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# *Committee Meeting*

of

## ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

*"Testimony on issues relating to the financial practices of the  
University of Medicine and Dentistry of New Jersey"*

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**LOCATION:** Robert Wood Johnson Medical School  
125 Paterson Street  
New Brunswick, New Jersey

**DATE:** June 2, 2005  
10:00 a.m.

### **MEMBERS OF COMMITTEE PRESENT:**

Assemblywoman Loretta Weinberg, Chair  
Assemblyman Robert M. Gordon  
Assemblyman Louis D. Greenwald  
Assemblyman Robert Lewis Morgan  
Assemblyman William D. Payne  
Assemblywoman Joan M. Quigley  
Assemblyman Eric Munoz  
Assemblyman Kevin J. O'Toole  
Assemblyman Samuel D. Thompson



### **ALSO PRESENT:**

David Price  
*Office of Legislative Services  
Committee Aide*

Wali Abdul-Salaam  
*Assembly Majority  
Committee Aide*

Tasha M. Kersey  
*Assembly Republican  
Committee Aide*

***Meeting Recorded and Transcribed by  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***

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**ASSEMBLYWOMAN LORETTA WEINBERG (Chair):**

Okay. I'm going to call the meeting to order. We have most of our members or substitute members present, and at least one more on his way -- I'm sure stuck in traffic on Routes 1 and 18, where everybody else was stuck in traffic.

I'm going to take the prerogative of the Chair, first, to introduce to all of you-- I have -- am very privileged to have a wonderful group of interns this summer, and they all clamored to be able to attend this meeting this morning. And so rather than drawing straws, we said, okay, they could all come. And I would like to introduce them and the schools that they go to. If they would stand, please: Matt Jackson, from De Pauw University; Emily Smith, who is a first year -- having completed her first year of Cornell Law School; Zack Rosenberg, from the Torah Academy of Bergen County; Jenna Tiernan, from Lehigh University; and Mark Maxfield, who is going to Columbia University College of Physicians and Surgeons. So you just met some of our future leaders who are getting a firsthand knowledge of how government works or, maybe in some cases, doesn't work. But we welcome all of you here, and I'm delighted that you've decided to devote your summer in unpaid internships.

David, would you call the roll?

MR. PRICE (OLS Committee Aide): Assemblyman O'Toole?

ASSEMBLYMAN O'TOOLE: Present.

MR. PRICE: Assemblyman Thompson?

ASSEMBLYMAN THOMPSON: Yes.

MR. PRICE: Assemblyman Munoz?

ASSEMBLYMAN MUNOZ: Here.

MR. PRICE: Assemblywoman Quigley?

ASSEMBLYWOMAN QUIGLEY: Here.

MR. PRICE: Assemblyman Morgan?

ASSEMBLYMAN MORGAN: Present.

MR. PRICE: Assemblyman Gordon?

ASSEMBLYMAN GORDON: Here.

MR. PRICE: Assemblyman Payne?

ASSEMBLYMAN PAYNE: Here.

MR. PRICE: Assemblywoman Weinberg?

ASSEMBLYWOMAN WEINBERG: Here.

MR. PRICE: A quorum is present.

ASSEMBLYWOMAN WEINBERG: Thank you.

Assemblyman Payne is sitting in for Assemblyman Conaway this morning. And we did invite, to participate, two members of the Assembly Budget Committee. The first will be here shortly, the chair of the Budget Committee, Assemblyman Greenwald; and sitting on the very end, down there, Assemblyman Kevin O'Toole. So both of those members here, today, are representing the Budget Committee.

Before -- yes. I'm sorry.

Assemblyman Munoz.

ASSEMBLYMAN MUNOZ: Before we start, I'd like to make a statement for the record, a short statement about my relationship with UMDNJ.

ASSEMBLYWOMAN WEINBERG: By all means.

ASSEMBLYMAN MUNOZ: I'd like to, actually, publicly put on the record -- I'm Dr. Munoz, and I am employed by the University of

Medicine and Dentistry of New Jersey. I'm a professor of surgery at the New Jersey Medical School and an attending surgeon at UMDNJ University Hospital.

I wanted to just say that, and thank you, Madam Chairwoman.

ASSEMBLYMAN MORGAN: Madam Chair?

ASSEMBLYWOMAN WEINBERG: Yes, Assemblyman Morgan.

ASSEMBLYMAN MORGAN: May I similarly acknowledge that I am an employee of UMDNJ as a faculty member, as well; in the School of Public Health, as an assistant professor of epidemiology; and in Robert Wood Johnson Medical School, as assistant professor of pediatrics, in the Division of Infectious Diseases, Allergy, and Immunology.

Thank you.

ASSEMBLYWOMAN WEINBERG: I'm glad I don't have to spell that. (laughter)

Well, welcome, both of you.

I do have an opening statement, which I would like to make prior to us calling the first of those people who have signed up to testify. And if any of you want to testify and have not yet signed up, please just come and fill out a piece of paper with your name and phone number.

This is being transcribed by the Office of Legislative Services. So please make sure that you identify yourself when you sit down and speak into the microphones, they say.

This session was called for the purposes of identifying, examining, and discussing the issues relating to the financial practices of the University of Medicine and Dentistry. I'd like to acknowledge and express

my appreciation to my distinguished colleagues on this Committee, and thank them for their continuing interest in this subject.

I'd like to clearly outline the reasons why we are here and what we intend to accomplish. Over the past two months, the University of Medicine and Dentistry -- our State's only graduate health-care institution -- has been under siege. We read about it in the newspapers every day. It doesn't seem that a week has passed by in April and May without there being some new story about UMDNJ and the way it spends taxpayer dollars.

The revelations have another side to them -- namely, the potential impact that management problems could have for the University's students, its academic programs, and the future health of all New Jersey residents. In recent days, for example, we learned that six training programs for doctors were cited for programming deficiencies and placed on probationary status by the Accreditation Council for Graduate Medical Education. The situation has reached a time where legislative engagement has become necessary. This Committee meeting, hopefully, will achieve two primary objectives: First, it will clearly identify problems that have arisen at UMDNJ. Second, and most important, we will examine cures for what ails UMDNJ.

To these ends, I am hopeful that today's proceedings and the participants in this process will be frank, open, honest, and respectful. This is not going to be a witch hunt, nor is this hearing going to be a whitewash. Serious problems have been identified at UMDNJ, and the best way to solve them is to acknowledge them and then identify solutions to resolve them. We need to make sure that this institution, which was created more

than 30 years ago under a document known as the Newark Compact, continues to fulfill its dual missions of educating new generations of health-care professionals and providing treatment to the underserved.

It has certainly fulfilled this mission in many ways: Its hospital provides wonderful medical care to the underserved. It educates our future health-care workforce. It calls appropriate attention to disparities in access to health care. It provides untold services to those who are not as privileged as many of us who are sitting in this room. We do not want to undermine this institution. We are going to make sure that it continues its grand mission, corrects its problems, and becomes even greater than it is today.

And if I can find what I'm looking for here -- yes. I actually copied out something from the published mission of UMDNJ, which was adopted by the Board of Trustees in March of 2003. And just to remind all of us -- I'm sure many of you in this room are well aware of it -- but just to remind all of us, I'm going to read a few sentences from it.

“UMDNJ is dedicated to the pursuit of excellence in the undergraduate, graduate, postgraduate, and continuing education of health professionals and scientists; the conduct of biomedical, psychosocial, clinical, and public health research; health promotion; disease prevention; and the delivery of health care and service to our communities and the entire state; providing research and service programs at campuses in Camden, New Brunswick, Piscataway, Newark, Scotch Plains, and Stratford, in communications throughout the state, and nationally and internationally, to advance communication and information technologies. UMDNJ seeks to meet the needs of our diverse constituencies and improve

the health and quality of life of the citizens of New Jersey and society at large.”

And I would like to say that I, for one, as the Chair of the Assembly Health Committee, have full confidence that that mission is going to be carried out in a straightforward, transparent, ethical, and honest way. And I think that what we are doing here this morning will help us move along to carrying out that mission.

So I thank you for your attention. And unless somebody wants to say something -- Assemblyman O'Toole -- I do have the vice chairperson of the Board and the President of the University.

Assemblyman.

ASSEMBLYMAN O'TOOLE: Just a quick opening. First of all, Chair, I want to thank you for the invitation to inviting Lou Greenwald and myself to this very important Committee hearing. I want to commend your courage and your leadership, Chairwoman, for taking on this very difficult issue in politics. It's not always easy to do what is unpopular, and it appears that taking a look at sometimes the ugliness or the messiness of some of our institutions isn't a very pleasant task and it upsets the apple cart, so to speak. But I think this is the right thing to do, Chairwoman. I think that this should be one of a series of investigative hearings, that I'm hoping you would chair, looking at the entire health-care system and any other institution in the State of New Jersey that is receiving State dollars. We have a similar oversight investigation and hope all is going well. But I think this is becoming a trend, a nonpartisan trend, Chairwoman, that we see on the Budget Committee, that the Democrats and the Republicans

have worked together to make sure that our State dollars are being used properly and they're being held accountable.

I look forward to the testimony. I have, as an Essex County legislator, I have a host of questions for our witnesses. But I want to thank you for the opportunity for serving here.

ASSEMBLYWOMAN WEINBERG: Okay. I would like to call up the Interim Chairperson of the Board of Trustees, Sonia Delgado, and the Vice Chair, Eric Pennington. I want to thank you both for being here. I know you might be questioning your volunteerism at this stage. (laughter) But as I said, I think most of us here have full confidence that the mission of this University is and will be carried out in an exemplary manner.

So with that, Ms. Delgado.

**S O N I A D E L G A D O:** Good morning, Madam Chair, members of the Committee. I'd like to begin by thanking you for the invitation to appear today and the opportunity to discuss how the Board of Trustees and the University administration plan to work together to improve the University's financial management practices. More importantly, however, I'm most appreciative of the opportunity to discuss how the University will achieve national distinction as a health sciences university and provide the outstanding health care through its faculty, staff, and programs, and centers of excellence; while simultaneously continuing to advance its unique contributions to the diversity of our workforce, health, and quality of life for the people we serve.

First, let me address the University's plans to improve its financial management. Acting Governor Codey has made it very clear, both in his public statements and to me, as Board Chair, that he expects the

University to develop additional policies and procedures that make the University, its staff, and the Board accountable to the taxpayers and the communities that we serve. Speaking personally, this is a responsibility I take very seriously.

As you know, last week Dr. Petillo announced a series of proposals that will be a starting point for that process. The work that Dr. Petillo and his staff have done to date is a good first step. The Board is aware, however, that the obligation to manage the finances of the University, including the operating rules and procedures for University purchasing and expenditures, is delegated by law to the Board of Trustees. The Board intends to continue to meet its statutory obligations.

In the coming months, the Board will review and revise these proposals. As Chair, I will work with Dr. Petillo in finalizing and implementing new policies that will make the University's business activities transparent and accountable. In addition, it is my expectation that we will look at the concept of reform as more than just a need for a one-time fix. It is and should be an ongoing process of continuous evaluation and monitoring. With every successful reform that we have, we should raise the bar higher. To be the most noteworthy institution of its kind, the University must set the standard for every other institution.

It would be a mistake for both the Board, the administration, and, for that matter, the Legislature, however, to allow the past mistakes to consume our energy and divert us from a larger and more important mission -- the challenge of making UMDNJ the best health sciences university in the nation.

It's important to understand that the University is a relatively young institution. The University, as we know it today, evolved from the merger of the New Jersey College of Medicine and Rutgers Medical School, in 1970. Subsequently, the College of Medicine and Dentistry of New Jersey was renamed as the University of Medicine and Dentistry in 1981. It is a relatively short 35-year history. And yet, we've managed to accomplish a tremendous amount. A resource for all of New Jersey, UMDNJ provides educational research and service programs at Camden, New Brunswick, Piscataway, Newark, Scotch Plains, and Stratford. Our health-care facilities and faculty practices provided over 2 million patient visits last year.

The University network consists of three teaching hospitals, five university hospitals, and 70 New Jersey hospital or health system affiliates. The workforce totals more than 13,000 employees. Almost 60 percent of the faculty are women, and almost 70 percent of the staff are women. Twenty-six percent of the faculty are minority, as are almost 60 percent of the staff. The University has an equally diverse student body. Of all the 2003 graduates, 19 percent were African-American or Hispanic, and 61 percent were women.

In its infancy, the University benefited from a long period of stable leadership. And for the past few years, the University has been undergoing a transition. There have been multiple changes in the administration and on the Board of Trustees. As you well know, change is oftentimes difficult to manage. Our external environment has changed as well. We are challenged to embrace new measures of accountability, transparency, and quality. If we are to surpass our competition and set the

standard that others only dream of, then we need to exhibit the courage, the resourcefulness to continually reinvent and improve upon what we do. It's a risky proposition. It takes a tremendous amount of cooperation, trust, and a very healthy dose of self-discipline.

Success will require that the Board, the University administration, staff, and the Legislature all work toward that goal. And we have a lot to work on. The Legislature last year set a wonderful table, in terms of our stem cell initiative. It is something that we need to aggressively build upon. We have a state-of-the-art Cancer Institute -- another example of where we need to set our sights and focus our priorities. And I could give you 15 more. Each and every one of our centers of excellence is deserving of that kind of attention.

Together, the University family has the responsibility to embrace excellence and, more importantly, the gift of service to others. We have to demonstrate accountability in order to earn the trust of the public, its patients, employees, and faculty. And they have to believe that we are the best, and then they have to pass it forward.

Thank you.

ASSEMBLYWOMAN WEINBERG: Thank you, Ms. Delgado.

Mr. Pennington.

**E R I C S. P E N N I N G T O N, ESQ:** Good morning, Assemblywoman. Thank you for the opportunity to allow me and Sonia Delgado and President Petillo to address this Committee and, hopefully, answer whatever concerns you have to the best of our ability. I don't have any prepared text. I join in the comments in the opening statement of our Chairwoman. I will say, given your initial comment about us questioning

our volunteerism here today, let me assure you that having been just reappointed, I'm more committed now than ever to making sure that I give everything that I have to give to this institution to carry out its mission. And I hope that after today we have a clearer sense of what is expected from us from the Legislature and the constituents you represent.

Thanks very much.

ASSEMBLYWOMAN WEINBERG: Thank you.

I have a couple of just procedural questions to ask you. And then before we do open it for questioning, I would like to call Dr. Petillo up to give his statement, so that, hopefully, we have the three of you here to answer any questions about the top management. But, just as I said, some procedural questions. How often does the Board meet?

MS. DELGADO: The Board meets once a month, and committees also meet during the month.

ASSEMBLYWOMAN WEINBERG: Okay. And could you just also describe the role that you've set out for former Justice, but still present, Garry Stein?

MS. DELGADO: Well, its premature to say that we've actually done that. The Finance Committee and the Board, over the last few months, in concert with the President, have acknowledged that there is a need for an independent review. And the Board and the President and the staff are working presently to define the scope and breadth of that independent review. We have asked and assigned, basically, the vice chairman of the Finance Committee to participate and work with the President and the Justice and the staff so that we are aligned in our

expectations about what will be accomplished during that independent review.

ASSEMBLYWOMAN WEINBERG: Okay. One other question which has to do directly with your relationship with Dr. Petillo -- your relationship, collectively. Has the Board set the goals and stretch goals for Dr. Petillo which will be used to judge the -- whether or not his projected bonus is appropriate?

MS. DELGADO: We have. The Compensation Committee has worked and made recommendations to the Board about the President's Board goals, the Board goals for the President. And we have shared those goals with Dr. Petillo.

ASSEMBLYWOMAN WEINBERG: Okay. Do you have anything you want to add on that?

MR. PENNINGTON: No.

ASSEMBLYWOMAN WEINBERG: If I may, if you would both just stay, and I would like to call Dr. John Petillo, President of UMDNJ.

Yes, please proceed.

**J O H N J. P E T I L L O, Ph.D.:** Thank you, Madam Chairwoman, and members of the Assembly. If I just for a second digress, I really appreciate your opening comments supporting the basic mission of this institution and what it has contributed to our communities and certainly what it will continue to contribute.

I'm pleased to be here this morning to speak to you about the University of Medicine and Dentistry and its mission of service to the people of this great state. While today's meeting originated over a desire to

learn more about the day-to-day operations of our institution, I believe it is important to first touch upon the unique mission and vision of this University. We are the nation's largest independent health sciences university. Along with that size comes diversity and complexity. To its more than 13,000 faculty and staff, it is a place to perform research and teach tomorrow's health-care professionals; to its 5,000 students, it is a place to learn healing; and to our communities, it is a source of needed medical care afforded to over 2 million patient contacts.

Our mission must strike a balance between four important areas: Research, education, health care, and community service. Unlike the majority of other institutions of higher education, we were created as an authority, by the act of Legislature in 1970, and granted University status in 1981. We have come a long way since then in a relatively short period of time.

We are a University of eight schools spread over five campuses across the state. We are a statewide system. We are the State's only school of medicine and dentistry, conducting research and delivering services through more than 170 specialized centers and institutes. We offer 40 graduate degrees and 19 undergraduate degrees in 43 fields of study. And this year, we graduated the largest class in our history -- 1,331 physicians, dentists, nurses, public health practitioners, allied health-care professionals, and basic scientists.

We are proud that UMDNJ has one of the most diverse student bodies in the nation. We are ranked first in the number of Asians receiving medical degrees, fourth in the number of African-Americans, and fifth in the

number of Hispanics. This is a brief overview of who we are, and it serves as a platform of where we want to go.

We, that is the University community, are in the final phase of completing a new strategic plan for our University -- charting a course for each of the equally important mission areas of the University. As I outlined for the New Jersey Commission on Higher Education in April, our goals are to make the University one of the leading research institutions in the nation, to enhance the University's franchise in health sciences, to develop its capital base, to sustain high academic quality, to maintain a competitive advantage in the provision of clinical care, to create new collaborations with the pharmaceutical industry as a unique contribution to the State's economy, and to use the University's size and comprehensiveness in a more effective manner. In brief, we seek to continue to elevate the ranking of the University.

These are the goals I envisioned when I sought this position. They are the goals that I have committed to achieve, and nothing will change or lessen the determination I have to reach them, with the help of the entire University community. Unfortunately, some of what I have discovered about our day-to-day operations and what has been reported since assuming the presidency of this institution is troubling, to say the least. And although much of what has been reported occurred before I took this job, all of it is now my responsibility to correct. That is without question.

That is why last week I announced a 12-point initiative to reform existing management practices and policies in three major areas -- resource utilization, compliance, and procurement. The objective is total

transparency in our day-to-day operations. We want people to know that this great University has its priorities straight, that we are dealing honestly and openly with the people we serve. Those 12 points are sweeping in their scope. Some of these changes will require Board action and review. I am confident that we will be collaborating closely to implement them in the very immediate future.

