

Making Sense of Making Cents: Budgeting for Success

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ENROLLMENT

2002	2016
0 RN to BSN	54 RN to BSN
50 Accelerated BSN	235 Accelerated BSN
33 Traditional BSN	0 Traditional BSN
133 Masters	26 Masters
0 DNP	203 DNP
11 PhD	60 PhD
227 TOTAL	578 TOTAL



FACULTY

2002	2016
49 Tenure track 12 & 9 Month	49 Tenure track all 12 Month
40 Modified	106 Modified – 6 VANAP
61% Doctorally Prepared	90% Doctorally Prepared
Student-faculty ratio 4:1	Student-faculty ratio 12:1



FINANCES

2002	2016
Revenue \$8.2 Million	Revenue \$19.1 Million
Expenses \$8.2 Million	Expenses \$12.6 Million
Grants \$2.6 Million	Grants \$6.63 Million



QUALITY OUTCOMES

2002	2016
NCLEX - 78%	NCLEX – 95.5%
Online Courses - 0	Online Courses - 75+
Simulations - 0	Simulations – 4,200+



The MUSC College of Nursing “Taking Nursing Higher”

- First and largest program in SC with a **16 month** accelerated BSN program (**40%** of students)
- All of our graduates programs are offered **entirely online**
- We educate **more doctoral degree nurses than all SC schools combined** (**60%** of students)



The MUSC College of Nursing is “Taking Nursing Higher”

- Ranked 15th by NIH among nursing programs in research funding



We are # 2



CULTURE of EXCELLENCE

- Faculty made the right choice in selecting MUSC College of Nursing – 98%
- Staff are pleased to be working at the MUSC College of Nursing – 100%
- Graduating students believe they made the right choice in selecting MUSC College of Nursing – 96%
- Current students believe they are receiving a high quality education – 92%



Steps Along Our Bridge to Success

- Environmental scan
- Engagement of faculty
- Envisioning our future
- Assessment of resources
- Strategic decision-making
- Continual evaluation of outcomes



Environmental Scan

- National trends in health care
- Positions taken by our profession (closing of MSN programs)
- Unmet state/regional/national need for health services (particularly in primary care)
- State funding for MUSC and CON decreased 52%



Engagement of Faculty

- We're all in this together – trust, respect, open dialogue
- Transparency, transparency, transparency
- Data says it all
- No person, group or no program gets special treatment
- We are smart enough and committed enough to figure this out!



Engagement of Faculty

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Envisioning Our Future

Align ourselves with our university – an academic health sciences center

- Administrative priorities
- Centers of Excellence
- Untapped opportunities



Envisioning Our Future

Review/revise our **CON Strategic Plan**

- Education
- Research
- Practice
- Organizational Culture



Envisioning Our Future

- Graduate more accelerated BSN students in a state with 60% ADN nurses
- Lead in doctoral nursing education
- Rank in top quartile for NIH funding
- Innovate in use of educational technology



Self-Assessment of Resources

- No new dollars for new programs
- Hard look at faculty and staff workloads
- Examination of system inefficiencies with opportunities for savings
- Critical and sometimes painful evaluation of the cost of each program



Costing Out Each Program

- Itemize tuition and fees returned to CON for each program
- Analyze faculty costs by program – student/faculty ratio, clinical intensity
- Rates of student progression and graduation – especially part-time students
- Other program costs required



Stuart, G., Erkel, E., Shull, L. Allocating resources in a student-driven college of nursing, *Nursing Outlook*, 2010; 58(4): 200-206.

Strategic Decision-Making

- Resource allocation
- Revenue enhancement
- Program diversification
- Strategic growth initiatives
- New financial budgeting model – Responsibility Centered Management (RCM)



RCM Budgeting Model

- Premises
 - Revenue generating vs non-revenue generating centers
 - Provides for strategic investments
- Incentive-based model
 - Grow the pie
 - Less focus on resources that are shrinking
- Every tub on its own bottom



RCM Budgeting Model

- Revenue centers receive all revenues they generate
 - F&A, tuition & fees, practice
- Assessed for central/non-revenue generating services
 - Based on cost pools and algorithms
 - Examples: total students, total employees, square feet
 - Service Level Agreements



Overall Implications

- Transparency of financial decisions and accountability
- Focus on those activities that generate a positive margin (revenue minus costs)
- Benchmarking/service level expectations
- Forecasting future scenarios



Implications for the CON

- Increasing revenue streams:
 - ✓ Tuition/student enrollment in each program
 - ✓ External grant funding with indirects
 - ✓ Entrepreneurism
- Maximizing efficiencies – faculty-staff alignment, workload, incentives, databases



