

A VISION FOR FINANCIAL AID

BACKGROUND

TUSM has typically ranked among the top five private schools nationally in terms of medical school indebtedness. Contributing factors are our tuition, which is the highest in the country, the additional expenses of the combined degree programs and our location in Boston, where the cost of living is one of the most expensive in the country. The last strategic plan included an aggressive goal for scholarships, with increasing student aid as a top tier fundraising priority. By FY2013, 27% of all students were receiving one-quarter tuition scholarships, compared to 12% receiving smaller aid packages in FY2008. As a result of fundraising supplemented by an infusion of operating budget allocations between 2008 and 2013, the total amount available for need-based scholarships rose from \$1.28M to \$4.62M. An additional \$1.9M of merit aid is awarded to 80 ME track students by the Maine Medical Center and the State of Maine. While we have made enormous strides in increasing scholarship resources for MD students, indebtedness remains a major issue. Also concerning is that only one-quarter of the aid budget awarded annually comes from philanthropy. Consequently, the budgetary allocation for student aid contributes significantly to the school's deficit.

Currently, 86% of students have medical school debt with amounts predictably highest for those in the combined degree programs (MD/MPH and MD/MBA). In FY2013, TUSM's student indebtedness ranking compared to all other private medical schools dropped out of the top ten for the first time to number 16. The average medical school indebtedness decreased by 3.7% to \$191,207 (which is the lowest level since 2006-2007) while debt at other private medical schools increased 1%, on average. Despite this progress, student indebtedness has been noted as a compliance concern that requires continued monitoring based on the prior two LCME visits.

In the past, TUSM increased MD tuition by 4% annually. This practice changed in FY2012, when the university approved a plan to moderate tuition increases to 3% for FY2012 and 2% thereafter. This rate of tuition growth is well below the average 4.5% annual increase of other private medical schools.

For students in the Public Health and Professional Degree Programs, which includes public health related degrees as well as the MBS and PA programs, few scholarships exist (\$120K in FY2013). Debt has increased at an alarming rate, from an average of \$37,000 in FY2008 to nearly \$70,000 in FY2013. This is probably due to three factors: rising tuition, new degree programs (MBS and PA), and the larger number of public health students opting to study full-time versus part-time, which results in more reliance on aid for living expenses as well as direct costs.

The charts appended to this document provide more information on indebtedness, progress made over the past six years, and how our tuition compares to other private medical schools.

GAPS

While we have progressed to the point that 27% of MD students are receiving quarter-tuition scholarships, for many, these awards are too small. They do not cover living expenses, which are particularly high in Boston. Although we offer half and three-quarter tuition scholarships to approximately 10% of the student body, recipients are still faced with a large financial commitment to

attend TUSM as our awards are designed to alleviate a portion of tuition expenses rather than meeting full need. Frequently we lose students, particularly those who are underrepresented in medicine (URMs) and students from economically disadvantaged backgrounds, to other institutions that provide full tuition awards. Other than the Maine track, we do not offer merit aid that might enhance recruitment of URMs and other targeted student populations. The high cost of attendance presents a further impediment, especially when our costs are compared with public institutions.

The MBS program attracts a more diverse applicant pool than the MD program and might serve as a pipeline to support URMs and students from financially disadvantaged backgrounds who go on to medical school. These students may be discouraged from attending TUSM because of debt accumulated from the MBS program and the high cost of attendance at TUSM.

LCME has expressed concern about our level of indebtedness, despite our recent investments. Additional efforts will be necessary to maintain good standing with our accreditors. Charging the highest tuition in the country is also a public relations issue and affects our national rankings.

For combined degree students, aid is based on percentage of MD tuition rather than the cost of the combined program. Students in the combined MD/MPH program, who generally opt for lower paying primary care specialties, receive a discount on MPH tuition but not for the MD portion. Packages are insufficient to offset the higher debt levels. Debt for students in the combined degree programs typically exceeds \$300,000 per student. This is an insurmountable burden for the individual student and also disproportionately impacts average student debt figures monitored by our accreditors.