One, the University will cease all political contributions. Two, guidelines will be created for providing program and community event support. Three, the Office of the President and the Department of Government Affairs will be funded with non-State dollars, effective for the Fiscal '06 budget. Fiscal accountability will be enhanced by the tightening of the University purchasing policies to include a level of increasing penalties, up to and including termination of employment, for individuals who violate those procedures. Gasoline credit card utilization will be severely curtailed, and cards issued to University personnel for travel will be discontinued.

Auditing functions will be enhanced through the creation of the Office of Compliance Auditor, reporting to the University's General Counsel and the dotted-line reporting function directly to the University President. A realignment of the Department of Internal Audit and the auditing function within the Office of Business Conduct will facilitate these new offices.

Waivers between 50,000 and under 100,000, which meet criteria established under the public statute of this University, will now be required to be approved by the President and reported monthly to the Finance Committee of the Board of Trustees. For technical and

professional waivers, public prequalification of vendors will be implemented and a greater emphasis will be placed on public bidding for required services.

Nine, a number of the initiatives regarding blanket waivers will be implemented, including an identification of qualified group purchasing vendors at the outset of each new fiscal year, and also a more detailed monthly reporting to the Board of Trustees.

Ten, to assist with these and other procurement reforms, the University has engaged retired New Jersey Supreme Court Justice Gary Stein to conduct an independent process review and provide recommendations as to purchasing and waiver procedures.

Eleven, the purchase of all goods and services will conform to approved procedures so that no service can be performed prior to approval. And finally, twelve, the Board-approved contracts will be posted on the University Web site.

I believe these reforms are a major step to ensure greater accountability in our activities. They will go a long way to assure everyone that we are focused on achieving excellence in all our mission areas. Governor Codey has expressed his support for the reforms, including as a first step. And I would like to quote from your Speaker, Albio Sires, who wrote to me this week and said, "I am keenly aware of the criticisms that have been aired in the media regarding the University's past finance and contracting practices. Certainly mistakes have been made. However, your willingness to accept total and full responsibility for a crisis that far predates your inauguration was refreshing."

But I also want to assure you that this is an open-ended initiative. If we -- Board and administration -- need to take additional steps, we will. There should be no doubt about that. There is a lot of work ahead of us. We've already announced our intentions, and the record will soon speak for itself.

Again, I welcome any questions you may have, and thank you for this opportunity.

ASSEMBLYWOMAN WEINBERG: Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: Mr. Petillo, thank you and welcome. Thank you for hosting us here, today, as well. We do appreciate it. Let me apologize for being a little tardy. We had a Joint Budget and Oversight Committee meeting this morning, as well, that I needed to participate in. But we're pleased to be here.

Mr. President, you outlined your 12-point plan that, I assume, is the response to the audit that was prompted by the Board. Is that correct?

DR. PETILLO: That is correct.

ASSEMBLYMAN GREENWALD: Okay. You've given us the 12 points. Is it now implemented? Is it fully implemented?

DR. PETILLO: No. There are portions of it, Assemblyman, that are implemented, and there are others that will need to be discussed with the Board, such as the details of the policy changes. And those details will include points of accountability, which can range from, frankly, unpaid leave to termination, depending on the violation.

ASSEMBLYMAN GREENWALD: Which of the points have been implemented so far?

DR. PETILLO: Yes. I was just looking for that.

ASSEMBLYMAN GREENWALD: I guess my question would be, which have been implemented so far, Mr. President? And of the ones that haven't, what is the time frame to go through the Board and have your plan implemented in its totality?

DR. PETILLO: We will have, if not already, distributed to the members the 12-point plan with anticipated implementation dates. Some of those dates that required Board approval will need to be somewhat flexible. What has been implemented is a policy on political contributions that was approved at the last Board meeting, last week, down in Camden. Guidelines are being reviewed now by the Board for program and community support. The budget piece, Number 3, will be implemented for '06, which is this month of June. Compliance on the increased accountabilities -- we're anticipating late August, possibly early in September. And the reason for the delay on that is the policies need to be rewritten, reviewed by the Board, examined for appropriateness of the penalties. But those are the ones, under purchasing, that will clearly have some teeth to it that, historically, we just never had some teeth to it.

Credit cards has been done -- that piece of it. The auditing, in terms of the Office of Compliance Auditor, the post has been posted on our Web site, according to HR procedures, last week. The waivers between 50 and 100,000, that has been in effect, actually, last month, although it will appear on here as in June. The blanket waivers -- those details we need to be discussing with the Board, some of the specifics about the procedures on that. Technical and professional -- although the Board is going to have to

be involved in, again, reviewing that, we are actually putting in place that, to do technical/professional, we need--

ASSEMBLYMAN GREENWALD: Contracts.

DR. PETILLO: Yes. We need-- And that, from my perspective, was the greatest loophole in there. We want competitive bids, and some of those involve lawyers. So it's difficult. How do you put out a legal bid? But we do. We want competitive bids on that. And we will talk about prequalified vendors in that, so that the Board is fully aware. That hopefully -- although we're devising some guidelines now, because we need to conduct our business in June, July, etc., we're hoping -- we're putting together that prequalified list of those technical pieces.

Procurement process -- again, that was really the engagement of Justice Gary Stein. And the procurement procedures, that hopefully will be in effect -- not hopefully, will be in effect in July. That's the one which says, "If you don't have approval, you can't engage a vendor," and you can't backfill it, to come back and say, "Correct it. We forgot it." That will be in effect in July.

And then the transparency on the Board -- the issue of Board posting of contracts, we started out on a trial run last month -- last month, May, yes.

ASSEMBLYMAN GREENWALD: I very pleased to hear your position on competitive bids. It certainly mirrors a lot of what we have done on reforms at the State level on bidding processes. We think it is the right direction to go. We think it will provide the best services at the best price with the best qualifications all mirrored. This University, though -- any university, not this University -- any university has some things,

though, that, in my preparing for this hearing and talking to different people, can't be bad. It just doesn't make good policy sense. Can you explain to us some of the things that -- outside the technical and professional services -- that would not be subjected to bid, and why?

DR. PETILLO: Those would be -- they would come under the so-called blanket waivers, which are defined in the public statute criteria. In our case, it would be procurement of animals for research, blood-- Blood is the 3 million cost to us. Transplant issues -- and they're about \$2 million. And those would be under sole source or continuation. If we, for example, had a piece of equipment -- medical equipment or research equipment -- and we needed to upgrade it, to augment it, we need to go back to the same vendor -- GE or Siemens, etc. -- that would do it. So under that piece, under the blanket waivers, that's where those would apply. We participate through an entity called Novation, which is a national group purchasing from academic medical centers -- the major places, Yale, Johns Hopkins, Penn-- We all purchase -- and they'll purchase those medical supplies. What we're going to be doing though, here, is going to be providing the Board, at the beginning of the fiscal year, with the list of the vendors that Novation uses, so that we can know in advance who we can.

The other part is, we're going to go back on those blanket waivers and now report if the blanket waiver was for \$10,000 or \$100,000 -- say 100,000, and we only use 90 -- we're going to go back and inform the Board -- historically, we've never been informed -- of what of the blanket has been used. But it's those technical pieces, as blanket waivers; as opposed to the true technical and professional, which are the legal, the consulting, the auditing things that can be soft, but I believe should have

some competitive bidding or, at least, competitive figures to see that we're getting the best use of our dollars.

ASSEMBLYMAN GREENWALD: So when you say transplants, blood -- there are only a few vendors, I assume, nationwide that provide this, correct?

DR. PETILLO: Yes. And those would be bought through Novation, through the group purchasing that the--

ASSEMBLYMAN GREENWALD: And they're going to be on your preferred list?

DR. PETILLO: That's correct.

ASSEMBLYMAN GREENWALD: And if they're not on the preferred list, you can't purchase from them?

DR. PETILLO: Novation, yes.

ASSEMBLYMAN GREENWALD: And then finally, on the implementation of the plan that has taken place so far, is it too soon, or have you seen any effects in those subject areas, and anything that you could share with us in that regard?

DR. PETILLO: I think it is too soon. But, and we've learned in basic philosophy never go from the particular to the general, but I'll give you one particular. The category on the waivers, 50,000 to 100, I've only received three to come to my desk since they implemented it. Four actually -- I sent one back, frankly, because the individual, years ago, had worked for me someplace else. He's been at the University doing work in one of the schools, so I just asked somebody else to, actually, be on it. So, in one sense, that's the only thing we've had at this point.

ASSEMBLYMAN GREENWALD: And you think they'll be savings from this -- greater efficiencies and savings?

DR. PETILLO: I think that's premature to say. I believe the larger piece will be under this technical and professional, because that's where we've had some of those discoveries on some of those other contracts that were issued. And maybe those didn't have to be, but a piece of equipment is going to be a piece of equipment. I don't believe we're having difficulty on the group purchasing piece because it's so competitive and we're buying along with other academic medical centers around the country.

And you're right, there is some concern that some of these strictures may be stagnant. We need to be careful -- we, I say the administration and the Board -- and we will talk about it if they start preventing us from being effective and efficient, especially in the research and the educational piece of that. But, at this point, my position -- and I believe the Board is right there -- let's play it safer at this point. We could always change if we had to. But I clearly wanted it this way and believe it needs to get done this way so that our clear message of reform is out there.

Thank you.

ASSEMBLYWOMAN WEINBERG: I think we're all aware that the State law does allow exceptions for sole source, for certain types of highly specialized equipment that a large medical university like yours would be purchasing. But I think the concern has been, in some of these areas, that there be transparency. And I know, in looking at the list of bid waivers -- and I could pull it out and show you -- that it was almost impossible to follow. You would see a descriptive paragraph, technical services, and then some type of a code that was neither chronological nor

alphabetical, which I guess are the two ways I've learned that you list things. And you would go to that list and maybe it would be there, which would give you an amount of money, and maybe it wouldn't be there. So though there are no questions about those exceptions to the bidding law, I think that the Board and you, Dr. Petillo, I would hope, are really moving toward the transparency, which is a word that you've used quite often, and I appreciate it.

This is a suggestion. It's just based on a personal suggestion. The 12-point program that you talked about, all of it should be adopted by the Board. It should be institutionalized. It should be spread across the minutes so that there is a paper trail for future presidents, future boards, and there are no misunderstandings as things change over the years, that it is there for your future boards to see and to follow. So I think that is an important step.

One other question. Have you set a time line yet for Justice Stein? And if you have not, will you share that with us when you do?

DR. PETILLO: Oh, sure. I'll give you a preliminary. He and I chatted yesterday. He called because, actually, today he's -- although we still have yet to define the strict parameters -- he is meeting with some of our people that he wants more data from. He is speaking of four to six months. Now, that could change once he starts putting it -- outlining the review. But he is -- four to six months.

ASSEMBLYWOMAN WEINBERG: And you'll keep us apprised of that time line?

DR. PETILLO: Oh, absolutely, absolutely.

ASSEMBLYWOMAN WEINBERG: Okay.

ASSEMBLYMAN GREENWALD: But, Chair, the Board has -- he has been engaged?

DR. PETILLO: He has agreed to it. The Chairwoman is accurate. We have -- what is yet to be defined, I think, is the fee. So he has been engaged. He is actually working on it. But he said he needs to find out from us how we could scope out the details of this. But he is going to be working and has started working on this. But he needs to come back to us and to the Board with the details, and I think--

ASSEMBLYMAN GORDON: Madam Chair?

DR. PETILLO: Oh, sorry. I just learned from General Counsel he did sign an engagement. I'm trying to keep from, frankly, him -- he has carte blanche at the institution, so that it's not affected by us. And hopefully, through John Hoffman, who is a board member that Ms. Delgado referenced -- he'll be interfacing with him. I asked him-- He asked if he could call me, because that was the issue. And I said, "Absolutely," but not for any permission to do anything. You do what you have to do.

ASSEMBLYMAN GREENWALD: In his role -- either Ms. Delgado or President -- what exactly is he being engaged to do?

DR. PETILLO: He's engaged to review the procedures and the waiver policies and procedures that we have in place, and the changes we've made, if we need more. If there are other things in purchasing, other aspects of purchasing or engagements that he feels appropriate -- and he is to give that report not just to me, but certainly to the Board. He is working -- we're implementing it with him, what we have to do, but it is the Board to which--

ASSEMBLYMAN GORDON: Madam Chair?

ASSEMBLYWOMAN WEINBERG: Okay. This is a little bit more difficult to deal with. We're used to a curve.

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Thank you, Madam Chair.

Let me add my thanks, Dr. Petillo, for facilitating this hearing and for embarking on these reforms that you've just described. I still have a number of serious concerns. As my colleagues I think know, I spent about over 10 years in corporate management and consulting, half of it working with academic medical centers. And as I've read all the press reports of the last three months about the problems that have emerged, my sense is that these are symptoms of more fundamental problems, specifically organizational problems. My sense is that I think you've inherited a dysfunctional organizational structure.

In preparing for this hearing, I reviewed the report prepared, I believe, three years ago in preparation for the merger discussions -- a report prepared by the Department of Health and Senior Services by a commission on health science education and training. You may be familiar with that. But what this report did is compared the organization design and operation of UMDNJ with a half dozen other major medical schools, academic medical centers around the country -- those viewed as having the best practices. And the report points out that the organization design at UMDNJ is unlike any other -- that it is has a much more centralized administrative staff. It points out that 41 percent of State dollars are going to central support at UMDNJ, as opposed to 7 percent, or 3 percent, at some of these other best practice institutions.

And what I'm concerned about is that these changes in policies and procedures -- changing the policies regarding credit cards and prequalifying vendors -- while they're good first steps, are really Band-Aid approaches to more fundamental problems. We may be putting Band-Aids on a disease-ridden patient. And while I mean no disrespect to retired justices, I am thinking that maybe what we need to do here is not bring in Gary Stein for a four-month study, but bring in somebody like McKenzie or Booz Allen to do a comprehensive management audit of this organization and to make recommendations on organization structure and design, business processes, management control systems, information systems -- the full gamut -- so that you're dealing with an organizational structure that can support the mission that we all believe in. Do you have any observations or comments on that?

DR. PETILLO: Just a few, Assemblyman. I'm not aware of the report, but I've-- Some of the data, because I've heard it in other contexts, is grossly in error. They took raw numbers, for example, during the merger discussions: 800 of the so-called people, employees in central administration, really aren't central administration. It was an accounting procedure where -- and those 800 people were people who were on the various campuses doing mail room, cleaning, physical plant activities -- but they grouped them together under that. So it's 800 of what is, maybe, 1,100 or 1,200 people. So that led to other conclusions during the so-called Vagelos processes. The institution is unlike any other. There is no other institution in the country that has three medical schools, let alone the other schools that we have.

It is my understanding, intention, that the deans need and have assumed greater responsibility in recent years. There are financial offices within each of those local schools, etc. That said, because I want to clearly paint a picture that this is not this centralized, overly controlling piece, part of those changes that were recommended in the 12 are very substantial. The credit cards may be a Band-Aid, but it sends out a clear message. But the others on the blanket waivers, the technical/professional are far from Band-Aid. It was in that technical/professional that we found, years ago, a \$9 million contract over three years for consultants. I can't value the work good or bad. The fact is there should have been others looked at for that process.

And there were also, in that category, two individuals that we show no documentation of any work on -- smaller contracts, but sizeable. That said, I'm not opposed to the other, because I think it's always good for an institution to take a look at how it's structured. It's just that I want to be very careful about waivers and consultants coming in, because that's part of the problem that I inherited at this place. But clearly, we are a very complex organization, unlike any other in the country. I believe the deans have functioned, at the local, very efficiently, from what I've been able to see. And the school sizes range -- let's face it -- the medical schools being the largest of them. And although we want them to be as independent as possible in pursuing -- because that's what I believe has enabled them to grow -- at the same time, we want to make sure there are checks and balances to hold them accountable on that.

But I did want to stress, and clear, that some of the data from the Vagelos report period was grossly a disservice to this institution and to

the faculty that have worked so hard. Well, you can figure that we are only 35 years old, I think, the Chair referred. We have become the largest--

ASSEMBLYWOMAN WEINBERG: Almost as old as I am, right? (laughter)

DR. PETILLO: And we're the largest in the country. This State needs to be proud of this institution. So should we look at something? Yes. But I want to make sure that some of these changes that we've put in are very substantial and our culture are changing. And that's the piece I would hope this Legislature and the public realize. There's a culture that was quite different than where we're leading now. I respect your comment.

ASSEMBLYWOMAN WEINBERG: Assemblywoman Quigley.

ASSEMBLYWOMAN QUIGLEY: Thank you. Good morning, Dr. Petillo.

DR. PETILLO: Good morning.

ASSEMBLYWOMAN QUIGLEY: I think that the 12-point plan that you and the Board have agreed upon is commendable. The practice and policy changes are excellent. However, there's one piece of it that makes me quite curious. That's Number 3, when you talk about funding the Office of the President and the Office of Government Affairs from other than State money. I know there were also limits on the Medicare money that can be used, so where will the funding of these offices come from?

DR. PETILLO: Yes. The State funding is about 12, 13 percent of the total budget. We get other funds that -- from our research grants. They're legitimate costs of the operation referred to as overhead. Those will

be some of the sources. It could be also from some other fees. So that's where those dollars would come to fund it.

I clearly want to separate, so there's no chance of error or any perception that either of those two offices, which are the most public offices, are using tax dollars inappropriately, as may have happened.

ASSEMBLYWOMAN QUIGLEY: Well, the concern that it raised in my mind was, my experience in fund-raising, many grants do not allow very much money for administrative costs, and other grants are, let's say, volatile. You'll get a lot of money one year and not so much the next. Don't you face the potential of having a year when there isn't enough income to be used for the support of those offices? In that case, what do you do?

DR. PETILLO: Yes, sure. No, we wouldn't actually -- I don't believe we would. And certainly Denise Mulkern, our chief officer, would inform me. But a point of fact, the overhead costs really are on Federal grants and NIH grants; they're not foundation grants. And the overhead on those are significant, that go through administrative cost, for the service cost. I'm just saying those two offices take a greater piece, and any tax dollars in our place, our two offices, would be pushed back into the schools themselves, not into a central administration cost.

ASSEMBLYWOMAN QUIGLEY: I hope you're right--

DR. PETILLO: I hope so.

ASSEMBLYWOMAN QUIGLEY: --otherwise somebody is going to be broke.

DR. PETILLO: Well, hopefully, we won't be there. We'll have to have those cutbacks on that.

ASSEMBLYWOMAN WEINBERG: Well, that's probably part of the information that should be given to the Board--

DR. PETILLO: Sure.

ASSEMBLYWOMAN WEINBERG: --on a quarterly basis, of where those funds are coming from and how they're being spent.

DR. PETILLO: Sure.

ASSEMBLYWOMAN WEINBERG: So, again, there can be public oversight of that type.

ASSEMBLYMAN GREENWALD: I'm sorry. I apologize. I came late, but I have a lot to -- I'm sorry.

ASSEMBLYWOMAN WEINBERG: Well, you're going to have to wait another 15 minutes to make up for your late time. (laughter)

ASSEMBLYMAN GREENWALD: I'm sorry.