Initial Decisions Made

- Close programs that were in deficit (9 MSN tracks to 3; close RN-BSN)
- Open the DNP program focused on primary care
- Move all graduate programs online
- Set minimal online class sizes
- Externalize and make equitable faculty workload



Recent Decisions Made

- Opened 2 new DNP tracks - Nurse Executive Leadership and Innovation; Psychiatric Mental-Health (now 5 in all)
- Develop Accelerated PhD program (3 years)
- Reopen RN-BSN program
- Externalize and continually refine faculty workload, evaluation and mentoring plan



Continual Evaluation of Outcomes

- **Quality is our hallmark**
- Revenue enhancement a priority
- Support faculty ongoing development
- Grow enrollment in all programs
- Hire selected non-nurses to diversify and expand research base
- Partner with hospitals and the VA
- Test new models of education



Celebrate Success!

- Acknowledge the hard work of your faculty and staff
- Toot your horn across campus
- Take a bow :)



Assessment

1. What is the demand from students?
2. Is there employer support?
3. Who is the competition?
4. What approvals will you need and can you get them?
5. Do you have sufficient, prepared faculty?
6. Do you have staff to support it?
7. Are there clinical facilities for students in the program?
8. Will it need to break even or will you have internal start-up support?



Required Data Elements

- Faculty costs
 - Devil in the details
- Faculty contact hours
 - How good is your workload formula?
 - Definition of full time load
 - Clinical vs regular track
- Programs of study
 - By program and track
- Student credit hours for academic year
- Number of students
- Tuition
 - By student type
 - Torture matrix
- Fees
 - College specific ones
 - Can be a fluid revenue item



Decisions to be Made

- ? Standardization of student FTE definition
- ? What faculty salary to use
- ? Target student-faculty ratio by program and track



Calculations



Results

- Student Faculty Ratio (actual)
 - FTE students (standardized)
 - Required # of Faculty FTEs
- Mean # of Students

- Use: compare actual to target to analyze capacity



Program	Target		Projected		Projected Increase in No. FTE Students
	Student-Faculty Ratio*	Mean No. FTE Students**	Student-Faculty Ratio	Mean No. FTE Students***	
BSN	12:1	160.6	12:1	160.6	0.0
RN-BSN/MSN	13:1	30.5	13:1	30.5	0.0
MSN	11:1	73.6	10:1	106.8	34.2
PhD	7:1	8.5	8:1	10.5	2.0
Total	10:1	273.2	11:1	308.4	34.2
MSN Track					
Admin	8:1	6.2	10:1	7.6	1.4
Adult	–	0.6	–	–	–
ANP	8:1	3.3	10:1	4.0	0.7
ANPC	7:1	2.7	10:1	4.0	1.3
FNP	12:1	22.7	10:1	22.7	–
FNPC	–	0.4	–	–	–
GNP	6:1	2.6	10:1	4.6	2.0
NE	9:1	8.7	10:1	9.9	1.2
NMW	4:1	6.8	10:1	19.4	12.6
NNP	3:1	6.2	10:1	19.4	13.2
PNP	9:1	8.3	10:1	9.0	0.7
PSYNP	8:1	5.1	10:1	6.3	1.2
Total	7:2	73.6	10:1	106.8	34.2



Results The Heart of it All

Cost of program compared to revenue received



Program	Student-Faculty Ratio*	Cost per Student (\$)	Total		Difference (\$)
			Cost (\$)**	Revenue (\$)***	
BSN	12:1	8,973	1,441,000	653,541	(787,459)
RN-BSN/MSN	13:1	8,728	266,200	273,420	7,220
MSN	11:1	15,379	1,131,900	930,318	(201,582)
PhD	7:1	15,788	134,200	199,204	65,004
Total	10:1	10,883	2,973,300	2,056,483	(916,817)
MSN Track					
Admin	8:1	13,484	83,600	92,557	8,957
Adult	–	–	–	7,911	7,911
ANP	8:1	13,667	45,100	42,719	(2,381)
ANPC	7:1	15,889	42,900	34,808	(8,092)
FNP	12:1	9,062	205,700	256,312	50,612
FNPC	–	–	–	7,911	7,911
GNP	6:1	20,309	52,800	55,976	2,576
NE	9:1	12,517	108,900	108,379	(521)
NMW	4:1	31,221	212,300	81,482	(130,818)
NNP	3:1	34,242	212,300	66,451	(145,849)
PNP	9:1	11,628	99,000	113,125	14,125
PSYNP	8:1	13,588	69,300	63,287	(6,013)
Total	11:1	15,379	1,131,900	930,318	(201,582)