For MPH students, tuition has increased rapidly, which makes it difficult to successfully compete for students in the Boston area (four MPH programs in Boston, one at Brown) and in Massachusetts, with new programs under consideration at UMass Boston and UMass Lowell. Our need-based aid program is very minimal, particularly in light of increasing tuition, and no merit aid is offered. We often lose students to BU, which has a very broad and generous financial aid program.

Although no scholarship aid exists for PA students, graduates should be able to pay off debt quickly since the program is only two years and starting salaries are high. The lack of diversity in our PA program and PA programs nationally is a concern. However, it is unlikely that better financial aid alone would change this profile, since, as we understand it, even programs with generous aid experience difficulties attracting students from minority communities. Further exploration is needed to figure out effective strategies (beyond removing financial barriers) to enhance the recruitment of students from under-represented communities to the PA profession.

RECOMMENDATIONS

Increasing scholarship aid and reducing student indebtedness must be a fundraising and budget priority. It is critical to ensure that individual students attending TUSM have more manageable debt portfolios upon graduation and are not disincented to enter lower paying fields. It is also imperative that TUSM meets the LCME accreditation standard, which requires institutions to have mechanisms in place to minimize the impact of direct educational expenses on student indebtedness (MS-24). To strengthen diversity in all programs, we must find ways to provide adequate resources so that we can compete with peer institutions and offset the high cost of living that is endemic in Boston.

Most immediately, we strive to be out of the “top 20” for MD student indebtedness for private medical schools in the Northeast. Over the longer term, our goal is for average MD student indebtedness to be comparable to other private medical schools. Our current average indebtedness is \$191,000, which is more than \$30,000 above this goal.

We can achieve our goal by giving awards out of unrestricted operating funds that cover 75% of tuition for the neediest MD students, or \$42,900 per year using FY2015 expenses. These awards would be supplemented by donor-funded support (endowment and gifts), thereby enabling awards of 100% tuition for those with serious need. We suggest that gifts be solicited for targeted aid to assist students entering fields that are consonant with our mission, e.g., primary care, family medicine, underserved populations. This aid would be awarded to students in their fourth year, after the match but prior to graduation, and further reduce indebtedness for awardees.

For students in combined degree programs, scholarships should be awarded based on total tuition costs for students in the MD/MPH and MD/MBA programs, rather than basing awards on MD tuition only. Since these students graduate with the highest levels of debt, changing how aid is awarded will make debt repayment more manageable and will also reduce the average indebtedness for TUSM as a whole.

Although this is somewhat outside the scope of our committee, we strongly suggest that enrollment for MD/MBA students be capped at 15 students per year.

For students in public health related programs, the scholarships must increase to make TUSM more competitive with other institutions, particularly those that have the marketing advantage of being schools rather than programs within a medical school. For both public health and MBS students, diversity would be enhanced if we were able to offer aid to more students. The particular advantage of aid for students in MBS is to reduce indebtedness so that they can enter medical school less encumbered.

For the PA program, neither indebtedness nor competition with peers is currently an issue. Rather, we note that diversity is lacking nationally in PA programs and our program is no different. We believe that the profession of physician assistants, which is relatively new, may not be well known or understood as a career path in which graduates earn substantial salaries immediately upon completing their degrees. We propose that an initial option for increasing diversity is to create pipeline opportunities that could educate prospective students about the profession and prepare them (through an enrichment program) to become more competitive for acceptance into PA programs not only at Tufts, but nationwide. Including the PA program in our current pipeline efforts is an early step to undertake; developing PA program-specific pipeline deserves exploration. Assuming we are successful in raising awareness of the PA profession in under-represented communities, we may need to address financial barriers to attendance as the next step. A proactive effort to anticipate the need for financial aid that will come with a more diverse student body will be essential if we are to remain competitive over the next 10 years among our peers.