Mr. President, I think we should just ask, because it's out there. You have engaged Judge Stein. What have we engaged him -- what's the dollar amount, do we know?

V I V I A N S A N K S - K I N G, ESQ.: (speaking from audience)  
Yes. Do you mean the hourly rate?

ASSEMBLYMAN GREENWALD: It's a flat hourly rate?

MS. SANKS-KING: It's a flat hourly rate.

ASSEMBLYMAN GREENWALD: Which is?

MS. SANKS-KING: Four twenty-five for Justice Stein.

ASSEMBLYMAN GREENWALD: Is there a cap on it?

MS. SANKS-KING: No, there is not. Because we can't anticipate the length of the engagement.

ASSEMBLYWOMAN WEINBERG: Yes. Excuse me? But David just pointed out, if you don't come and speak into the microphone, it will not be on the transcript. So, step forward, and I know I--

ASSEMBLYMAN GREENWALD: John, you can answer it for us. It's okay.

DR. PETILLO: General Counsel just referenced that for Justice Stein's services it's 425? Yes. There'll be lesser fees, obviously, for his associates that work on this. And Assemblyman Greenwald asked if there was a cap on it. Again, we told him just do his job and we will deal with it.

ASSEMBLYMAN GREENWALD: Have we engaged him for four months, though, or is there a time frame that we're looking for to get this completed?

MS. SANKS-KING: Assemblyman, it's an open engagement, because we could not fix a time frame for the end of it.

ASSEMBLYMAN GREENWALD: Okay. I do think that Assemblyman Gordon raised an interesting question, which is the notion of area of expertise in this review. I assume Justice Stein would have the ability to bring in people and any resources that he needs to do this, as well. I assume you've given him that encouragement, from what I've heard you say today.

DR. PETILLO: Absolutely. And, in fact, I believe he is bringing someone, a nonlegal, to help him on some of this. And again, his -- and in line with Assemblyman Gordon's -- his is not to do a management review. That's a whole other issue that I think is well worth our consideration. But he does have the ability and he has talked about bringing in somebody, unidentified, to help him on the forensic side.

ASSEMBLYMAN GREENWALD: And doctor, your position I think has been pretty clear. I don't think you expect this 12-point plan to be the end all and be all solution of this.

DR. PETILLO: Not at all. Not at all.

ASSEMBLYMAN GREENWALD: It may be a first step, but you may find things during this review process, during the implementation of the 12-step plan, that will encourage you to eliminate some of the steps or add to those steps or expand upon them.

DR. PETILLO: Absolutely. There could be 22 steps by the time the Board and the administration finishes or what Justice Stein uncovers. It's redirecting a culture to be transparent. At the same time, frankly, we want to make sure we encourage our faculty, who have been extremely competent and loyal, not to be discouraged and to continue to produce the research. We've come from nowhere, literally nowhere, in those 35 years, to being in the top 100 research medical institutions in that category. The NIH funding lists the two medical schools separately, because they treat them that way. But if you were to combine them as University, we would be in the top 30. To do that in 35 years is astonishing, and that is a tribute to our faculty. So we don't want to put anything in their way that's going to prevent them from continuing to grow that, even though there's been a leveling off of NIH funding.

ASSEMBLYMAN GREENWALD: The one question that you point out regarding the different schools that are here, obviously, and the different successes, and -- as you climb the charts -- as a layperson I have trouble sitting here, because I don't know the inner workings of this. And I'm trying to understand how we make this work. So this is going to be a

very naive question, but I'm not familiar with all of the different schools that come under the umbrella and what their management structure is, but I am familiar with some. I, obviously, have developed a great love with the Cancer Institute of New Jersey. I'm very proud of what they've accomplished, as they've climbed the charts, and some of their great successes. Is there a model in place-- Can you implement model by model, school by school, administrative models of success, or grant-writing programs, or are the disciplines so different that that makes it impossible?

DR. PETILLO: No, I believe there are some best practices that we can apply and have been applied. I want to make sure everyone-- In fairness, again, I wasn't here. I've assumed the responsibility. But before me there was some very, very wonderful accomplishments done by this institution and the people that are part of this institution -- Cancer Institute of New Jersey; the Geriatrics Center, down in SOM. So there are models. Each of the schools have their own finance person so that they can move things quickly, so it does not get stuck, if you will, in the so-called central. Grant applications -- we do have an opening, VP for research, which has been open for a few years. And we're in that process again. But that person would then coordinate with the various assistant deans or associate deans, depending on the title, for research in institutions, so that we can continue to excel in the growth.

My push for them now is really that we need greater interdisciplinary and intercampus research. A lot of-- In the past number of years, they've been doing it independently of one another. We need to get that interdisciplinary and intercampus, especially in light of where NIH

is now changing their priorities. So there are those best practices, there is this collaboration--

ASSEMBLYMAN GREENWALD: Is there-- Go ahead, I'm sorry.

DR. PETILLO: No, that's fine.

ASSEMBLYMAN GREENWALD: Is there collaboration also as to procurement? One school is going out to purchase something, I mean, is it--

DR. PETILLO: It's all purchased through the central office -- that part is. And that's where we have, if it's under the blanket waiver through the group purchase of Novation -- which, again, is the purchasing arm of the academic medical centers consortium; it's a national group -- all the major medical centers. And that's where, whether Robert Wood Johnson or New Jersey Medical need a piece of equipment that falls in that; or like I used before: blood, animals, etc. -- they would go through that same -- so they're not going off onto their own.

ASSEMBLYWOMAN WEINBERG: Assemblyman Payne, and then I'll call on Assemblyman O'Toole.

ASSEMBLYMAN PAYNE: Thank you.

Good morning, Dr. Petillo.

DR. PETILLO: Good morning.

ASSEMBLYMAN PAYNE: Actually, I have to tell you that I, for the past couple of months, have been extremely concerned about the revelations at the University of Medicine and Dentistry, relative to finances and practices -- past practices, I might add -- very concerned about. But a reason I'm being extremely concerned is that there are those of us who were

present in the city of Newark back during the '60s, etc., and '70s, when there was a great deal of turmoil. That the birth of this institution came with a great deal of conflict and turmoil and -- by the inevitable march of progress and the confluence of the people that resisted this progress. However, out of this social upheaval and mistrust of the establishment by the indigenous community, we -- resulted in community activists negotiating with government and business entities, etc., to come up with a plan that would be, I suppose -- it was called the Newark Plan. And I was very, very concerned, having been born in the city of Newark, having been concerned about the kinds of conditions that the city of Newark was providing, or not providing, for the indigenous population way back then. It was something, a dream come true, when we finally were able to establish an institution that was going to address itself to meeting the underserved people in our communities -- not only Newark, but throughout the State of New Jersey.

So therefore, my concern was grave when I began reading about these revelations; second to not only having been there, and an activist in the community, to see to it that we got satisfactory kinds of agreements that this University and this institution would provide for the citizens. But secondly, most recently having been involved in the discussions which had been headed by Dr. Vagelos, about the combining of this University with all the rest of them, etc., and having been opposed to that, and was pleased to see that we were able to at least put that plan on the back burner -- at least get rid of it. But the fact is that these concerns that came up had many of us who were part of the development and evolvement of this University work -- was something that was extremely serious.

Therefore, I was very pleased when you came up. You aggressively addressed and developed a 12-point plan to address these conditions, and I want to commend you for that. The question I do have, however, having read again in the newspapers about some -- I don't know whether it was a conflict or concern between the Board and the administration -- you having promulgated these reforms. Have we resolved any kinds of concerns that were expressed by the Board that these were areas that the Board, perhaps, had the authority to do? Has that been resolved, and are you all working together to try to address these?

DR. PETILLO: I can speak for my part, and of course the Chair and the Vice Chair behind me. I think it played out erroneously, misdirected. There may have been a discrepancy or a difference in style, but absolutely not one iota of discord in the intent of reform, in my opinion.

MS. DELGADO: (speaking from audience) I agree.

DR. PETILLO: Yes, so--

ASSEMBLYMAN PAYNE: I would not categorize these reforms as Band-Aid approaches either. I think that what we have -- that's been presented to us -- is something that I think will address many of the problems that we have here. Could you very briefly -- you mentioned, and I think it was important that -- what is the percentage of State funding for the University?

DR. PETILLO: About 12, 13 percent.

ASSEMBLYMAN PAYNE: I believe that there are many people in the State of New Jersey who are under the impression that the

funding for the University from the State is much higher than that, and I think that it's important that--

DR. PETILLO: It's much higher in the State schools, of course, and the State senior schools, and of course, Rutgers. I am truly not familiar with NJIT's percentage on that, but we're about 12, 13 percent.

ASSEMBLYWOMAN WEINBERG: Which is what, in real dollars?

ASSEMBLYMAN PAYNE: A couple hundred thousand -- 200 million.

DR. PETILLO: Yes. About 210, 220 million, Madam Chairperson. The bulk, I think, is like 180, 190, and then there are special appropriations for the Cancer Institute that raised that to the 210.

ASSEMBLYMAN PAYNE: At some point, though, in the discussion, we need to bring up the charity care issue and the charity care, and whether or not that is sufficient or insufficient, etc., where we are with that. Because certainly the fact that your institution, our institution, services people who are poverty stricken, etc., and that the University, I believe, provides a great deal of care. Would you address that, since I brought it up?

DR. PETILLO: And Assemblyman -- you and the Chairperson have mentioned the Newark agreements, Newark concord, whatever. That's a very critical part of who we are, not just in the establishment of this institution, which it has its roots, but also that's the good part of the cultural piece, because that has permeated our other campuses in Camden, here in New Brunswick. We're the only medical school in the nation that has and owns a federally qualified health center. Does remarkable work --

our intention is really to, hopefully, double that size. But it started, basically, because of a commitment to the communities. And it certainly has been my conversation with the various faculties that we cannot forget our core mission, which is serving the poor, the underinsured, and the uninsured, which unfortunately knows better than I. In Newark, our charity care alone has grown, in the last three years, 79 percent -- two years -- 79 percent. We're over 120-some-odd million in charity care for '04, unaudited; for '03, 109, documented. Twenty-five percent of that charity care comes from patients outside the county of Essex County. And obviously, they're a higher per person cost because of the illnesses -- they're coming to us for true specialty care. So we're not an Essex County or Newark, we're there to serve them. And our primary care folks do that through UMD Care. But we are -- through our faculty, who have done remarkable in each of the campuses -- have responded remarkably to this issue of caring for those who do not have insurance or those who cannot afford it. It is critical to us.

There will be a major, major setback in Newark at the hospital -- and I've shared conversations with Assemblyman Greenwald on this -- if we remain at the level we were this year. We're 50 percent higher than that. And we cannot contain in our facilities the number that want to come. People are coming to us and even the suburbs are coming to us. So this notion, which is a misnotion, of, that Newark is still a city hospital -- we are a very specialized University hospital. And for that, we provide, I believe, great care through our clinicians to the people of this state, and not just Newark or Essex County.

ASSEMBLYMAN PAYNE: It's essential that people understand, number one, we do -- the charity care that you provide, that University provides -- is just as other hospitals do, as well, however -- but that without an increase, without -- to at least come closer to the actual cost, we are going to be in serious trouble. I let you know, and let anybody else within hearing distance know, that we are not going to allow the current revelations that have been discussed, or anything else like this, to derail the mission of this University, not only for Newark, but throughout the state. We're just not going to allow that to happen. And you can rest assured that you will get all the support that you possibly need, along with your colleagues, to see to it that this institution does, in fact, live up to its mission of, as we said earlier, a mission of excellence, because it's needed. We're not going to go backwards, as we were in the past. We're not going to under serve the people that need it.

And I think it's very, very important that we make it clear that we're talking about people who need these services. We're talking about infants, for instance, that need these services. And we know that when an infant cries, that the cry isn't a black or white cry. It's the cry of an infant. Or when a person comes in that needs our services, it's not a black or white person. It's a person who needs those services. And I think that's what we need to underscore, that this is something that the institution is providing up and down the State of New Jersey, and we have to look again at the amount of charity care funding that the institutions get.

DR. PETILLO: This University, by its very founding, of the phoenix, of -- what was the central word there -- has a social contract that is not just limited to Newark. It's in Camden, we're committed. It's here in

New Brunswick, and we're very proud, very proud of what we're doing here in New Brunswick in terms of Chandler and care. And that's our obligation, and I think that needs to be rekindled. And the Legislature, frankly, has been very good about that over the years, and hopefully they will continue.

ASSEMBLYMAN PAYNE: Thank you, Madam Chairlady.

ASSEMBLYWOMAN WEINBERG: And speaking on behalf of the whole Committee, I will second what Assemblyman Payne said about making sure that you do have the funds to serve the people that were part of that social contract. And that's what this is all about, to make sure that that money goes to the people who need the services, as well as to educating our students. And it's not somehow sent other places that are not as appropriate.

Assemblyman O'Toole.

ASSEMBLYMAN O'TOOLE: Thanks, Chairwoman.

I'm reading the introduction for our Committee notice here. It says, "The Committee will receive testimony on issues related to the financial practices of the University of Medicine and Dentistry," and which is precisely why I am here and why this Committee is here, and to understand what has occurred-- I kind of disagree with the Interim Chair, Sonia Delgado, in terms of it would be a waste of time to focus on the past practice. I think, to move forward with the appropriate framework, we have to find out and cure the sins of the past, find out what went wrong, why it went wrong, and make sure we fix it and come up with a comprehensive solution and move forward.

And to understand that, the numbers, Dr. Petillo, are really striking -- a \$1.6 billion budget. That is larger than two of our largest county governments, perhaps even three of our largest county governments put together. It is a bureaucracy that's probably second to only the State Government. There are states who have smaller budgets than you have at the UMDNJ -- 13,000 employees, eight different schools. You've come a long way in 35 years. But I don't think it would excuse -- the relative youth of the school should not excuse the financial bad practices that have gone on in the past. And I'm trying to understand the framework -- and I think Assemblyman Greenwald started hitting upon -- the hierarchy and the structure within UMDNJ, just so I understand it. You have the presidency and you have the Board of Trustees. Explain to me -- and perhaps the Chairwoman could lend her voice to this as well -- the hierarchy and what relationship there is with the presidency and the Board of Trustees?

MS. DELGADO: Would you like me to go first?

ASSEMBLYWOMAN WEINBERG: You never ask that question, Sonia. (laughter)

DR. PETILLO: The president is a chief executive officer of the institution and is accountable to the Board, accountable to implementing the Board's policies--

ASSEMBLYWOMAN WEINBERG: All right. Do you know what? I'll read right from the law. "The President of the University, power and duties: The President of the University shall be responsible to the Board of Trustees and shall have such powers as shall be requisite for the executive management and conduct of the University in all departments, branches, and divisions and for the execution and enforcement of the

bylaws, rules, regulations, and orders governing the management, conduct, and administration of the University.” So it’s a rather short sentence, but--

ASSEMBLYMAN O'TOOLE: Thanks, Chair.

Maybe I should refine the question. In the fourth paragraph of the Chairwoman’s testimony, she says and I’ll quote, “The Board is aware, however, that the obligation to manage the finances of the University, including the operating rules and procedures for University purchasing and expenditures is delegated by law to the Board of Trustees.” Well, that hasn’t worked out very well, has it?

MS. DELGADO: I can’t speak to and won’t judge what occurred prior to my joining the Board. What I can tell you is that, one, it is important to look back and evaluate whether we did a good job or not. And it is important to make a determination about what we learned from that experience. But I think that that’s just one very small piece of what we have to do. We’ve got to get passed that. We can’t get mired in it, because we have a tremendous job ahead of us if we are going to engage in a continuous process of reform. That takes a tremendous amount of energy in learning more about what is going on within your organization, how it is perceived externally by others, and then developing the solutions.

The Assemblyman pointed out earlier that we may need to look at some kind of management reform or process, and he touched upon something that is clearly part of what we need to do. It is-- I’m going to say it another way. It’s easier to say it this way. If you spend 35 years growing an institution and you put all your energy into growing it so that you’ve nurtured it, and you’ve got the growth, but you haven’t had the funding and you haven’t had the ability to channel your energy and develop

the processes to support that growth, the infrastructure to support that growth, then it obviously impacts your ability to excel. And we're at a critical juncture where we've got the growth. We've got it. We've distinguished ourselves as the largest health sciences university in the country, but we're not the best. But in order to be the best, we actually do have to focus on the processes. We have to focus on the policies and the infrastructure. We have to focus on whether management can do a better job. We have to focus on whether we need to give more flexibility to our different schools. But that is not something that you can undertake overnight. It is a process that requires careful consideration and deliberation over a long period of time.

The Board's responsibility, by statute, is clear. We have the responsibility of working with the President and the staff and adopting a vision and a strategic plan to move the organization forward. And that includes all of the policies, procedures, the purchasing -- those are things that we need to spend time on at every Board meeting and at every committee meeting, and we do.

ASSEMBLYMAN O'TOOLE: Well, through the Chair, I think, perhaps, we should look at the law and maybe that should be tinkered with. And perhaps, if you're dealing with trustees, they're all volunteer trustees--

MS. DELGADO: They are.

ASSEMBLYMAN O'TOOLE: --and your testimony, Ma'am, was that you meet once a month. And we're dealing with a \$1.6 billion corporation. We're dealing with 13,000 people. My question is, how could a volunteer board oversee and be responsible for, in your words, the purchasing and expenditures, if you meet once a month?

MS. DELGADO: The Board meets once a month. There are numerous committees that also meet. And this Board, and I have to say -- because I can only speak to the Board that I'm on and the colleagues that I work with -- works incredibly hard and come to their committee meetings and their Board meetings extremely well-prepared. This is not -- that's not to say that we couldn't use additional support to be able to provide better oversight; that's not to say that we couldn't look at ways to improve what we bring to the Board in the terms of Board membership. Those are all well-placed comments.

ASSEMBLYMAN O'TOOLE: I would agree with Assemblyman Gordon. Perhaps former Justice Stein -- a man I have a great respect for; I've served on ethics symposiums with him -- perhaps he's not the silver bullet alone. Perhaps it is more a widespread and a systemic change that we talk about that needs to be reviewed. But for the revelations in the last few months, either from the *Star-Ledger*, *Bergen Record*, or others, and we've read about these rather scandalous and wasteful practices that have gone passed your -- in the past. How do we have any degree of confidence that we would have picked these up internally? How do we know this is the extent of the wasteful practices that have gone on, other than just -- do you have an ongoing internal audit? Do you need a team of auditors in there? What is it that's going to give us the confidence that we are directing our resources to the schools and to the care we talk about, and Assemblyman Payne talks about, for our neighborhoods?

DR. PETILLO: Can I address that, Assemblyman?

I think, in the last two years or so, there is an internal auditing function. One of my recommendations at the Board is, and we've talked

about, is this Office of Compliance Auditor, which is really to enhance what is already going on and to realign some offices to strengthen that. Many of the flaws that have been identified are three, four, five years old. The situation, the circumstance that existed then does not exist today on those. And as we close the flexibility on the technical and professional, I'm very confident that we will be addressing this.

