

The current crisis is a chance to transform for the better.

In this month's letter, Dr. Rick Valachovic, Executive Director of the American Dental Education Association, looks at how dental schools and allied dental programs are coping with the economic downturn.



Troubled Assets? Perhaps, but Dental Education Is Holding Its Value in the Higher Education Portfolio

An April [report from the Association of Governing Boards of Universities and Colleges](#) (AGB) painted a grim economic picture for our public higher education institutions. It's a topic that's never far from any of our minds, and one we'll examine in detail at the 51st Annual ADEA Deans' Conference in November. The keynote speaker will be Burton A. Weisbrod, John Evans Professor of Economics and Faculty Fellow of the Institute of Policy Research at Northwestern University.

His latest book, [Mission and Money](#), explores the tension between the academic missions that drive our institutions and the pursuit of revenue necessary to support these endeavors. This tension has been magnified by the current economic downturn and, as the AGB report reveals, administrators are being called upon to make substantial changes to ensure the financial viability of colleges and universities.

AGB surveyed the governing boards of 225 U.S. public universities and university systems, finding that 41% of university leaders have taken or are considering across-the-board budget cuts. Other steps to cope with budget shortfalls include hiring freezes or restrictions (80%), postponed capital spending (48%), layoffs of part-time faculty members (22%), and reductions in academic programs (21%). Forty percent reported they were increasing tuition by an average of 6.65%.

While the survey's findings pertain specifically to public institutions, we know that private and state-related schools are facing similar difficulties. Conversations with deans and faculty members who attended AADR-ADEA Advocacy Day in April confirmed this. Many were anticipating July 1 cuts in state subsidies to their schools ranging from 2 to 40%, with many in the 10 to 20% range.

Times are tough for many of ADEA's corporate partners as well. Some have been forced to cut back dramatically, but it seems the majority are holding their own. The fortunate few who have seen their financial picture improve have generously agreed to increase their support of our Association. "They appreciate that others may not be able to do as much as they could in the past," says Dr. Ron Rupp, ADEA Senior Director for External Relations and Institutional Advancement, "and supporting ADEA's effort in advancing excellence in dental and allied dental education remains at the center of what our corporate partners want to do to support the profession." We've added 13 new companies to the [ADEA Corporate Council](#) since the middle of 2008, despite the economic downturn—and, needless to say, we are delighted with this growth.

To get a more intimate picture of how ADEA institutional members are faring, I contacted a handful of our colleagues last month. Their news, while sobering at times, was better than I expected, especially in some of our most economically challenged states.

The state of Michigan has been in recession since 2001-02, but according to Dr. Peter Polverini, Dean of the [University of Michigan School of Dentistry](#) (UMSD), this unfortunate distinction has prepared the university for coping with the current downturn. A highly decentralized institution, the university has not implemented across-the-board budget cuts. "The university has taken a conservative investment strategy," Peter tells me, "and has been judicious in how its endowment funds are used. We've lost some of our endowment value like everyone else, but the decline has been nowhere as precipitous as at many other schools."

Peter sees the current crisis as a chance for UMSD to transform itself for the better. He began a process of self-assessment at the institution when he became Dean six years ago, and today UMSD is once again evaluating its strengths and looking for ways to consolidate services within and across schools. "In the near future," Peter says, "we will implement a team approach in our patient care program, where both predoctoral and graduate dental students will be treating patients in the same clinic. We will be paying close attention to patient flow, clinic productivity, and costs." UMSD is also developing an interdisciplinary clinic to facilitate collaboration among dental, nursing, pharmacy and social work students while increasing efficiencies.

A few miles to the east, the University of Detroit Mercy (UDM) is more insulated from the economic downturn and less dependent on state revenues than its public counterpart. As a private, state-related institution, UDM is accustomed to functioning with stringent financial constraints, or as Dean Mert Aksu puts it, "UDM has been living lean and mean for a long time."

Nevertheless, the [UDM School of Dentistry](#) faces new financial challenges. Chief among these is growing enrollment at the tuition-driven university. In keeping with Mert's conviction that a school must be an asset to its parent institution and those institutions must be assets to their states, UDM's dental school is actively contributing to the university's goal of increasing its undergraduate enrollment to 3,000 by 2013. The dental school has initiated a seven-year program that gives its undergraduates preferential entry into its predoctoral program. Twenty-five students were enrolled last year, and this cohort is expected to generate \$1.5 million in tuition revenue over the next three years. By helping the university meet its enrollment targets and, by extension, its budget needs, the dental school is doing its part to ensure that UDM will ride out the financial downturn.

When states face budget shortfalls, they traditionally look to higher education and Medicaid to make up the difference, and Michigan is no exception. The state hopes to save up to \$5 million by cutting its adult Medicaid dental benefit, much to the consternation of our colleagues in that state. While this will not directly impact dental school budgets, it does impact the scope of services they are able to provide.