COMMITTEE MEMBERS

Executive Committee Chairs:

Tara Olsen, Director of Financial Aid

Marsha Semuels, Executive Administrative Dean

Executive Committee Members:

Amy Kuhlik, Dean of Student Affairs

Aviva Must, Professor & Chair, Public Health and Community Medicine

Jo Linder, Associate Professor, Emergency Medicine, Maine Medical Center

Patti Ambrosia, Director of Budget & Finance Operations

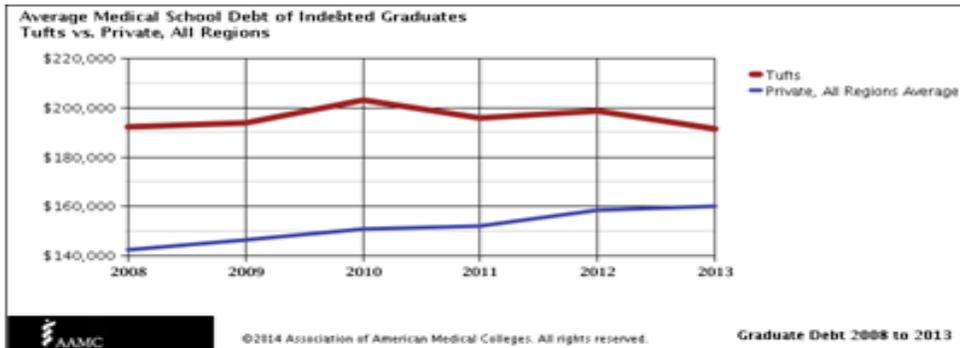
John Matias, Associate Dean of Admissions and Enrollment

Joyce Sackey, Dean of Multicultural Affairs & Global Health

Rebecca Scott, Senior Director, Development and Alumni Relations

APPENDICES

MEDICAL DEBT: TUSM VS ALL PRIVATE SCHOOLS 2008-13



Comparison of 2008 vs 2013

FY2008	FY2013
<ul style="list-style-type: none"> Ranked #2 - med school indebtedness Average debt \$192,162 Class Size 705 Total institutional scholarships \$1.28M Average scholarship \$13961 Max schol = ½ tuition 	<ul style="list-style-type: none"> Ranked #16 - med school indebtedness Average debt \$191,207 (↓.5%) Class Size 810 Total institutional scholarships \$4.67M Average scholarship \$21517 Max schol = ¾ tuition
<ul style="list-style-type: none"> Tuition increasing at 4% annually 	<ul style="list-style-type: none"> Tuition increasing at 2% annually <ul style="list-style-type: none"> – Average all schools 4.5% per AAMC
<ul style="list-style-type: none"> 34% of inst aid applicants rec'd some form of inst schol (12% total enrollment) 	<ul style="list-style-type: none"> 55% of inst aid applicants rec'd some form of inst schol (27% total enrollment)

TUSM COMPARED TO OTHER PRIVATE MED SCHOOLS

Per AAMC, highest average medical school indebtedness as of 2013
(most recent data available):

1	Meharry	\$241,958
2	Tulane	\$231,579
3	Temple	\$226,579
4	Georgetown	\$223,690
5	George Washington	\$218,356
6	Morehouse	\$215,377
7	Crelghton	\$202,794
8	Drexel	\$202,348
9	Loyola-Stritch	\$202,186
10	Chicago Med Franklin	\$201,895
11	Mercer	\$201,710
12	New York Medical	\$195,399
13	Southern Cal-Keck	\$194,045
14	Rush	\$193,016
15	Loma Linda	\$191,613
16	Tufts	\$191,207
17	Albany	\$189,237
18	Boston	\$188,193
19	Saint Louis	\$187,266
20	Jefferson	\$186,255

Average Private Med School: \$160,405 (↑ 1%)

PHPD INDEBTEDNESS: FY08-13

2008 - \$37,463
 2009 - \$38,843
 2010 - \$48,314
 2011 - \$54,028
 2012 - \$54,440
 2013 - \$69,996