Now, am I going to stand here before you and say at a billion-six, something is not going to perk up later on? Hey, there's human error involved, and fine. But as a systemic issue, I believe the scenario and the setting is much different, from the Board's perspective, of their intention and their serious reform and their affirmation of where management wants to bring this reform in terms of being implemented. But there are internal processes in place that will catch some of those.

ASSEMBLYMAN O'TOOLE: Well, I'm hoping that we catch all of them, Dr. Petillo. And when you talk about some of the abuses, I really appreciate your 12-point reform; and I think you're right, perhaps, there could be a 22-point reform at the end of the day. And I appreciate your candor about the buck stops with you. And I suspect the buck stops with this Board of Trustees.

My question is, when you have gone through, and you had stopped travel expenditures and gasoline credit cards, have you gone through the expenditures in the past to find out whether abuses have taken place? And if they have, do we get reimbursements for those people who embarked on those abuses?

DR. PETILLO: The latter part may be easier. I doubt if we could get reimbursement. Assemblyman, you're the lawyer, not I. Some of

these things are, again, three, four, or five years old. There had been abuses years ago, I'm told, about 10 years ago on travel, for which they then eliminated cards because there were those abuses. They reinstated them. There's only a dozen and a half now, but which we have eliminated. And even then, they were at the individual's cardholder's credit facility, not the institution's.

So there are other pieces. For example, the two contracts that were given -- what, I think in '01 and '02 -- there's no way for us to get. We have no paper. One was Ron White, frankly. Besides, with him being deceased-- The other one is still living. No paperwork on it, but there's no way of us getting anything back.

ASSEMBLYMAN O'TOOLE: But why not? Why can't we have lawyers, in-house, go after the law firm of Ron White and say that we have not a shred of evidence that you've worked -- or he worked-- There's other municipalities and counties have done that, and asked for the money back if that's a waste of money.

ASSEMBLYWOMAN WEINBERG: Assemblyman, let me just add something to that question before you go on. What about whoever designed the building that can't open because it's--

ASSEMBLYMAN O'TOOLE: That was my next question, Chair.

ASSEMBLYWOMAN WEINBERG: -- oh, how do you like that -- up to Federal standards? Have you gone after--

DR. PETILLO: Again, there's gross misinformation, gross misinformation. But I'll address that, certainly, of course.

ASSEMBLYMAN O'TOOLE: Can I finish my line, Dr. Petillo?

DR. PETILLO: Yes.

ASSEMBLYMAN O'TOOLE: I appreciate what you're saying. I think we should take a much more aggressive standpoint. If Ron White, or any other individual, professional, have received dollars -- and that, presumably, obviously, a percentage of State dollars -- and has performed no viable service that you can find, go after the law firm or his insurance practice or his estate. And when you have this DC lobbyist who talks about -- he has no recollection of serving the University -- 175,000 -- forget he's a convicted felon -- tell me why we shouldn't get a refund for our money? You have a \$10 million contract with ImPart. There's not a shred of paperwork as to what this company did for three years? Get the money back.

DR. PETILLO: Let me -- on that one-- And I take your advice, and counsel has heard you also on the two contracts -- the Ron White and the McCarthy. On the other one, there is paperwork. That's why earlier I said, Assemblyman, I can speak to the validity, the veracity, or the quality of in-parts work. There has been paper. My issue on that is that that contract, over a three year period, did not see another competitive bid. But there is paper, there is work at University Hospital, etc. And depending on who you talk to -- they didn't like the work, they did like the work. But on that one, I just wanted you to know there is paper for that.

ASSEMBLYWOMAN WEINBERG: Then what was -- excuse me -- I just want to clarify this. What was the gross misinformation about the ambulatory care building?

DR. PETILLO: It didn't meet Federal standards.

ASSEMBLYWOMAN WEINBERG: Is that true or not true?

DR. PETILLO: Oh, yes, it's not true, not true, not true at all.

ASSEMBLYWOMAN WEINBERG: So the building does meet Federal--

ASSEMBLYMAN O'TOOLE: So is it delayed?

DR. PETILLO: It is delayed. Sure. It is delayed. But it's a construction project, but it is delayed. But the issue of Federal standard was not the issue.

ASSEMBLYWOMAN WEINBERG: So the building meets all code standards? It is only being delayed because of whatever construction--

DR. PETILLO: Yes. Even the gross misinformation that the media has picked up, this building was designed in -- the bonding was in '00 or '01, design and construction was '03. The only thing that that building and I had in common is that we were both in the city of Newark at the same time.

ASSEMBLYWOMAN WEINBERG: When did you come on the Board, Dr. Petillo?

DR. PETILLO: June '04.

ASSEMBLYWOMAN WEINBERG: Not as Interim President?

DR. PETILLO: Oh, I'm sorry.

ASSEMBLYWOMAN WEINBERG: When did you come on as a Board member?

DR. PETILLO: June '04 -- June '03. Three of us came together -- Mr. Hoffman and Donald Bradley. This building was up and closed in by the time we got there. The issue there is that we moved UMD Care, which is the primary care program, from the hospital into this building, so we had to redesign space internally -- to provide more space over at the hospital.

ASSEMBLYMAN O'TOOLE: That wasn't poor planning, Dr. Petillo, that led to the \$6 million additional expenditure?

DR. PETILLO: Well, there were some issues that should have been addressed, frankly, by the VP for Ambulatory Care back then that was not. No longer with us.

And poison control moved in there -- the 7,000 square feet. And with the grant, we renovated that piece. The delay, if you're configuring, is \$2.1 million of a total cost of more than was anticipated, which is less than 5 percent of the building -- was 4-point something, 4.7. But those other dollars were for moving UMD Care into that building because of the volume. In that interim time -- some of it was poor planning -- but in that time, Orange Hospital closed. We received an influx of patients that were never projected for out-patient services. And so all those factors caused us to have to make some changes in there.

ASSEMBLYMAN O'TOOLE: And Dr. Petillo, you testified that, roughly, \$200 and \$225 million comes from the State to subsidize your \$1.6 billion corporation.

DR. PETILLO: Yes.

ASSEMBLYMAN O'TOOLE: Beyond that there is an infusion of over \$100 million in charity care? Is that right? Did I hear that accurately?

DR. PETILLO: There is an infusion of, last year, \$82 million in charity care. We are by far the largest, I think. The next one is half that, the next hospital.

ASSEMBLYMAN O'TOOLE: Throughout the investigation, the internal review -- I agree again with Assemblyman Gordon -- there

seems to be a systemic lack of accountability that has gone on. Perhaps the rapid growth; perhaps, as the Chairwoman Delgado suggested, there was just a rapid turnover in the last couple of years in terms of trustees and presidents. But there's something on the inside that's making this financial mismanagement the norm of the day, as opposed to the exception. And my question is, have you, during your review -- I hope it's an extensive account review -- have you found anything that you would view, or a person would view, as a criminal wrongdoing or behavior? Have you forwarded anything to the county prosecutor, the Attorney General, or the U.S. Attorneys Office?

DR. PETILLO: We have, at this point, have not. I just focused back to those two engagements that there was no paper. But other than that, we have not found anything, and if we do, obviously, we would. And if Justice Stein, in his review -- since I said earlier he's bringing in somebody with forensic background -- we certainly would. We don't believe that the institution, historically, has violated the public statute. Again, the part that needs to be tightened and will be tightened is the technical and professional waiver piece, because that's where I believe we can have better scrutiny of our activities.

ASSEMBLYMAN O'TOOLE: And my last question for this round: the relationship, the Board of Trustees. And I'll finish up where I started. Is it a territorial dispute, historically -- forget about present day -- is it, historically, the Board of Trustees had their little corner of the world, their little -- is it a control issue between the presidency and the Board of Trustees? And tell me if that has been the case, how do you rid yourself of that problem going forward?

MS. DELGADO: I don't have any frame of reference for how it occurred prior to my getting there, so I can't really respond to your question. I can tell you that it's a delicate balance, and it's one that we're all extremely sensitive to and that we're working very hard to make sure that, when we do things, we're in concert with one another. This Board is clearly setting itself apart as an independent Board, as it should. It is supposed to provide an appropriate check and balance. And it is something that is done not to be disrespectful to our President, who we selected, but in fact, to provide him with a safe harbor and to give him the support that he needs when he has to go and do his job. And I think that it's easy for people to sort of look at that and say, "Oh, there's a problem here." That really isn't it. It's creating the balance in your check-and-balance system so that you can move forward every day and solve problems and be on the same page when you do it. It's just that simple.

We're a relatively new Board. He's a relatively new President. We're just now getting our ducks in a row about how we do that in what is, obviously, a hot situation, one where we're under tremendous public scrutiny. And at the same time, we're trying to respond to the need to be transparent and manage our internal discussions in a way that is productive and fruitful and is respectful of the employees, the faculty, and the people that look up to us to provide a vision and direction. So it's as candid as I can be about what is a very difficult job, and I think we do better every day. The more practice we get, the better we get.

ASSEMBLYMAN THOMPSON: Madam Chair?

ASSEMBLYWOMAN WEINBERG: Assemblyman Thompson.

ASSEMBLYMAN THOMPSON: I do have a question for each of you. For Dr. Petillo, there was some discussion there about the several contracts, that have been brought up, that were let, and paid, and apparently there's no record of any work ever having been done, nobody can recall anything. Is there anything in your 12-point program that will, essentially, eliminate the possibility of this occurring in the future?

DR. PETILLO: Yes. Yes, Assemblyman. And the details of the policy will -- we need to bring back to the Board, to them. That would be the accountability piece -- that there be competitive bidding of some sort, even if it's not under the formal request for proposal; that there be reports submitted as part of that; and that there are checks and balances in terms of the review oversight of the purchase order or the engaging piece.

ASSEMBLYMAN THOMPSON: Okay. Just as a latter part, because obviously every contract would say reports are supposed to be submitted, and I assume there probably was in these contracts, but none were submitted and somebody -- nobody knew it.

MS. DELGADO: Well, it speaks to the need for reevaluating your internal processes and policies and whether or not they are comprehensive enough and provide for consistent applicability across all your schools, and can be evaluated and enforced. Now, a policy, if you can't enforce it, isn't very good. If you can't apply the policy across the board in a consistent fashion, it probably isn't very good. So part of what we need to do, as we engage in this reform effort, which is a continuous process of improvement that gets reevaluated, is we've got to look carefully at the current policies. And if there's a need to improve them, we'll improve them. If there's a need to educate our workforce again about those

policies, because they're, frankly, quite effective and don't need any changes, then we need to do that. And those are actually the kinds of discussions that we have in our finance committee meetings and in our other committee meetings, and it's something that simply will take time.

I want to reassure you that I'm not interested in reform for today and tomorrow. So I'm not interested in asking the Board to support sweeping changes by September or August. I'm really more interested in the process that we use to design good solutions and, however long that takes, we have a reasonable level of comfort that the solution we design has a great chance of success. Otherwise, we're going to be doing this all the time, not making any progress, or walking and standing still at the same time. And we don't have that luxury, particularly with the initiatives that we have in front of us and the opportunities that we have in front of us with stem cell and the Cancer Institute, as examples. We need to get ahead of this. We need to get ahead of the problem.

ASSEMBLYMAN THOMPSON: Madam Chair, in your earlier answer to something that was said, you suggested perhaps the Board could use additional staff to better review what's going on, or etc. What staffing does the Board have?

MS. DELGADO: We have a Board secretary.

ASSEMBLYMAN THOMPSON: That's it?

MS. DELGADO: Yes. And available to us is University staff.

ASSEMBLYMAN THOMPSON: Right. So thus, when you speak of *in order to better review*, you have the people from the University staff bringing material to you and saying, "Here it is." That there's really, in terms of review, there's a Board secretary and the Board members that do

that reviewing that you spoke of? Sounds like you could use some more help.

MS. DELGADO: We have to do our own homework. We have to do our own homework. That's correct.

ASSEMBLYMAN THOMPSON: Right.

ASSEMBLYWOMAN WEINBERG: And the law does allow-- By the way, I am not a lawyer and I always give the preface: I regularly practice law without a license, as well as medicine without a license. (laughter) But the law does allow the Board to hire its own independent outside counsel. And I will just read the first sentence of the duties of the Board: "The government, control, conduct, management, and administration of the University shall be vested in the Board of Trustees." So that's a pretty big -- short sentence for a pretty big job--

ASSEMBLYMAN THOMPSON: That's why I suggested you could use more staff.

ASSEMBLYWOMAN WEINBERG: --for a large corporation run by a group of volunteers who are not getting any stock options out of any of this at the end of the line.

ASSEMBLYMAN PAYNE: Well, is this unusual?

ASSEMBLYWOMAN QUIGLEY: May I make a comment?

ASSEMBLYWOMAN WEINBERG: Yes.

ASSEMBLYMAN PAYNE: Is it unusual to have volunteers on institutions like--

ASSEMBLYWOMAN QUIGLEY: Just a comment. From my experience, I think it's healthy to have some level of tension between a board and an administration in any kind of organization. It's total trust

and total coziness that creates the opportunity for abuse. When there is healthy discussion about vision and policy and procedures, I think that's a good organization. So I encourage you not to become cloned to each other, that you keep the differences between the Board members, to keep the volunteer perspective, and the professional perspective. I think that that's what's going to make the organization continue to grow and to develop maturer processes that work for everybody.

ASSEMBLYMAN PAYNE: Madam Chairlady?

ASSEMBLYWOMAN WEINBERG: Oh, I'm sorry.

Yes, Assemblyman Payne.

ASSEMBLYMAN PAYNE: Is it unusual to have volunteer boards on institutions such as this, or is this unique for the University of Medicine and Dentistry, or what?

DR. PETILLO: No, not at all, the volunteer board piece.

ASSEMBLYMAN PAYNE: Yes, right.

DR. PETILLO: Yes, not at all. The other 11 State institutions have it -- the medical centers that are throughout this state. The one right across the street and all the others that we have, all have volunteer boards and have fiduciary responsibility also.

ASSEMBLYMAN PAYNE: So it's not unique to the University of Medicine and Dentistry?

DR. PETILLO: No.

ASSEMBLYWOMAN WEINBERG: Assemblyman Greenwald.

ASSEMBLYMAN GREENWALD: We kind of find ourselves here because of the reports that, obviously, came out. There's lots of money that comes to this University that I think is critical and essential. It's more

than the 200, 220 million in your operating budget. It's the 80 million on charity care. It's the \$50 million on the new Corrections contract. It's, however, of the many contracts that you have bid for and have received. Our role here today, I think, is to make sure that the management structure and that the best practices are implemented. I say that because I hear people asking for perfection, perfect. That's not going to happen. My friend, Kevin O'Toole, said we want you to find all of these. That would be our goal, and I think that's your goal as you're going through this process. Even in my friend Sonia Delgado's effort to not get stuck in the mud, as you're going through this process, you're going to find other problems.

I think the key to this, that we want to see, is how you respond to those. And Dr. Petillo, really, from my perspective I'm very pleased that your -- the fact that this hearing, I think, was supposed to stimulate a plan. You had a 12-point plan that you've proposed to the Board that hopefully we will see. It's premature for me to sit here, and I think I'm hearing you say, it's premature to say whether or not that 12-point plan is going to work. We think it will take you a long way. And how you respond again, I think, is what I will be watching, as Chairman of the Budget Committee; and other members of this panel.

I think, though, I hope that this plan was put together-- I think what we don't want to have lost on this, though, is that however this became disclosed, you had problems with it, the Board has had problems, we had problems with it. The 12-point plan and wherever else you take this should be in response to: How do we make sure that what we saw, what offended us, what we were troubled by, never happens again. And I think

some of this -- I think this will attack a lot of what you may know. I'm hoping that you agree with that.

DR. PETILLO: Absolutely, Assemblyman. I appreciate it.

Let me just-- The Board and administration -- and I'm going to keep saying it over, or as we usually say in the mother tongue, *una voce* -- we are with one voice in this reform. I don't know how many times we could say it. We're going to say it over and over again -- we are going to have reform.

You're right. Some of these may have to be added to, may have to be changed. We're going to find out. But it's clearly sending a message out, both internally as well as externally, that if you're going to do business with us -- transparent. We are not the only institution in this state that needs to be transparent. We are going to be there first. If that's the case, fine, because of the complexity here. But I will attest -- I want to make sure that we clearly understand that what has gone on before by faculty and staff here is not some uncorraled herd. There have been some very significant pieces. In fact, our compliance-- I will defy that any other institution in the state has as comprehensive a compliance handbook in place as we do.

ASSEMBLYMAN GREENWALD: It certainly leads to the question as -- I know a number of members of the Budget Committee were concerned when we interviewed the Higher Education people, and they came in to testify that they just weren't following some of the State mandates on travel, and things like that, and that they did not have in place some of the procedures that we are seeing here today. And I think it does certainly lead a number of us to question whether or not that should be our next step. Because you're not alone in this.

DR. PETILLO: This shows to where we are very much in step. Neither of us have mentioned it here, but in January -- and I'll bet we might be the only one -- this Board, in managing and doing the documents, passed the Sarbanes-Oxley compliance piece. Very extensive -- and I would say we may be the only institution in higher ed that has it at this point. But we were (indiscernible) in advance. This is way before any of these other issues ever surfaced on here. And we're committed to that, and the Board's committed to that. So it's a very critical piece.

ASSEMBLYMAN THOMPSON: Madam Chair, I do have another question.

ASSEMBLYWOMAN WEINBERG: Assemblyman Thompson.

ASSEMBLYMAN THOMPSON: Getting to this administration rather than prior administrations, when you came on board, Dr. Petillo, you had a vice president of government and public affairs who last year made about 165,000 including bonuses. And subsequently, you have hired a vice president and legislative lobbyist who is being paid 156,000. And in fact, as of just a little over a month ago, that lobbyist still had voice mail at the lobbying firm. Could you give justification for needing to add a second lobbyist at that kind of salary, and would you comment on the fact that they still have voice mail at their lobbying firm?

DR. PETILLO: Yes. The first part is, that there is only one lobbyist. The other lobbyist that -- there is only one VP for government affairs on that. On the other piece, I, as well as University General Counsel, met with the individual and was informed that it was technical error, mechanical error that that voice mail still was on, etc., etc. We went beyond that. We wanted and are waiting for some certification that

completely separated the individual from the prior firm. And General Counsel has informed me that certification is forthcoming. Yes. But she has spoken to the lawyer, and clearly that attested to that.

ASSEMBLYMAN THOMPSON: Well, you say you only have one lobbyist, so--

DR. PETILLO: When you said, if I understood you--

ASSEMBLYMAN THOMPSON: Could you distinguish for me government affairs versus lobbying?

DR. PETILLO: Okay. Government affairs, we have one person for government affairs who replaced the acting person, was there. That's who is there. And then we have lobbyists.