When patients pay out of pocket, they typically request only palliative care or emergency treatment. According to Dr. Diane Hoelscher, who chairs the Department of Patient Management at UDM, students will likely see less variation in their clinical opportunities. The community-based education partnerships that UDM has developed with Federally Qualified Health Centers (FQHCs) have traditionally ensured that students receive a rich blend of practice experiences, but FQHCs will be directly impacted by the Medicaid cuts. "It's a house of cards, and Medicaid money is the key card," as Mert so aptly put it. "If we have to, we'll offer certain treatments for free to be sure our students have the exposure."

Peter Polverini at the University of Michigan shares this concern. Michigan has cut adult dental Medicaid benefits in the past, and in his words, "It's been a disaster." Just last month, some of his colleagues began floating the idea of contributing to an account to cover patients who cannot pay for care. This proposed internal philanthropy may be a workable stop-gap, but it reveals how stark the choices can become for our programs.

Nowhere is this more evident than at the [University of Alabama at Birmingham \(UAB\) School of Dentistry](#), which—despite significant increases in state funding in the previous three years—has seen an 18% across-the-board reduction in funding since October 2008. Another 3% cut is expected this October, and the university has been asked to anticipate a further 5% cut in October 2011, for a total reduction of 26% over its 2008 budget. This has left Dean Huw F. Thomas in a decidedly unenviable position. Nevertheless, he is finding ways to adjust to the realities of the new budget and improve UAB's predoctoral program in the process.

Before the dramatic financial losses of the past year hit home, the dental school was engaged in the process of realigning its curriculum. Plans include consolidating eight departments into seven, one with primary responsibility for the predoctoral curriculum. This will result in a reduction in the number of faculty, something Huw hopes to accomplish in part through an early retirement program.

UAB has also made strides on the income side of the equation. Research income has grown substantially over the last four years, and Huw characterizes alumni support during the downturn as "tremendous." What's more, the University of Alabama Board of Trustees recognized that UAB's dental school tuition is low relative to peer institutions and agreed to raise tuition to help generate needed revenues. "Our school will remain a good value for students even with the higher tuition," Huw asserts, "and the board recognizes this."

Looking west, in California the economic downturn is having negative repercussions at all levels of education. State revenues this past April fell \$1.8 billion below projections, and a May ballot initiative intended to mitigate the impact on public education was rejected by voters.

"We started planning for a budget shortfall last autumn, but I don't think anybody knew how deep it would go," said Prof. Phyllis Spragge, Director of the [Dental](#)

[Hygiene Program at Foothill College](#), a community college in the San Francisco Bay area. "Our district is cutting support staff and redistributing the responsibilities of administrators who retire rather than replacing them. At this point, they're trying to preserve the faculty and the programs ... but," she adds, "no one knows where the bottom is."

Phyllis anticipates a modest tuition increase (like the ones already in effect at the state university systems) and cuts to travel and professional development budgets. She suspects most districts will also have a no-new-hire policy, unless the position is necessary for the CODA-mandated ratio of one clinical faculty member for every five dental hygiene students. In her conversations with other program directors in her state, Phyllis hears that this requirement puts a lot of pressure on programs. She reports that the ratio, while appreciated, is "a nightmare to defend" in these tough economic times.

She's also concerned about the potential impact of the downturn on enrollment. At a cost of about \$6,000 for the two-year program, a dental hygiene education in one of California's community colleges is a bargain. But with 22 accredited dental hygiene programs in the state, the market may be saturated. Graduates entering the market are reporting underemployment, and if the job market remains soft, Spragge worries that potential applicants may be discouraged.

Our last stop: Colorado. Dr. Denise Kassebaum, Dean of the [University of Colorado Denver School of Dental Medicine](#) (UCDSDM), informs me that her institution has implemented many of the steps named in the AGB report. The state has frozen salaries for university staff, and the university authorized faculty salary increases for the next year only for those who received academic promotions.

Additionally, each unit was asked to undertake a strategic realignment to identify efficiencies and, as a result, UCDSDM has recommended discontinuing its dental hygiene program and increasing class sizes in dental programs and selected residency programs. "There are three other dental hygiene programs in the state," Denise told me, "but ours is the only dental school in Colorado and one of only a handful in the region."

A shrinking budget also forces public schools like UCD to examine revenue generation by their clinical enterprises. Fortunately, UCD has a new interdisciplinary campus that should position its dental school well to achieve economies of scale. "The new campus allows us to be as efficient as we can be with the infrastructure for research, education, and clinical practice," Denise told me. "We don't duplicate, we collaborate."

There's no question that these are troubling times, but also times of opportunity for those willing to venture into uncharted territory. We can take heart in the knowledge that dental schools and allied dental programs remain valued assets in the higher education portfolio. Yes, they have intrinsic worth, but their solid valuation is due in no small part to the many talented leaders who take care to position their schools and programs in ways that bring tangible benefits to their institutions and their states.

That said, all of our institutions need to adapt and change—some dramatically—in response to current economic realities. As the AGB report suggests, "Decisions will not likely be incremental; rather, for public institutions and systems to thrive, transformational change will be required."



Richard W. Valachovic, D.M.D., M.P.H.
Executive Director
valachovicr@adea.org

American Dental Education Association

1400 K Street, NW, Suite 1100, Washington, DC 20005
For member service questions, call toll free 888-ADEA OPEN (888-233-2673)
Phone: 202-289-7201 Fax: 202-289-7204