Dean’s update

to Faculty Assembly

Teresa A. Dolan, DDS, MPH
Professor and Dean
We’re #2!

Let’s start with good news…
A look at our finances

Where we are today

- Our cash flow is of serious concern.
- Daily cash balance has ranged from a negative balance of $275,000 to a positive balance of $1.32 million this year.
- But this number is trending downward.
- Our goal is to maintain a minimum of $3M
A look at our finances

Cash balance through October 31
A look at our finances

What didn’t cause this

• No financial mismanagement.
• No rampant spending (renovations largely funded from non-AEF sources).
• No theft.
A look at our finances

AEF Facts FY ‘12:

- A “clean” financial audit
- 19.1% increase clinical fees
- 0.9% increase in cash balance
- 4.9% increase in accounts receivable
- Expenses went up 9.6% ($2M)
- Salaries/benefits increased by 7.3% (almost $1M).
A look at our finances

Why didn’t we see this coming?

We did.

- Five years of state budget cuts
- Increased overhead
- RCM model
- Cost transfers, increased expenses
- Five years of economic slowdown affecting patients’ budgets and decisions
A look at our finances

Some reasons for cash flow challenge

• Significant increase in salaries charged to AEF this year, forced by $1.27M cut in state funds.
• Decrease of $376,928 in clinical revenues during first three months, compared to last year.
• $100,000 for AxiUm upgrade plus $20,000 maintenance fee, necessary for Meaningful Use and Medicaid reimbursement.
A look at our finances

Reasons for cash flow challenge cont.

- Patient parking charges $50,000 so far, will be $100,000 by end of year.
- Faculty promotion and SPP increases totaling $134,230, paid by college not by UF as in prior years.
- Unpaid research incentive liability of $475,000.
A look at our finances

What can we do?

• We need to work together to identify ways to increase revenues and decrease expenses.
• I’d appreciate your input and your support as we navigate short-term and long-term strategies for a healthy financial future.
• We are one college, and we need to make decisions and develop strategies to reflect that.
A look at our finances

Short-term steps

• Eliminating dean’s office catering
• Partial payment of research incentives
• Freezing clinical variable compensations
• Centralized review and approval for filling all vacant faculty and staff positions
• Delaying IT purchases when possible, saving on printing/supply costs.
A look at our finances

Short-term steps cont.

- Freeze on new furniture/renovations unless funded thru IDC or foundation funds
- Cap on banquets and celebrations to one/yr with no more than $50/person.
- Significant reduction on state/AEF funded travel
- Adjust AEF supplements where clinical productivity is below expected levels.
A look at our finances

Long-term steps

• Implement new DMD clinical schedule
• Implement one extended clinic session each week for graduate and faculty practice clinics.
• Focus efforts on mission critical work
• Marketing – underway. Currently focused on direct patient marketing but also need to look at focused referral marketing.
A look at our finances

Workgroups

- Budget steering committee
- Revenue cycle workgroup
- SADS integration
- Clinic 1A integration
- Incentive plan for faculty
- Centralized grants management
A look at our finances

What we have to do

• continue to hire top-tier faculty to maintain a leadership position in dental education, research and service.
• continue to support one another and work as a team, not in silos, to achieve success.
• communicate with one another to ensure we understand the “big picture” and how our work and dedication plays a role in the overall success of the college.