ASSEMBLYMAN THOMPSON: But I'm saying, the distinction in their functions or what their responsibilities--

DR. PETILLO: Yes. Similar to the other colleges, etc., and even hospitals in the state, the external lobbyists, frankly, cover and depend on relationships to carry our message forward. The internal government affairs person is more involved working coordinating that, developing strategic political positions that we need to be careful, or that we need to respond to, or need to follow up on. So it's that VP for government affairs actually coordinates the efforts of the lobbyist, which the present VP for government affairs has significantly cut back the number of outside lobbyists that I inherited also, considerably. And there may be more coming on that piece.

ASSEMBLYMAN THOMPSON: Thank you.

ASSEMBLYWOMAN WEINBERG: But if you inherited them, do they have long-term contracts or--

DR. PETILLO: No, but they had contracts, yearly contracts.

ASSEMBLYWOMAN WEINBERG: I want to straighten out the confusion over the ambulatory care building, and perhaps you were misquoted. But there is a direct quote from you that was in the *Ledger* on May 29 that, speaking about the building, “Frankly, whoever was responsible for designing it was a dismal failure, Petillo said, who became president,” and so on. “The fact is when they did this building, it was not done well. It’s a cleanup operation for now.” So is there some confusion on that quote?

DR. PETILLO: Sure. The word designing -- my reference on designing was the programming designing of the interior of the building, which was not an architectural issue. It was a programmatic issue. That’s what I--

ASSEMBLYWOMAN WEINBERG: Okay. So the building meets all standards.

DR. PETILLO: Oh, yes.

ASSEMBLYWOMAN WEINBERG: Correct me any place I’m wrong here, because I want to--

DR. PETILLO: No, no. Fine. No, no.

ASSEMBLYWOMAN WEINBERG: And the only thing that’s holding it up is what? What are the construction problems?

DR. PETILLO: Well, because we lost time in redesigning the interior, as to what programmatic services are going to go where. One of the most notable being that the UMD Care, the primary care practice, was moving out of the hospital into here, which was not initially planned. But when the demand happened, we couldn’t handle it at the University

Hospital, and it came over here. And that itself cost a million and a half. But that's the overruns. We wouldn't consider that as an overrun on the-- The overrun is a delay, which is 2.1 million.

ASSEMBLYWOMAN WEINBERG: And what is the timetable for that now?

DR. PETILLO: December, January.

ASSEMBLYWOMAN WEINBERG: That it will be open and ready for occupancy?

DR. PETILLO: Yes.

ASSEMBLYMAN GORDON: Madam Chair?

ASSEMBLYWOMAN WEINBERG: Yes.

ASSEMBLYMAN GORDON: Just to follow up on that same subject, that same article in the *Star-Ledger* on the 29th suggested, at least there was an allegation from a former employee, that one of the problems was the fact that you're putting for-profit doctors offices into a facility that was financed with tax-free bonds. Is that a problem or not?

DR. PETILLO: It's hospital based. I don't want to get too much, because we may be in litigation with this individual who was the oversight for the design programmatic of the building. But they will be hospital based.

ASSEMBLYWOMAN WEINBERG: Assemblyman Morgan.

ASSEMBLYMAN MORGAN: Can we go way back here for a moment to -- we talked about the new Justice coming on to oversee the process. I'm not familiar with the individual. Could you explain to me his background please?

DR. PETILLO: Justice Stein -- and I met him for the first time, Assemblyman -- Justice Stein had been a former Supreme Court Justice, and is now in private practice up in Bergen County.

ASSEMBLYMAN MORGAN: He's a retired New Jersey State Supreme Justice?

DR. PETILLO: Yes. Supreme Court Justice, I'm sorry.

ASSEMBLYMAN MORGAN: And the contract with him, what are the parameters in terms of the billing that are in place -- maximum number of hours, how are we going to oversee that?

DR. PETILLO: Can I call on General Counsel?

ASSEMBLYMAN MORGAN: Please.

DR. PETILLO: We have kept -- so I have kept -- so he has complete -- in terms of review. But Counsel can--

ASSEMBLYWOMAN WEINBERG: Just for the record, too, please, give your name.

MS. SANKS-KING: Yes. Vivian Sanks-King, Counsel for UMDNJ.

In response to your question, Assemblyman, we have not defined the hours in terms of the length of the service that Justice Stein and his firm will perform, because we anticipate, based on his recommendation to us thus far after an initial review, that the scope of the review may take four to six months. So we have not even nailed that down. He is being paid on an hourly rate, which is how we normally pay our counsel. He is being paid at the highest rate based on his retired service as a Supreme Court Justice.

ASSEMBLYMAN MORGAN: Well, that's part of my concern -- \$425 an hour?

MS. SANKS-KING: Yes.

ASSEMBLYMAN MORGAN: How much is that a week?

MS. SANKS-KING: I can't tell--

ASSEMBLYMAN MORGAN: Seventeen thousand, six hundred dollars.

MS. SANKS-KING: Okay.

ASSEMBLYMAN MORGAN: That's over \$850,000 a year. And I'm sure the gentleman is a fine jurist and knowledgeable and everything, but without some parameters on this, are we going to end up in our typical New Jersey fashion of just throwing more money at a problem and not, perhaps, getting the real result we need, considering what Assemblyman Gordon and others have talked about the management areas that need to be addressed?

MS. SANKS-KING: I would suggest--

ASSEMBLYMAN MORGAN: I think we need some prudence, going forward, before we sign, seal, and deliver this type of a contract, at that amount of money. And I do have a concern that someone who has served the public, who's had the privilege of serving on the Supreme Court of New Jersey and is retired -- just because one can get something doesn't mean one ethically should accept that amount of money. I think we should get someone who has the same concerns as all of us in New Jersey and go forward to help us with this. But this is just an enormous amount of money that I can see without any parameter put upon it, or controls put upon it. And I have a great deal of concern about that.

MS. SANKS-KING: I understand your concerns. I would respectfully suggest that, in fact, there are parameters put on it. We are working in tandem with the chair of the Finance Committee of the Board. Justice Stein's rates have been reduced. These are not his usual hourly rates. And I think that he has demonstrated his concern in terms of working to really assess the use of *T* and *P* and our procurement--

ASSEMBLYMAN MORGAN: I'm sorry. *T* and *P*?

MS. SANKS-KING: Technical and professional, I apologize. The exceptions that have been much of the subject of the review in the press -- our use of technical and professional. So I think that he is eminently qualified to do this--

ASSEMBLYMAN MORGAN: I don't disagree with that at all. That's not the issue I'm weighing. I'm just thinking like, this is New Jersey, and we have a history of throwing more money at problems--

MS. SANKS-KING: I want to assure you--

ASSEMBLYMAN MORGAN: --and I fear that we're going down that road here. I just have this gut check that I need to get out there.

DR. PETILLO: Yes.

MS. SANKS-KING: Insofar as I can assure you, we are not throwing money at the problem. I think your calculation, which unfortunately I had not done, sounds like you are basing it on him working five, six hours a day. I'm not sure what your calculation is really premised on.

ASSEMBLYMAN MORGAN: It's an eight hour day, 40 hours a week.

MS. SANKS-KING: He will not be working an eight hour day on this. There are other junior people on his team who will be making far less on this engagement. And there is also a forensic auditor on the team that will be making less than the Justice.

DR. PETILLO: If I can add, I think the other piece -- and valid point, Assemblyman -- the check and balance is not going to be us, management. It's going to be the Board to step in. Because the last thing you need is management saying, "Justice Stein, you're spending too much money. You've got to close down your operation." The next thing, we're going to be accused of trying to hide stuff. I think that the Board will have that balance and start addressing some of that issue that you mentioned. And that's why Ms. Delgado has John Hoffman serving in these meetings with him. Because, again, we don't want it to seem that management is trying to curtail the review process.

ASSEMBLYWOMAN WEINBERG: By the way, just as a point of full disclosure, I do know Gary Stein, and he's from Bergen County. (laughter) Make that disclosure.

ASSEMBLYMAN MORGAN: Madam Chair, I have a whole -- other questions, here, I want to get into now.

ASSEMBLYMAN GREENWALD: Now, that explains it all, now. (laughter)

ASSEMBLYWOMAN WEINBERG: I don't know whether that's good or bad, but that's true.

ASSEMBLYWOMAN QUIGLEY: Does that make him okay?  
(laughter)

ASSEMBLYWOMAN WEINBERG: And he was also counsel to, I think, Governor Kean; is a member of the opposite party that I represent, and I have full confidence. I'm not talking about what his fees are. He seems to have done quite well. But I have full confidence in both his ability and his integrity for this.

ASSEMBLYMAN GREENWALD: Let me just, if I can, Chairwoman, to--

ASSEMBLYWOMAN WEINBERG: Yes, but-- I'm sorry. Assemblyman Gordon.

ASSEMBLYMAN GORDON: I'll be very brief. Just a follow up on comments that Assemblyman Morgan made. If, doctor, if Justice Stein is, in fact, going to be doing something akin to, at least, to a short-term consulting assignment for the institution, I would encourage you in drafting the contract to do it as you would a consulting contract. Have that document specify what the scope of the engagement is, the method of approach--

DR. PETILLO: Obviously, yes.

ASSEMBLYMAN GORDON: --the deliverables, when progress review meetings are going to be held, a time line for the entire project, and an upside price which will not be exceeded. That's the way a consulting firm would do it.

DR. PETILLO: Sure.

ASSEMBLYWOMAN WEINBERG: Assemblyman Greenwald.

DR. PETILLO: Thank you, though.

ASSEMBLYMAN GREENWALD: Obviously, that's the direction that, obviously, we were trying to go earlier. We're not going to

monopolize this whole body here today. But I think at the same time, we shouldn't perpetuate our own bad impression out there in the public that we throw more bad money after things. The reality is this is a Justice. We're not going out to wreck someone right out of law school. This is someone who has a level of prestige in the community. You're going to be judged on this appointment. You're going to be judged on the results of this. That is, at the end of this, what the response are, which is why I come back to what we said earlier -- how you respond, how you respond to what the Justice and his team finds, how we respond to what we see. We are all now in this together, and I think our goal should be to embrace this and to make it as in-depth as possible and to try to find the solutions to these problems.

Those things that have come to the public attention that have embarrassed you, the Board, us as a government, is what we need to root out. And the Justice's job, I believe, is to find the root of that evil and for us to clean it up, to make sure that we can protect ourselves from that in the future. If it fails, we'll be right back here.

I come again -- these hearings were originally scheduled prior to this being put in place. I am thrilled by the fact that now that we are here it is in place. I reserve judgment, as I think you do, to see what the results will be. And I am going to look for the best, hope for the best, and we're going to watch it with a discerning eye, and we'll continue to ask critical questions, as I hope you do.

DR. PETILLO: Thank you.

ASSEMBLYMAN PAYNE: Madam Chairlady?

ASSEMBLYWOMAN WEINBERG: Assemblyman Payne.

ASSEMBLYMAN PAYNE: Thank you.

I would expect that Dr. Petillo and his team will be as aware of the concerns that we're expressing as we are. And I would think that some of the things that were suggested to him are more or less obvious and elementary. Frankly, I would hope that the head of this institution, the executive of this institution, would certainly be aware of some of the things that are being suggested to you and would not go down some kind of slippery slope. I think it's been painted very clearly, and I have complete confidence in you coming in with a new team. We will be, obviously, looking very closely to make sure that what has been proposed is, in fact, carried out. I would just like to point out that this institution gave a great deal of hope and encouragement to many of the folks that had not had an opportunity, not only to be served from the health services standpoint, but also in training and being able to enter into this field of medicine and dentistry.

I think you mentioned before that this institution is fourth in the nation with African-American students, I believe; and fifth were Hispanics, and I believe even a higher number with Asians. And I think that's the kind of thing that I -- in addition to making sure that the institution is being very careful with expenditures of moneys -- that it also lives up to its -- the mission that has been expected from this institution. I want to make sure that the things that you have inherited will not impede our ability to continue to provide the opportunities for people who did not have those opportunities in the past, or may not have those opportunities at other institutions. Certainly, the example of the pact, or the three doctors that come out of the institution, is certainly a story that we can all be very

proud of. And it's my hope that nothing that has happened in the last several months, the revelations, will have an impact, and a negative impact, upon our ability to recruit, provide opportunities for people from that community. I hope that we will be able to continue and, in fact, expand the opportunities for people to come into this area. And I would like to, perhaps, have some assurances that we will continue that effort in that area.

DR. PETILLO: Assemblyman, absolutely. It gets back to my earlier phrase about: I'm a strong believer and proponent of a social contract that goes beyond this institution. But I just think we've lost contact with some of that in some ways. And as a community, and in this case University, we're more than just a piece of property in Newark or Camden or New Brunswick. We have an obligation to the communities that are around us, not only in providing them services, but also jobs. We're very proud of what's happened in Newark. And we have some programs inside the institution that take employees and give them the opportunity to uptake their professional careers. We're not going to stop that. That's really key to who we are, not just in Newark, though -- statewide. So -- and it's there.

And if I may, just with what Assemblymen Morgan and Gordon had said -- I heard you, and definitely going to make sure there is no slippery slope. We don't need to. But it gets back to what Assemblyman Greenwald said. If we just got some lawyer just out of school, there's no credibility. I needed somebody I believe, and the Board did, clearly -- because this was cleared with the Board -- who is going to give credibility, that is not a friend. I didn't know Justice Stein, so-- So the point is, I can say here before you, I didn't know Justice Stein, and talked to him.

ASSEMBLYWOMAN WEINBERG: By the way, I did not recommend him for the job. (laughter)

DR. PETILLO: No, no.

ASSEMBLYMAN PAYNE: I did. (laughter)

ASSEMBLYWOMAN WEINBERG: Who said that? (laughter)

DR. PETILLO: But I wanted to make sure it was clear that we get that.

ASSEMBLYMAN PAYNE: Let me just conclude my--

DR. PETILLO: Sure.

ASSEMBLYMAN PAYNE: The united community corporation, the model cities, etc., the people that were active in those years to bring about this institution -- some of us are still here. There are some who have gone on. But there are some of us who are still here who were active at that time. So we are, and I repeat, that we will continue to look very, very carefully at the institution to make sure it carries out its mission. But also, try to make sure that there are sufficient funds available for the charity care that we're providing for people. It's obvious that we do not -- and I use *we* advisedly -- we do not turn people away; that we are providing the kind of service for people who cannot afford it for themselves. We want to make sure that we look carefully at the formula and we look carefully at the amounts of moneys that we are affording to the institutions around the state that are providing these services. And if there are a disproportionate number of charity care services that are being provided through the University of Medicine and Dentistry, we have to make sure that we are able to get the sufficient funding that's necessary to meet those services.

DR. PETILLO: And we appreciate that. Actually, one of our Board members, Council President Donald Payne, will often tell how he was throwing bricks to prevent this institution from being formed in the central ward, because he just thought it was going to be a group taking over the place.

ASSEMBLYMAN PAYNE: Donald Payne? Are you sure it was Donald Payne? (laughter) My God--

DR. PETILLO: I'm not maligning you, but--

ASSEMBLYWOMAN WEINBERG: I have two quick questions and then a comment, and we have a lot of people who want to testify. And I will read off the order of the first few, so if somebody wants to go out and have a cup of coffee, or something, you'll know.

But first, since I put the question to Ms. Delgado about how your compensation and bonus will be decided, with very measurable goals and what I know the University calls stretch goals, do you have those goals spelled out for your senior management who are also in line to get some of these bonuses--

DR. PETILLO: Yes.

ASSEMBLYWOMAN WEINBERG: --which in academia might be perfectly acceptable, but to the average person when you see something in six figures you get a little nervous?

DR. PETILLO: Sure, I understand. A very valid question. Yes, we do. And in fact, with the Board's complete involvement, we're looking, and I've asked them -- that in '05 we do, which ends this June. In '06, the--

ASSEMBLYWOMAN WEINBERG: Well, wait a minute? In '05, you--

DR. PETILLO: Yes, there are. Yes. The answer to your question is yes.

ASSEMBLYWOMAN WEINBERG: There are. I mean, these are not going to just be given out because they're there?

DR. PETILLO: No, no, no, no, no, not at all. No, no, no.

It was I who asked the Board then to engage in '06 to have something that's much more -- even more measurable and specific to the individual. So I've come from a system that is even more rigid than what I inherited.

ASSEMBLYWOMAN WEINBERG: You're not talking about the priesthood, I assume? (laughter)

DR. PETILLO: No, there was none there, Loretta. There was none there.

ASSEMBLYMAN GORDON: There they take vows of poverty. (laughter)

ASSEMBLYWOMAN WEINBERG: That was too obvious to say.

ASSEMBLYWOMAN QUIGLEY: You get indulgences. You don't get bonuses; that doesn't count. (laughter)

DR. PETILLO: But, yes, definitely so.

ASSEMBLYWOMAN WEINBERG: Okay. And I have one more question, which-- I know that according to the law you are, again, one of the few programs that was actually specifically spelled out in the law -- was the program for training of fellows to provide medical and dental services to the developmentally disabled. If you know, is that program going on and is it doing its function? I happen to have been the author of

the bill which set up a stream of funding for Autism research, which is also housed at UMDNJ. That's another stream of funding that you get--

DR. PETILLO: Yes.

ASSEMBLYWOMAN WEINBERG: --through the Governor's Council. But if you could comment on the developmentally disabled program?

DR. PETILLO: If I can just-- Look, I believe -- is that something that the last one, a relatively new bill, last year or so?

ASSEMBLYWOMAN WEINBERG: No, the Autism is.

DR. PETILLO: That's the other one.

ASSEMBLYWOMAN WEINBERG: But what I just talked about, in terms of providing medical training for fellows and providing medical and dental services for the developmentally disabled, is in the State law. That's not the Autism bill.

**C H R I S T Y D A V I S - J A C K S O N, E S Q.:** Hi. Christy Davis-Jackson, Vice President of Government Affairs. That bill, I think, was public law in 1999, was never appropriated -- the \$2.5 million. We applied for funding under that bill and we were told it was never appropriated.

ASSEMBLYWOMAN WEINBERG: Well, then that's certainly our responsibility to--

DR. PETILLO: I thought that's what you were referring to. But I just heard that.

ASSEMBLYWOMAN WEINBERG: Yes. Not the Autism, yes. The DDD.

DR. PETILLO: No. Yes.

ASSEMBLYWOMAN WEINBERG: All right. I want to close.  
I'm sorry.

Assemblyman O'Toole.

ASSEMBLYMAN O'TOOLE: Thank you, Chair.

Dr. Petillo, you served as President of Seton Hall University.  
You served, I think, as President of Blue Cross, Blue Shield.

DR. PETILLO: Don't hold that against me.

ASSEMBLYMAN O'TOOLE: I suspect that this is perhaps your greatest challenge professionally. My question is, after this painful self-examination, albeit forced self-examination, after the corrective measures have been adopted and time has been allowed to take place and cures have been put in place and remedies have been put forward, there will be no other excuses after this six months, a year from now. I have personal great faith that the buck will stop with you and this current Board of Trustees.

