was a general lack of support for higher education but to bring RU to the top tier, money is needed. Focus is on the reorganization, at the expense of other issues. Dr. Molloy responded that we need to work together to reinvent ourselves. Money from the NIH and the State of NJ will be tight and health care delivery is changing. We need to improve and optimize the infrastructure for clinical trials and industry collaborations. We need to think outside the box and not expect the State to be the answer.

There was a question about the Foundation of UMDNJ. Dr. Molloy mentioned that CINJ has its own foundation, Rutgers has a 501C that will fund raise for the medical school. He noted that RWJMS has 1500 students, whereas Rutgers has 50,000 students.

There are also unresolved questions about the status of UMDNJ Central Administration employees devoted to RWJMS. Molloy said that RU anticipates needing 125 FTEs to
manage the medical school, including more lawyers and compliance officers and that Rutgers is looking to hire in those areas.

Individual faculty brought a variety of issues to the attention of Dr. Molloy.

Issues of concern include challenges facing the faculty with the redistribution of authority in the new medical school curriculum away from departments, reducing oversight by department chairs. This is compounded by the fact that we have so many interim chairs. Faculty members feel vulnerable and there are fewer faculty to do the work. Dr. Molloy reassured the faculty that RU and RWJMS can work on this together and think about ways to do this more comprehensively. Faculty Council members volunteered to contribute to this discussion.

Another issue concerned the new RWJMS policies on space, indirect costs, and salary recovery. The faculty mentioned that these are new policies and asked how the merger would affect such policies, suggesting that there should be similarities between these types of policies. There are differences between the two Universities and Molloy said the bottom line is that we have to talk about it.

Another point conveyed was that uncertainty for the future of RJWMS is having a profound effect on recruitment, particularly for the clinical departments, resulting in a serious impact on how departments move forward. Dr. Molloy was understanding of this challenge and invited the faculty to talk more on this issue in the future.

Dr. Molloy described the Rutgers administrative structure as decentralized. When asked to define what this means, he said this was unlike Penn State where everything is from the top, but more like J&J—which consists of about 200 companies under one hood, but each company does not necessarily talk to each other. He said that the Deans of each school have autonomy; RU controls the state appropriations and how much money each school gets back from tuition dollars, but the individual Deans can be entrepreneurial.

Dr. Molloy shared that the Presidential search at Rutgers is progressing, with the expectation that the new President will be in place in July and that person will have a lot of influence on the process of the merger.

The final discussion revolved around whether the RWJMS Faculty Council should be participating in the various forums sponsored by the State on the merger issues. Dr. Molloy encouraged us to participate and voice our opinions whenever we could.