If we, in the State of New Jersey, continue to allow the environment to exist as it has, or failures continue as the norm, not the exception, what price is to be paid to us as a state and as a society and as just a group here? My concern is, it is -- New Jersey has experienced a lot of hurt this year, last year. A lot of confidence has been shaken in government and people -- it's been scandals. I'm so much concerned about that you will be able to deliver the quality of services at the hospital, the schools, if we continue in this vein and have this headline -- you know, splashes about scandal, corruption, blah-blah -- that we will not be able to attract the high caliber student, not be able to attract the high caliber staff, physicians, specialists, grants, Federal, not-for-profit. I mean, that has to be a concern,

a real concern that you and the Board have. And tell me how we're going to combat this image issue that we're going through right now as this painful self-examination continues?

DR. PETILLO: Assemblyman, your conclusion is right on target. It hasn't affected us yet -- an enormous number of thousands of students we have for about 160 seats at different medical schools. But it is an excellent question. We're going to combat it -- we, the Board, the administration -- by hopefully gaining the confidence of the Legislature, I think, by showing that we can do, and we have been doing, and your confidence that we, as an institution, can do. I'm energized by all this. I am not running away from this. In fact, I will thrive in this battle-type environment, because I know the value of this institution in caring for people who need.

Now, resent -- and I think hopefully the Legislature does -- that we always take -- we, as in a state as well as an institution, take the beating that we're inferior. I would like to say that we are as good as Johns Hopkins in certain areas, contrary to what media may say. And for example, this Cancer Institute here, right here, that this Legislature continues to fund, a year ago scored higher than Johns Hopkins Cancer Institute. So we are better. I'm not going to be apologetic about this institution and what we've done, and hopefully you will not.

We saw all the press over the last two months, and yet at one of our hospitals-- A child lost his arm because it was severed because of a saw. The local hospital couldn't attach it. We brought it back to Newark. That child's hands and fingers are covered. It got buried on Page 26 with a title,

“Hospital.” That is a disservice to the people in this institution. That is a disservice to, actually, what you’ve asked us to do.

So thank you.

ASSEMBLYWOMAN WEINBERG: Okay. I am going to close your portion of the testimony. I want to read a quote from you, which I’m assuming is an accurate quote, because I think it, hopefully, will set the standard for what goes on in terms of both you and the Board from here on in. But I’m quoting you at least in one of the newspapers which says, “We need more transparency in our daily operations and ethical guidelines that illuminate and educate the University community, so that everyone knows we are achieving excellence in all mission areas.” And I would hope that that is the goal, that at least I have, for the Board of Trustees and for you, Dr. Petillo. And that we will be kept apprised, as the next few weeks and months go by, on the variety of issues that we raised here so that I no longer look at a list that says “\$3,600,000 for outside legal counsel, as needed,” with no other explanation; and that we see an ambulatory building open serving the population it is supposed to be serving. And that Bill Payne will be there arguing with us that whatever we do, we have not given you enough charity care for the coming year.

And with that, I thank you. I hope you will stay.

DR. PETILLO: Yes.

ASSEMBLYWOMAN WEINBERG: I know Ms. Delgado said that she did have another appointment, but I hope both you and Mr. Pennington, if you can, stay through some of the next testimony.

Thank you.

DR. PETILLO: Thank you. Thank you, everyone.

ASSEMBLYWOMAN WEINBERG: And I am going to call Dr. Harold Paz. He is the Dean of the UMDNJ, Robert Wood Johnson Medical School, who is hosting us today. Is Dr. Paz still here? He is.

And then I'm going to call Dr. Michael Jaker, University Hospital, Medical Staff Governing Council. I'm just giving you these next three or four names so that you'll know who's up next.

Dr. Sanford Klein, and then Bernie Gerard from Health Professional and Allied Employees.

Dr. Paz. Thank you for your hospitality.

**H A R O L D L. P A Z, M.D.:** And that, in fact, is the purpose of my comments this afternoon. On behalf of the faculty, students, and staff of UMDNJ, Robert Wood Johnson Medical School, its various 21 departments, its six major institutes -- including the Cancer Institute of New Jersey, the Child Health Institute of New Jersey, and many more -- and our three campuses in Piscataway, New Brunswick, and Camden, New Jersey, it is my great pleasure to welcome all of you here today. It's a pleasure and an honor to have you. I extend my greetings.

Thank you.

ASSEMBLYWOMAN WEINBERG: I'm sorry, but if that's all you were going to do, I definitely would have put you ahead of Dr. Petillo.  
(laughter)

ASSEMBLYMAN GREENWALD: It's a model to be amplified.

ASSEMBLYWOMAN WEINBERG: Thank you very much.

Dr. Michael Jaker?

ASSEMBLYMAN O'TOOLE: And Lou, I hope everyone heard that. (laughter)

ASSEMBLYWOMAN WEINBERG: Is Dr. Jaker here? Oh, yes.

Yes. Thank you for reminding me. I was so fascinated. Yes, now that we are going into hearing from the general public -- and I have four people who are associated with the University; a lot of little slips of paper here -- so we would appreciate everybody keeping their comments to three minutes. And hopefully, somebody here has a watch with a minute hand.

Dr. Jaker.

**M I C H A E L J A K E R, M.D.:** Good afternoon, ladies and gentlemen. Thank you for the opportunity to talk. I have a very brief statement to make. I'd like to preface my remarks by saying that everyone in the room I'm sure is aware of criticisms that have been made public recently in the newspapers. Good things that happen at our institution, as Dr. Petillo just mentioned, don't make news. They're not good news, like an arm being reattached.

I have nothing to do with the finances or the administration of the university. I'm an Associate Professor. I was born in Newark. My parents were also born in Newark. I've been at the New Jersey Medical School in Newark since 1979, an emergency physician and internal medicine physician. There are over a thousand doctors on staff at University Hospital, along with advance practice nurses, physicians assistants. We provide quality health care and education to New Jersey residents, medical students, post-graduate students. We take care of

indigent patients, not only in Essex County, but throughout the State of New Jersey. We provide more charity care than any other institution in the state. And I think if you added up all the charity care that the other institutions provided, I'm not sure that they would equal the amount that we provide.

We provide life-saving, emergency and trauma care to New Jersey citizens, including dialysis, emergency surgery, state-of-the-art trauma care, specialty care such as liver transplant, treatment of overwhelming infection. The medical care that we provide is often the only care available to people who have no other means of getting medical care -- poor people, people without medical insurance, people without any other access to medical care.

I am an elected member of the Governing Council of the physicians that are the medical staff at University Hospital. I would just like to say that we fully support Dr. Petillo in his new role. He has a large and somewhat daunting task ahead of him. We are encouraged that he will continue to improve our institution and to emphasize the good things that we do.

And the other thing I'd like to do is to invite any and all of you to come and make rounds with us and to see what we do at the hospital, to see how we treat our patients and how we educate our students and our graduate physicians, and to see the good things that we do every day that don't make the newspapers.

Thank you for your time.

ASSEMBLYWOMAN WEINBERG: Thank you, Dr. Jaker.

Any questions? (no response)

Dr. Sanford Klein, Professor of Anesthesia, Robert Wood Johnson Medical School.

And after Dr. Klein will be Bernie Gerard, and then Dr. Kennedy (*sic*) and the Reverend Elijah Williams.

**SANFORD L. KLEIN, D.D.S., M.D.:** Good morning, Madam Chairwoman. Good morning, members of the Committee.

I'm Dr. Sanford Klein. I'm both a dentist and a physician. And I was recruited to New Brunswick in 1983 to be the founding chairman of the Department of Anesthesia of what became Robert Wood Johnson Medical School. I was chairman of the department for 16 consecutive years; five of those years I was also head of faculty practice, which is the commercial end of the physician practice here at Robert Wood.

I was fired as chair in 1999 in a vituperative and acrimonious series of events. Because of the ongoing lawsuits and Unfair Labor Practice Act, I can't talk to you about my personal experience. I can, however, for the next minute, or two-and-a-half minutes, talk to you about the business practices and the clinical practices on this campus, which I think you will find of interest.

On this campus, unlike what occurs in Newark, the hospital services were performed in two private institutions. They're not-for-profit hospitals which are owned by the Board of Trustees. This clearly is not the model in the United States. In the United States, the model has to do with the fact that university hospitals are, as in Newark, owned by the Medical School itself. Now, the two hospitals were bridged by Robert Wood Johnson Medical School up until the late '90s. After a merger of the two institutions fell through, an extremely destructive cycle was initiated in

which the two hospitals bludgeoned each other more and more aggressively. For all practical purposes, unfortunately, Robert Wood Johnson Medical School sided with Robert Wood Johnson University Hospital in this conflict, forcing St. Peters to look for medical students and services elsewhere. As I'm sure you're aware, St. Peters is, by and large, no longer part of the University family.

Now, this has three consequences and manifestations. The first consequence is that there appears to be, at least -- well, yes, appearance is the right term -- there appears to be an imbalance in funding between Robert Wood Johnson University Hospital and UMDNJ. I would suggest that -- I believe a forensic accountant was mentioned earlier as part of the Stein investigation. I would suggest that pricing of goods and services between this hospital and the University would reward being looked into.

Secondly, we were all brought here to make and create a first class health institute, and fundamentally, to see to it that the taxpayers in New Jersey got first class care without moving out of state. Unfortunately, because of the turmoil in New Brunswick, three major health industrial complexes have moved into our territory, and they're not exactly going to leave any time soon.

Thirdly, because there were major departments of this medical school which were supported by St. Peters, there now is a whole swath of practitioners and faculty members who are dangling over the precipice. I was very pleased to hear the comments earlier by Assemblyman Payne, and others, about indigent care. I can give you the best example, using indigent care, for our family medicine practice, primary care docs. New Jersey happens to rank, for primary care docs, something like 48 out of 50 in the

United States for number of primary care docs versus population. Our family medicine practice is on the verge of collapsing. We are on the verge of firing a good portion of the faculty. We are on the verge of losing our residency because no one has picked up the slack which was generated by us having to move out of St. Peters.

ASSEMBLYWOMAN WEINBERG: That is an important point, and you'll have to close now.

DR. KLEIN: That's exactly right. Well, in conclusion, because of an extremely poor series of management decisions, the taxpayers of New Jersey are at risk for losing a many decade long, very expensive commitment to high-quality care. And I ran out of stuff on the page.

ASSEMBLYWOMAN WEINBERG: Does anybody have any questions for Dr. Klein? (no response)

I have a question. There is a move to downsize the family medicine residency program? Can somebody in the audience from UMDNJ either shake their head yes or no?

Dr. Paz.

DR. PAZ: Thank you, Chairwoman.

As a result of a decision to end an affiliation agreement between the Medical School and St. Peters University Hospital, by St. Peters, in I believe it was July of 2002, the Medical School has responded by working to reallocate its academic programs in order to continue to support its mission in terms of education, research, patient care, and community service. Specifically, with regard to family medicine, we have established new relationships in order to continue our programs.

So, for example, we have initiated a brand new family medicine residency program with Center State Hospital in Monmouth County. And in much the same way in other programs that had historically been located at St. Peters University Hospital, we've established new affiliation agreements, or have increased the level of affiliation, with several hospitals in Central New Jersey to ensure that we can continue to maintain the extraordinary high quality of education and research, as well as maintain our commitment in terms of patient care and community service.

ASSEMBLYWOMAN WEINBERG: Any questions or comments? (no response)

Thank you.

I'm looking at Dr. Sonia Laumbach, who is sitting in the front row, who serves as a resource through Robert Wood Johnson, serves as a resource to members of the Health Committee, and is a wonderful resource and I know a great proponent of family medicine, as she keeps increasing her family, too, along the way. And we're very appreciative of having that kind of expertise. But I would assume that we all know, with the small number of family medical practitioners in the State of New Jersey, as we rank nationally, this is a very, very important issue for us to be able to provide primary care to anybody and everybody.

DR. PAZ: That's correct. And let me point out that I'm proud of the fact that the fellowship that supported her activities is jointly funded by both Robert Wood Johnson Medical School of UMDNJ, as well as Robert Wood Johnson University Hospital. We've taken great pride in creating this fellowship to give our graduates additional training,

particularly in the area of public service and advocacy, and learning the important aspects that come with that particular type of training.

As you indicated, at the national level, there has been a decrease nationally in terms of the percentage of medical students that enter primary care residency programs and then remain in primary care. There has been a shift in terms of the -- I'll call it the philosophy, as to what was called the gatekeeper role, that primary care physicians would have in this country in the early '90s. And we find ourselves now more and more dependent on specialty and subspecialty services to our patients, particularly with the demographic shifts in the U.S. An aging population -- as you know, by the year 2020, one out of every five individuals in the U.S. will be over the age of 65. We have become more dependent on specialty care.

Yet at the same time, the Medical School, as do most of the 125 accredited allopathic schools in the U.S., remain firmly committed to primary care. We do everything possible to encourage our graduates to enter residency programs in family medicine, general internal medicine, general pediatrics, and general OB/GYN. We continue to support these activities among our faculty, and it's a high priority for us.

ASSEMBLYWOMAN WEINBERG: Thank you.

DR. PAZ: Thank you very much.

ASSEMBLYWOMAN WEINBERG: Okay, thank you both.

DR. KLEIN: Thank you.

ASSEMBLYWOMAN WEINBERG: Bernie Gerard.

Then Dr. Kennedy, and then the Reverend Elijah Williams Jr.  
Bernie.

**B E R N I E   G E R A R D   J R.:** Good afternoon. Madam Chair, members of the Committee, thank you for the opportunity to speak before you today. My name is Bernie Gerard. I'm the Vice President of the Health Professionals and Allied Employees.

HPAE represents 11,000 health-care workers, including 3,000 nurses and health professionals at UMDNJ, providing patient care, research, and health programs to not only the Newark community, but also the entire state. We're deeply concerned with the recent reports of no big contracts, political donations, and excess of expenditures by the University of Medicine and Dentistry.

When dollars are spent without accountability and public scrutiny, it is our patients in health programs that suffer. Dollars misspent represent closed community health programs, less research conducted, and fewer nurses caring for more patients. For years, we have witnessed and often opposed outside contracts, and were often blocked from getting the information needed to honestly evaluate the services or vendors involved.

Unfortunately, these issues are not unique to UMDNJ. Hospitals throughout New Jersey have little accountability or transparency for huge expenditures of public dollars meant for patient care. We believe the New Jersey Legislature has an important and legitimate role in holding all of our health-care institutions accountable for these funds, and especially public institutions. We believe all members of the UMDNJ community welcome this hearing and the reforms that we hope come from this hearing.

Let me give you just a couple of examples of past contracting policies at UMD and how they affected our patient care mission, followed by our own recommendations for reform. In 1997, UMDNJ requested, and

later received, a waiver of the bidding process in order to award a service contract to Fresenius Medical Care for University Hospital's renal dialysis program. Along with patients and community groups, nurses and caregivers from HPAE opposed this contract. We believed a for-profit company could not provide our patients all the services they needed in an outpatient setting -- that nutritional support, counseling, education, and even emergency services so vital to dialysis patients could be compromised. We also questioned the proposed cost savings, as well as the impact on patient care.

This was a service that had been affectively provided by UMDNJ nurses and professionals, whose patients would now be forced to travel to an unfamiliar environment, cared for by unfamiliar providers, and without access to immediate emergency care. Despite widespread opposition from nurses, social workers, and patients, the contract was approved. And according to University's own documents, the driving forces to outsource the dialysis service were financial considerations.

Another example is the provision of information technology services. Many services, formerly provided by UMDNJ employees, are now provided by outside vendors. Complaints and concerns from employees were met with warnings, department transfers, and intimidation. Here is one outcome: Providing voice mail services and phone-set related charges which cost \$82.50 per hour from a vendor could be done by an IT staff worker/member for a nominal fee. This could reduce departmental costs for phone-related services significantly. Every dollar spent this way is taken from taxpayers, our community, patients, research, and workers. At the

same time, community and patient programs are closed or cut back because of lack of funds.

Let me say that we support the recently announced reforms of UMDNJ President Dr. John Petillo, and have a new, more positive working relationship with his administration and with the hospital administration under Darlene Cox. We negotiated a successful contract last year that established nurse-to-patient ratios and have since added nursing staff and improved patient care.

We support the recently announced reform initiatives. However, as the recent reports make clear, there is much work to be done. As frontline caregivers and professionals, we would like to add our recommendations for reform, based on four principals: accountability, transparency, efficiency, and worker participation.

Accountability: We would institute additional measures for all contracts, requiring a board review of vendor contracts, limits on no-bid waivers, notice to employee representative and community boards, through a committee developed with a newly announced Compliance Auditor office.

Transparency: As noted by Dr. Petillo already, our contracts are being listed on the Web site, and we appreciate that.

Efficiency: To require a formal review before any subcontracting or outsourcing of any services to determine services affected, employees affected, cost to the public of the contract as opposed to inhouse work, and potential impact on patient care.

And in worker participation: Involve frontline employees in review of contracts that affect their department or services, prior to

implementation or approval. They are the experts in the delivery of service, and they know how to do it better.

Thank you very much for your time.

ASSEMBLYWOMAN WEINBERG: Thank you.

Are there any questions for Mr. Gerard? (no response)

Okay, Dr. Kennedy?

Thank you, Bernie.

MR. GERARD: Thank you.

**K E N N E D Y G A N T I, M.D.:** Chairwoman Weinberg and distinguished Assembly members, my name is Kennedy Ganti, and I'm a second year resident in the Department of Family Medicine here at Robert Wood Johnson Medical School, and will be moving on to my third year without the benefit of having second year or first year supporting residents in our program, due to the fact that changes have been made, as you've already heard, due to potential closure of our program. We're a nationally known residency that supports fellowships in, amongst other things, geriatrics, sports medicine, and health policy -- the health policy fellowship, as well as primary care research, for which we are very well known.

Closure of our residency has an impact on the community here in New Brunswick, although there are other programs in parts of the state. The city of New Brunswick -- as you know, is a dynamic as well as economically, as well as ethnically diverse community -- will stand to lose health care for 50,000 -- will stand to lose 50,000 patient visits.

We, also -- as Chairwoman Weinberg mentioned about developmentally delayed -- our department sponsors the resource unit where we take care of developmentally challenged and mentally challenged

people after they've been placed in the placement homes, and our residents, as well as our attendings, take care of them.

As you've heard already, we rank 48 out of 50 in the number of primary caregivers in the country. We're actually 43rd in terms of health-care quality. And in the material that I gave you -- is directly related to the fact that there is an overabundance of specialists and super specialists here in New Jersey, and we don't have enough primary care physicians. And this all has contributed to the increase in costs, for which I think is why I'm here to talk about, also, costs in this residency. Because as you can see in some of the papers, validated research, that family medicine and primary care medicine provide very cost-efficient care. And in doing so, this all boils down to patients -- 50,000 patient visits. People here in New Brunswick, people here in Central New Jersey and the surrounding areas need to have primary care so that we can showcase all that we can do here in UMDNJ, as well as with the Robert Wood Johnson University Hospital.

And in conclusion, you take away primary health care -- through the residents and then the attendings that would leave without the support of a residency -- and you take away access, and then you take away health care; and this to me seems to contradict the mission of UMDNJ, as well as the State of New Jersey.

Thank you very much.

ASSEMBLYMAN GREENWALD: Doctor, thank you.

Reverend Elijah Williams?

ASSEMBLYMAN MUNOZ: Lou, I have a question.

ASSEMBLYMAN GREENWALD: I'm sorry.

Doctor, please have a seat.

Dr. Munoz.

ASSEMBLYMAN MUNOZ: Actually, I promised not to say anything, but I do want to just say one thing. Years back, I got a master's of business, and economics is what I learned from the high-powered business school. Economics is the study of behavior. Unfortunately, if you go back into why family medicine is not particularly popular and orthopedic surgery is extremely popular, I'll go back to what I learned 25 years ago -- economics is the study of behavior. So simply a comment on your testimony.

DR. GANTI: Oh, thank you. And just as a response to that, it's all about the people. It's all about preventing the things that -- preventative care works in other countries, why can't it work here? It works in other states, why can't it work in New Jersey? If we want to be the best, we need to do primary care, too.

ASSEMBLYMAN GREENWALD: Doctor, thank you.

Reverend Williams.

REVEREND ELIJAH L. WILLIAMS JR.: Let me say good afternoon to everyone.

ASSEMBLYMAN GREENWALD: Good afternoon, Reverend.

REVEREND WILLIAMS: I really had not planned to speak, but based on the information that's being shared with this body, I would like to just introduce myself as a community person. And up in Newark, we do have a Board of Concerned Citizens, which Mary Mathis-Ford is the chair of. Unfortunately, she is not able to travel because of her health conditions. We also want to understand that we are a birth of the Newark agreements -- which Assemblyman Payne so brought to your hearing -- of

those Newark agreements. And there were people who came together as a concerned body to ensure that UMD lived up to its agreements that was specified in the document. That was 1968, I believe.

I've been at the University, around the University, and I'm an area pastor 18 years, local church. And as a part of this body, this is our third presidency that we've seen at UMD. We've seen the progress. We've seen the snafus as well. One of the things that we also remember in that agreement was that there was a challenge that was put forth that education and employment, as well as health care, will be to providers for this institution and the community. And I believe that that was the leading force that turned the antagonistic voices of those who were in protest against the institution to yield themselves to allow this institution to be built there.

And even in the past, there has been some attempts at times for them to forget that which was committed to paper. And we recognize that it's been some 30-some years ago, but there's a spirit in this agreement that can never die. And one of the things that we listen, as you have listened, I think everybody here today is on trial. You are all on trial, as a commitment as legislators, to maintain a position of authority and moving forth laws that will help facilitate funding to keep some of the things that are written in this agreement alive.

And number one, was Assemblyman Payne's talk to us about health care. Uncompensated health care in the city of Newark is at a budgetary low. We're operating, from my understanding, at an '02 budget, and we need at least \$27 million appropriated at this present time so that

we can continue the services, at an '05, for the citizenry that it serves in Newark.

The second thing that we talked about -- and that's the health-care piece. The second thing was the educational piece. Everyone of you heard that UMD graduated 19 percent Hispanic and African-American. On a national level, Asia is number one, African-American is number four, and Hispanics five. That's somewhat appalling. I think that the challenge should be that, being where it says and being what was written in this agreement, that number one should be African-Americans. Number two should be Hispanics, because that's the geographics in which it's served. And I'm hoping and I challenge Dr. Petillo to take a look at this agreement and to also work, and I believe he will, towards changing those numbers so that we can get qualified health care back in the city of Newark. And not only just graduate high volume numbers from doctors of medicine and dentistry, but also put people back in the community -- hang out shingles in our community so that the underserved and the underprivileged will have an opportunity to be afforded health care.

And then thirdly, and appalling again, that we have discovered that there may have been -- from the community -- that there is some problems with the financial picture at UMD. But I feel confident that I believe that there has to be a trust factor. There has to be a trust factor being demonstrated from you, the Assembly. There has to be a trust factor demonstrated from the present government. The challenge should be, and on this particular day, that we're spending now, having to spend, \$425 per hour to a judge, who -- not to knock his credibility or anyone else. The last time we heard it was Judge Coleman. Then it was changed to the present

day selection. But I believe that the institution with the education, with the kind of people at that institution -- and I know how people think and the mind sets of folks, and it's an integrity issue. But we have to be able to begin to police our own and become lucent and transparent, as been stated.

We have dollars, and we cannot afford to squander dollars. If the powers that be cannot correct their own and police their own financial picture, why is it that every time something happens where there's a negative, we have to go outside the periphery just to satisfy public opinion? The members ought to be the same no matter what, whether the internal folks do it and present it to the Board of Trustees, or the Board of Trustees -- it is a financial component of their body -- should be spearheading, should be the persons that go in there and do that investigation and come back and report to this body if necessary, and have the records and the facts speak for themselves. It is appalling that we're still spending dollars that we don't have to spend at the sake of the poor.

God bless you and thank you.

ASSEMBLYMAN GREENWALD: Reverend, thank you.

ASSEMBLYWOMAN WEINBERG: Thank you.

Are there any questions?

ASSEMBLYMAN MUNOZ: Can I ask a question?

ASSEMBLYWOMAN WEINBERG: Yes.

Assemblyman Munoz.

ASSEMBLYMAN MUNOZ: Thank you.

I've chirped up here all of a sudden.

First of all, I've worked with the Reverend over the years. The work you do in the community, I think, is really vitally important. If you

look at the Newark campus, that complex does provide a huge amount of health care, employment, to the whole city of Newark. And certainly if you look at the New Brunswick campus -- I mean, just look around here. You see a huge amount of health delivery going on.

Just to mention what Dr. Petillo was talking about. I was amazed that my son's classmate at the Summit Middle School -- a horrible accident got his arm cut off, a horrible accident. And he was brought to University Hospital and that arm was reattached. And when things like that happen, and actually happen, this is real-life stuff. I'll spend the night in the emergency room. If you guys want to come down, who knows what is going to happen, but we do a tremendous amount of good there. And I do agree with you, that we do have to look at tax dollars and spend them wisely.

REVEREND WILLIAMS: Assemblywoman, if I may respond?

I want to make sure that you understand this. That in the city of Newark, UMD has come a great way from (*sic*) being a top-notch, health-care facility in the city of Newark. I want to say to you that the transition and the changing of its perception of what it was 30 years ago has been drastically turned around. When it was called Martlin Hospital, the common vernacular in the street was that of a butcher shop. That was the common vernacular. It has now been turned around. If you walk through any street in Newark, even those now, most people don't understand community, and you must understand community.

We have a citizenry within our community that is church. Let's go beyond the stain-glassed walls for a moment to the unchurch. The ones who really are the service that comes to UMD, who do not have health

care, who are not educated in preventive medicine. But when you begin to talk to that population of our community, they understand that if they get shot, if they are stabbed, or killed -- or almost on the verge of being killed, UMD is the place that they would like to go if they have a chance for survival. So it has turned around. There's a great deal of impact -- it's tentacles are in the community. I'm here to tell you that. There are various programs, outreach, that has serviced the community. But I'll be wrong to tell you to sit here, and not lay the ax against the tree and not keep the tentacles on the minds -- of the impression, according to this agreement -- that we have to do more.

We are smarter than we were 30 years ago. We have more advanced medicine than we did 30 years ago. And so as we grow, it should grow. And the community involvement should grow. And this is all I'm saying here today, and I thank you again for your input. I believe that -- I've sat with the President, I've sat with Ms. Delgado -- and I know when things are young that there's room for snafus and misquotes. But on the level of the playing field, communication has to be the start of the day, from all facets of the University -- Board President, Board Chair -- and as well as keeping the community, especially the Advisory Board, as we said in the community, apprised of what's going on at the University so that we could work in harmony.

Thank you.

ASSEMBLYMAN GREENWALD: Thank you, Reverend.

ASSEMBLYWOMAN WEINBERG: Thank you, Reverend.

Cecile Feldman, Dean of the New Jersey Dental School, and somebody who writes very tiny -- Jill York is it? Okay. Faculty member,

New Jersey Dental School. And Tai Lebel, would you all come forward, and we can pull another chair up.

Dr. Feldman. I met her outside. I told her she looks too young to be a dean.

**CECILE FELDMAN, DMD:** Thank you.

Chairwoman Weinberg and members of the Assembly. It is an honor and a privilege to be here and offer testimony before this Committee. I am Dr. Cecile Feldman, Dean of the New Jersey Dental School, the only dental school in the State of New Jersey. I am also a commissioner on the Commission on Dental Accreditation -- the national board recognized by the U.S. Department of Education to accredit U.S. dental schools.

Community-based health surveys always rate dental care as one of the top three most-needed health services. Yet, few options exist for low income and disadvantaged populations. Oral health care is not elective. It's about eliminating infections, eliminating pain, eliminating visits to hospital emergency rooms, and eliminating lost school hours. And it is about improving overall health, improving nutrition, improving children's learning, improving self-esteem, and enhancing quality of life.

The New Jersey Dental School has a statewide mission to improve the lives of New Jersey citizens. With our clinics in Newark and our axial networks of clinics throughout the state, the New Jersey Dental School accommodates over 100,000 patient visits each year. The school is the largest provider of oral health care services to low income, underserved New Jersey residents, with many of the residents being underprivileged children. We provide an alternative to expensive emergency room visits, saving the poor and State-assistance programs hundreds of thousands of

dollars each year, as a visit to the dental school costs \$55, versus 500 to \$1,000 for a trip to the emergency room.

We provide comprehensive care, care which provides for a patient's entire oral health-care needs, not just providing palliative treatment which sometimes lasts for only a few hours or days. The New Jersey Dental School is often these patients only link to quality oral health-care services. The New Jersey Dental School has touched the lives of thousands. And while this number is impressive, what really matters are the individuals lives that we have impacted. We have many stories to tell. Stories like the 4-year-old boy who was born without any baby or permanent teeth. He never smiled, he never played, and he never interacted with his peers. At the Dental School, we provided this 4-year-old, who is now both smiling and laughing, with a full set of tiny false teeth. We truly changed this boy's outlook on life; and his mother, who feared the teasing and the taunts from her son's future classmates, is now able to sleep knowing that her son can start school without fear.

We provide relief from pain. We provide life-saving treatment for head and neck infections. And we make the prosthetic eyes, ears, cheeks, and noses for individuals who are head and neck cancer survivors.

You should all be proud that the New Jersey Dental School is at the forefront in training the state's and the nation's oral health workforce to meet today's health-care challenges. We are the first school in the nation to have received full accreditation for a residency program that will train dentists to work with severe developmentally disabled patients. And we have begun the first combined specialty program in the country in pediatric dentistry and oral medicine -- a unique program that would prepare

pediatric dentists in treating children with complex medical and oral pathology conditions.

Our graduates are the finest in the nation, with our graduates being sought after for most post-graduate residency positions and practice opportunities. Our graduates consistently outperform other schools on licensing examinations. And our school was the second in the country to ever successfully receive full accreditation status with no recommendations and multiple commendations.

New Jersey Dental School researchers have found that almost 60 percent of our inner city school children in Newark have active caries/lesions that need restorative therapy. This is almost three times as high as restorative therapy needs in nonpoor populations. If these children are not treated, they will be in pain, they will miss school, and if it weren't for the New Jersey Dental School, they would end up in hospital emergency rooms.

Reducing oral disease in this state is possible through preventive strategy, such as water fluoridation, sealant, and oral health programs; by increasing providers in underserved areas through innovative programs, such as our fourth-year, community-based learning program, and the New Jersey Physician and Dentist Loan Redemption program; and by expanding facilities so more patients can be cared for.

The New Jersey Dental School can and is willing to help in implementing all of these strategies. Again, I would like to thank all members of the Health and Human Services Committee for initiatives to improve the lives of New Jersey citizens. No one is healthy if they don't have oral health. You all clearly understand this fact and are dedicated to

helping the citizens of our great state. Together, we are truly giving New Jersey something to smile about.

Thank you.

ASSEMBLYWOMAN WEINBERG: Thank you, Dr. Feldman. And it is this Health Committee through which the Physician and Dentist Loan Redemption Program passed, and was voted on by the Assembly, and is awaiting further action in the Senate. I met with the representatives of the Dental School just a couple of weeks ago to improve on that a little bit. So we are well aware of the work that you're doing in the community.

DR. FELDMAN: Thank you very much.

ASSEMBLYWOMAN WEINBERG: Your name first, please?

**T A I L E B E L:** Yes. Tai Lebel.

Good morning, Madam Chairwoman Weinberg and members of the Assembly Committee. I want to thank you for giving me the privilege of being about to talk to you guys today.

I graduated from Brooklyn College a couple of years ago and was accepted to UMDNJ, which I must say was quite an amazing experience. I've always wanted to go to UMDNJ, my number one choice, and it had a great track record. So I knew I was going to get a great education. I consider myself very fortunate to have spent the last three years in an institution that has superior faculty and is conducive to higher learning.

You know, UMDNJ is sort of personalized. We have a small class. Our faculty, our staff, the administration, everyone -- from the people at the dispensary windows who give us our equipment, to just regular people that you see around the hallways -- are always around to help you.

And comparing notes with other students from other dental schools, I know that we truly get a lot of personalized attention at the school.

I'm very fortunate to be one in the first class to enter the new oral health pavilion, which opened recently, which is our new dental facility. We have state-of-the-art equipment. And I must say that in the school our faculty is some of the best faculty that are around. I don't know if the legislator is aware, but we have something called the Master Educator's Guild Award, which was established a couple years ago by Dr. Cook. This award is given to faculty members through the entire UMDNJ that have achieved a master educating level, and we are very proud of having a couple of those members in our faculty. We also have a couple of faculty members that are involved with our nationally refereed journals.

The new floor that has been outfitted in our school, patients love it. I can tell you a personal story of mine -- that one of my patients came in with these old broken dentures, and his wife, actually, hadn't seen him smile for 15 years. And after I made him these new dentures he came home to his wife and she started to cry. So that's the type of patient care and impact that we have in the community. I can tell you that this is one story out of hundreds that you will hear from students at UMDNJ such as myself, and the type of impact that we have on the patients. So the professors, and everyone else, are truly mentors to myself and to my classmates.

I thank you for your time today.

ASSEMBLYMAN PAYNE: That's probably unintended consequence -- he smiled and she cried. (laughter)

MR. LEBEL: Well, she hadn't seen him with teeth for 15 years. (laughter)

ASSEMBLYMAN GREENWALD: We got it. We got it. We're not that dense. (laughter)

ASSEMBLYWOMAN WEINBERG: Jill York.

**J I L L Y O R K, D.D.S.:** Good afternoon. I'm Jill York. I'm the Director for the Statewide Network for Community Oral Health and an Associate Professor at New Jersey Dental School.

In 1989, in addressing the access to oral health-care needs in the State of New Jersey, a network of dental facilities was established. And in doing so, we tried and we have really served the underserved, underrepresented, uninsured, and even those that have insurance that can't find a dental provider. What I'm talking about is individuals such as those with HIV Aids, migrant workers and their families, indigent elderly, those that are emotionally, physically, and developmentally challenged. We are reaching out to a segment of the population that really no one is thinking about when they're moving forward with issues and missions that look at serving the people in the United States of America.

She's a woman who's 40 years old, diagnosed with HIV in 1987. She resides in Cumberland County, a rural area, and she has no dental insurance. She knows that she needs to have good oral health and nice teeth, because she needs to have nutrition in order to take her medications. There's another gentleman who is 68 years old. He resides in Essex County, and he, for the first time, has been able to eat steak and apples because of implants. He is so happy his dentist has told him about that.

These are only a few of some of the stories that come out of New Jersey Dental School. When the school was established in 1956, the science and practice of oral health focused primarily on the diagnosis and treatment of gums and teeth, conditions that dealt with that. Since that time, we have evolved into a profession and a discipline that really has an impact on people's quality of life, as well as its impact on the way in which they function in daily activities.

I can tell you that if we provide access to care to one individual in the State of New Jersey, we are making a difference in their lives. And I just look at it that it's another citizen in this state that we are affecting. And I think we do that every day.

So thank you very much.

ASSEMBLYWOMAN WEINBERG: Thank you.

Are there any questions?

Assemblyman Payne.

ASSEMBLYMAN PAYNE: Madam Chairlady.

I believe that you said that there are 60 percent of the Newark school youngsters that are in need of oral or dental care. Is that correct?

DR. FELDMAN: Yes.

ASSEMBLYMAN PAYNE: Is there a program of cooperation, I suppose, with the Newark School system, or with other school systems -- but we're talking about Newark right now -- that provide for treating these youngsters; or what's going on in that area?

DR. FELDMAN: We have actually a contract with the Newark School Board, and we actually have students from the schools actually bused to the dental school. That contract does not cover, obviously, all of

the needed services. We provide as much service that we can, given the facilities that we have. We are in great need of being able to expand our pediatric dentistry clinics, that this way we could provide even more services.

ASSEMBLYMAN PAYNE: So we have 60 percent of the youngsters that need these services. We're able to provide what percentage of that population?

DR. FELDMAN: There's multiple factors that are involved. We provide any child for which we can get a signed consent form from the parent, and then we work out the budgeting arrangements with the actual school. Exactly what the percentages of those kids that we see, I don't know, but we could certainly try to find out.

ASSEMBLYMAN PAYNE: Yes. I think it's important, because those youngsters that-- We say it does impact on their quality of life, impacts on their ability to be attentive in school--

DR. FELDMAN: Absolutely.

ASSEMBLYMAN PAYNE: --and impacts on all kinds -- their health. And I think it's something similar to lead poisoning where a youngster's brain is impacted negatively and they're never able to learn. I think that in a -- and we say this often -- society, the richest society in the world, and we still have people within our midst that don't have basic kinds of care such as this. What would it take to meet the needs of that 60 percent of the youngsters that need this care -- what would it take -- funds? And also, let me ask, are we fully equipped -- your facilities -- are they fully equipped to take care of the patients that we have?

DR. FELDMAN: Yes. It would take two things: One is some funds in order to be able to deliver all the care that's required and to deal with the busing arrangements and other things. But the other is, we need to be able to update and to increase the size of our pediatric dentistry clinic.

ASSEMBLYMAN PAYNE: Let me ask you this. The pediatric dental clinic, what kind of equipment do you have? Is it state of the art, or are you still laboring under old equipment?

DR. FELDMAN: Yes. Our facility was built in the mid-'70s, so our dental clinics and our main building is about 30 years old, at this point in time. We've really reached the maximum with regard to the lifespan of that equipment, and so our clinics are in need of renovation.

ASSEMBLYMAN PAYNE: What are we doing to try to update the equipment? What programs are going on? The fact that the facility is 30 years old and the fact that we have an awful lot of youngsters that need this service in that one city alone, what do we do about addressing those? What's going on now?

DR. FELDMAN: Yes. There's actually a few things that are going on: One is that we're working very closely with the University and, as part of the capital improvement project, the dental school was able to receive certain funds that has allowed us to build that oral health pavilion, which gives us the ability now to expand some of the other clinics that we have within the dental school.

We're currently working with some of our Federal legislators to see if we can get an appropriation to help with regard to rebuilding of some of the clinics, and we're currently working with the State and the State Legislators to see, again, if we can get additional State funds in order to be

able to move forward with that. Capital improvement dollars for higher education have been very difficult to receive here within the state. And that's really what is required. So we're working on it from that end.

In addition, we have a capital campaign that we're undergoing right now to try to raise some funds from private sources. We have a major gift from Delta Dental of New Jersey to help with some of the facility renovations. We just received a gift from the Healthcare Foundation of New Jersey to begin the design of the new Pediatric Dental and Special Needs Clinic. So we have a number of initiatives that are underway.

ASSEMBLYMAN PAYNE: And what is the time table? We have initiatives that are underway -- people that are still in great need. I think there's something that says *no child left behind* in all areas, including dental care, etc., etc. If we're working right now with facilities that are 30 years old, or equipment that's 30 years old, that same thing applies in the neonatal clinic or clinics there.

We need to have, obviously, greater emphasis somewhere, because we simply cannot allow the people who need it the most to have the oldest equipment, the oldest service. We simply have to do something about it. I think you gave us an example of the percentage of youngsters in the area that we're serving compared to those outside of the area. What was that again? You gave some statistics as the--

DR. FELDMAN: It's about three times as high as the nonpoor populations across the country.

ASSEMBLYMAN PAYNE: So I guess there's something to that biblical saying that the poor will always be with us. Because as the poor, they're dumped on. It's the poor who need the services the most, but

are not getting them. And I think that's something where we really need to highlight the fact that when we talk about a lot of funds being used in these poorer areas, the need is greatest there. And we need to be able to focus on that and be able to try to address the needs of the people who have the least, so that we can, in fact, help them to become contributing members of society later on. This goes on and on and on. And if we continue to provide insufficient funding for the areas that need it the most, we have a perpetual situation. And it seems that we're going to have to look at changing that.

DR. FELDMAN: Giving children the right start in life and giving them the necessary education is obviously something that helps make very productive citizens in the future. Specifically, within the school, we're currently trying to seek \$2.25 million in debt service relief that will allow us to then do the necessary renovations within the schools. And that, of course, includes expanding that pediatric dentistry clinic, but also expanding services to other special populations. Severely developmentally disabled is another group that we're trying to get more services out to. We essentially are a regional resource. There's no other facility like us in the area, and these individuals really have nowhere else to go.

ASSEMBLYMAN PAYNE: Yes. I understand that some of the people that you treat in your facility are people that are developmentally disabled, as we mentioned, people that simply cannot be treated any place else, and this is the only place that they can be.

ASSEMBLYWOMAN WEINBERG: And let me -- and one of the biggest problems in terms of oral health is that there are hardly any dentists in the State of New Jersey who will accept Medicaid patients,

because of the reimbursement. We are talking about that with representatives of the dental school, as well as getting some offsite places for them to operate from. So it's a discussion that has started.

DR. FELDMAN: We are the largest provided of dental services for the Medicaid program here within the state. But as you mentioned, the reimbursement is extremely low. So it's very difficult to get private practitioners to participate in the program.

ASSEMBLYWOMAN WEINBERG: I'm sure the members of the Budget Committee here have been taking notes furiously throughout this entire discussion. (laughter)

DR. FELDMAN: Thank you very much.

ASSEMBLYWOMAN WEINBERG: Thank you.

Barbara Caudrell (phonetic spelling), Dr. Barbara Caudrell -- am I saying that right -- UMDNJ School of Nursing.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Dr. Caldwell had to leave to go teach a class.

ASSEMBLYWOMAN WEINBERG: I'm sorry. I wasn't even close on her name. Okay, thank you.

Dr. Jennifer Caudle, from the School of Osteopathic Medicine.

**JENNIFER CAUDLE, D.O.:** Good afternoon. Thank you so much for allowing me to speak. My name is Jennifer Caudle, and I'm no longer a fourth year medical student. I graduated last Wednesday, so I'm officially a D.O.

ASSEMBLYWOMAN QUIGLEY: Congratulations.

ASSEMBLYWOMAN WEINBERG: Congratulations.

DR. CAUDLE: Thank you. Thank you.

ASSEMBLYMAN PAYNE: Opening an office in Newark, maybe? (laughter) We'll take you.

DR. CAUDLE: I went to the School of Osteopathic Medicine in Stratford. Just a little bit about my background. I was born and raised in Iowa. And I first came to New Jersey about 10 years ago, when I started my freshman year at Princeton University. I went to Princeton for four years and graduated; after which I took a year off, before going to medical school, where I competed in the 1999 Miss America pageant as Miss Iowa. I then went to medical school. And one of the things I wanted to tell you about was why I chose the School of Osteopathic Medicine, why UMDNJ in particular. I knew I wanted to be an osteopath, but I was looking for a school that cared. I was looking for a school that was interested in me as a person, a school that cared about education, about opportunities, and that's one of the things that I found at SOM.

Just a couple of facts that I'm particularly proud of: Diversity was very important to me. The faculty, the staff, the students at SOM are quite diverse. We have 55 percent women and 50 percent minorities; 28 percent underrepresented minorities. And for the last eight years, the osteopathic medical school has been number one among all osteopathic medical schools for diversity. I'm very proud of that, and that's something that I wanted. The other thing is opportunities. Opportunities are great at the osteopathic medical school. We have clinics that we serve underrepresented communities. There's plenty of student and professional organizations just like any other medical school, but also our interest in geriatrics and primary care in particular is remarkable.

So I didn't want to speak very long, but I do want to tell you that the osteopathic medical school, to say the least, I can say it's truly made my life. It's made who I've become. The faculty and the staff have molded that; they've shaped me. I really think they have a huge part of what I am right now, and for that I'm extremely grateful. The opportunities have been unbelievable and, to say, again, the least, the education was remarkable -- clinically and academically.

So in sum -- and actually, I've been thinking, I would love to even come back to UMDNJ and serve on faculty. I plan to come back, and I plan to stay around. So the bottom line is, if I had to do it all over again, would I? And that answer is, most definitely.

So I want to thank you so much for your work and for your time.

ASSEMBLYWOMAN WEINBERG: If you brought your CV, there's somebody over there you can hand it to right now. (laughter)

DR. CAUDLE: Thank you very much.

ASSEMBLYWOMAN WEINBERG: Thank you and lots of good luck in your future here.

DR. CAUDLE: Thank you.

ASSEMBLYMAN PAYNE: Let me just -- please, consider Newark. You're not going back to Iowa or anyplace else like that? (laughter)

DR. CAUDLE: No, I'm not going back to Iowa.

ASSEMBLYMAN PAYNE: And my interest is not simply because you--

ASSEMBLYWOMAN WEINBERG: Who could leave New Jersey and go back to Iowa? (laughter)

ASSEMBLYWOMAN QUIGLEY: But Hoboken is prettier than Newark, so come on over. (laughter)

ASSEMBLYMAN PAYNE: And not just because -- did you say you were in a Miss America contest or something like that? (laughter) Not just because of that. I'm really primarily concerned with your training as a dentist (*sic*), so please.

DR. CAUDLE: I appreciate that. I do appreciate that.

ASSEMBLYMAN GREENWALD: Did you bring your bag with you? Could you do a physical here, today? (laughter)

DR. CAUDLE: Thank you.

ASSEMBLYMAN GREENWALD: Thank you, Doctor.

ASSEMBLYWOMAN WEINBERG: Thank you.

Dr. Lesley Perry, from the UMDNJ School of Nursing.

And then Stephen Marcella, Assistant Professor from the School of Public Health.

**L E S L E Y P E R R Y, Ph.D., R.N.:** Thank you, Chairman Weinberg and members of the Committee.

I'd just like to highlight a few of the accomplishments and initiatives of the School of Nursing. The School of Nursing was the seventh school founded at UMDNJ. We were founded in 1992. We have a statewide mission of providing educational programs -- offering programs throughout the State of New Jersey to prepare nurses to be both bedside nurses, as well as to prepare nurses for faculty positions, leadership positions, advance practice positions, and research.

We have an associate degree in nursing joint program with Middlesex County College, a BSN joint program; degree programs with Ramapo College of New Jersey, in Mahwah; with Rowan University in Glassboro. We just initiated, last Spring, a second-degree accelerated BSN program for students with degrees in other fields who are changing careers and preparing to be nurses. That program is offered in Newark. We have a MSM program, which provides 12 specialties, preparing advance practice nurses in areas such as adult, family, geriatric, women's health, acute and critical care nurse practitioners, in psychiatric mental health, in nursing education, and we provide New Jersey's only nurse anesthesia program. And we do have a Ph.D. program that is a joint program with Rutgers University and NJIT, which is focused on urban health systems.

We are attempting to respond to New Jersey's nursing shortage crisis by preparing nurses for bedside care. The School of Nursing has graduated 1,100 associate degree and bachelor's prepared nurses over the course -- since its founding. The School of Nursing has also graduated more than 450 master's prepared nurses who are prepared for advanced practice, nursing faculty positions, and leadership positions in nursing.

ASSEMBLYWOMAN WEINBERG: By the way, let me interrupt you again. The nursing shortage is directly related now to the lack of faculty nurses. There are waiting lists at nursing schools and not enough faculty to treat them, so I'm glad you commented on that.

DR. PERRY: That's absolutely correct. Yes, and that is a significant problem because we have many more qualified applicants than we are able to admit in, and not only in our school, but also in all the schools in New Jersey and around the country.

We have tried to make some strides toward that by increasing our enrollment. We have almost doubled our enrollment in the School of Nursing over the past three years. We currently have 811 students enrolled in the School of Nursing.

We are trying to foster the preparation of a diverse nursing workforce. Our students are ethnically diverse -- 23 percent of our students are African-American, 17 percent are Asian students, and 6.2 percent are Hispanic students. We are working to increase the number of Hispanic students in our school.

We do provide clinical and community services to New Jersey's communities. Students have experiences in a variety of hospitals and community-based organizations throughout the state, including University Hospital in Newark, Robert Wood Johnson University Hospital, Cooper University Hospital in Camden, and in schools and community clinics and health centers. We have some interesting community-based programs. We partner with the Marion P. Thomas Charter School in Newark, where faculty and students have designed and implemented a health education program for students enrolled in that K-to-8 school.

We provide services to the community health center in Camden, a joint venture with the Camden County Council on Economic Opportunity, providing primary care, health screening, health education, and health advocacy programs for the underserved residents of Camden. And our François-Xavier Bagnoud Center is devoted to expanding health and supportive services to families with children with HIV Aids, and works both locally and internationally in the prevention of mother-to-child transmission of HIV Aids.

We are trying to advance the science and practice of nursing through nursing research and evidence-based practice. Our School of Nursing research focuses on health disparities, HIV Aids, and behavioral health. We have NIH funding to support studies of sleep disorders and cardiac disease. The School of Nursing houses the Stanley S. Bergen Jr. Center for the Study of Urban Health Systems, and it was recently designated as one of only three Joanna Briggs Institute centers for evidence-based practice in the U.S. This is an international institute that studies best practices in nursing.

So I thank you for your attention, and I certainly appreciate your attention. And thank you for this opportunity. We do have three students who are here with us today. So we're hoping that they'll have a chance to speak a little bit later.

ASSEMBLYWOMAN WEINBERG: Well, I do have -- the hour is getting late.

DR. PERRY: Yes.

ASSEMBLYWOMAN WEINBERG: It is 1:30 and several people up here have not had a chance to have a break.

But I have four more people who have signed up. Jon Sugarman, graduate, School of Nursing; Dr. Jim Zhang, Associate Professor, School of Public Health; Dr. Catherine Lynch -- are all three of you present?

Jon Sugarman, come forward please.

And last, Hermann Logang, graduate, UMDNJ School of Nursing.

**J O N S U G A R M A N, B.S.N.:** Madam Chairperson and members of the Committee, my name is Jon Sugarman. Last week I was graduated from the UMDNJ School of Nursing with a Bachelor's of Science degree in nursing--

**ASSEMBLYWOMAN QUIGLEY:** Congratulations.

**MR. SUGARMAN:** --and I'm here this morning to let you know that I am special. I'm special because my graduation followed 14 months of study, as part of the first class of a brand new special program at UMDNJ called the Accelerated BSN Program. It allows people like me, individuals with Bachelor's degrees in other areas with all sorts of related and unrelated prior experience and careers, to be trained in less than half the time ordinarily required to create a nurse.

This is important to you. This is important to you because your support of the University, and its support of this special program, is responsible for creating 40 new, well-educated, sorely needed health-care providers. We are extraordinarily diverse in culture, nationality, and ethnicity, very much like New Jersey itself. And by the end of the Summer, we will be working in your districts with your constituents making very positive differences in their lives. This will occur at hospital bedsides, in nursing homes, in hospices, and in day care centers throughout your communities.

There are presently two more accelerated classes behind mine, with more to follow. We are, all of us, products of your support of the University. Remarkable and very special, I think, is how that support will reverberate exponentially through New Jersey in the form of competent, compassionate health care for more and more of those who most require it

and, in many instances, could otherwise ill afford it. In addition, many of us will be continuing our education next September at UMDNJ, pursuing graduate degrees in everything from oncology to geriatrics.

Beyond allowing us to provide more advanced care to our patients, these degrees will permit us, in turn, to teach and mentor future undergraduate nursing students. Multiply this effect by the number of nursing graduates it produces in the future, and the University will further distinguish itself. It will be one of the very few in the country with sufficient numbers of qualified nursing teachers to meet a chronic and severe national shortage of nursing faculty.

All this will occur, as I know you know, in a difficult environment in which a national shortage of up to 800,000 nurses is forecast within the next 15 years. You, ladies and gentlemen, make a meaningful dent in that shortage, to the everlasting benefit of the people of our state, with your continuing sponsorship and support of UMDNJ and the School of Nursing.

Prior to my new career in nursing, I spent 35 years in business as an employee, manager, entrepreneur, and business owner. After all that time, a certain critical, analytical bottom-line turn of mind becomes a matter of habit. That said, permit me two very brief observations. First, the faculty and administration of the School of Nursing are remarkable. They have overcome every imaginable obstacle to create and sustain a program of quality that will help maintain UMDNJ as a leader in nursing education. Not only nursing education, but also nursing research and scholarship. I know how hard it is to find good people. These people, my teachers, who you support are really special.

Second, I've learned that when you have a strategic asset that produces excellent results, you take very good care of it. I've come to understand that the School of Nursing at UMDNJ and the University supporting it are just such assets, and I say this as a student, a health-care provider, a parent, an employer, and a taxpayer. As everybody's mother always teaches, if something is worth doing, it's worth doing the right way. The topic of discussion here today is no exception. People of New Jersey, everyone of whom will at some point depend upon the kinds of quality products and services that the University provides, are counting on each one of you to ensure that they remain available to all. At the end of the day, the students, teachers, patients, and citizen beneficiaries of UMDNJ rely upon you to transcend partisanship in order to take special care of a very special place.

Ladies and gentlemen, thank you very much. I appreciate your time this afternoon and the opportunity to speak to you.

ASSEMBLYWOMAN WEINBERG: Thank you.

Dr. Jim Zhang? You are here.

And then Catherine Lynch, Dr. Catherine Lynch.

**J I M Z H A N G, Ph.D.:** Good afternoon, Madam Chair and the members of the Committee. My name is Jim Zhang. I am an associate professor--

ASSEMBLYWOMAN WEINBERG: I didn't come close to pronouncing that correctly.

ASSEMBLYMAN PAYNE: You're batting a hundred, Loretta.  
(laughter)

DR. ZHANG: --very good -- School of Public Health, and I'm with the Environmental Health Department. I am a basic science researcher. So at a fact level, I think my activity is mostly teaching and research, maybe more of research, and over the last 10 years with UMDNJ. And I have to say the administrative support, in terms of positive support on my grant and the contract research activities, are really, really outstanding.

From talking to my peers in other institutions on study sections, that kind of thing -- we do chat -- all those things-- And I find that the administrative support, especially for the young faculty, which I probably was a couple years ago, or still, the mentorship that I received from the chairs and the senior faculties are just outstanding. That's probably one of the reasons that I love this University. And I hope, in the future, whatever the administration is going to do in terms of the structural changes, or that kind of thing, is not going to negatively impact those good aspects, which is provide strong support to the faculty so they can work out their best to produce the highest of productivity in their research.

The other thing is that over the last couple of years my personal experience is that the procedures for -- related to the research activities, such as purchasing of supplies, small equipment, and also travel procedures going to the national conferences, and that sort of thing, has been simplified. I really appreciated that. It made my life much, much easier. And having heard this morning's or today's discussion on things that are identified and the administration is going to correct -- some of the procedure of deficits or errors, that sort of thing -- I do hope that we're not going backward in terms of some procedures for -- related to the faculty

activity. I really hope we're not going to-- Sometimes when something comes out, it turns out there is overcorrection of things that are unnecessary. I hope we're not going to that direction.

Thank you very much.

ASSEMBLYWOMAN WEINBERG: Thank you, Doctor.

Dr. Catherine Lynch.

And then Hermann Logang, is it?

Dr. Lynch.

**CATHERINE LYNCH, M.D.:** Good afternoon. I'm Dr. Lynch. And I'm sorry -- it's very weird for me to hear that. I just graduated last week, as well.

ASSEMBLYWOMAN QUIGLEY: Congratulations.

ASSEMBLYWOMAN WEINBERG: They wouldn't get their diplomas unless they all showed here first, or-- (laughter)

**DR. LYNCH:** New Jersey Medical School, class of 2005, as well as Student Council President for the academic year 2004-2005.

Just over one week ago, I had the honor of addressing my fellow classmates during our convocation ceremony at the New Jersey Performing Arts Center. My goal today is to share with you a little bit of the excitement, the warmth, and the pride that I found in that hall that morning.

During my interviewing for residency, as well as when I was preparing my speech for convocation, I was very frustrated that many people both inside and outside of the medical community have no idea what a jewel we have in Newark and New Jersey Medical School. While doing a self-assessment for the Licensing Committee on Medical Education,

or the LCME, last Spring, I had to ask all New Jersey Medical School students, what are the strengths of our school? Their answer was our diversity, our philanthropy and our excellent clinical education.

A little about our philanthropy. Philanthropy and medicine seem to go hand in hand, at least at our school. Our students have a philanthropic club called SHARE, which has been active for over 40 years. Each SHARE project has between 20 and 300 students who actively donate their time to help each individual cause. SHARE's six current projects are incredibly diverse. Our students educate the Newark community on health and health services. They educate Newark High School students about Aids and HIV, and they host programs for new moms, just to mention a few.

The largest of SHARE's programs is the Student Family Health Care Center. This clinic is a totally student-run and totally free medical clinic, overseen by family medicine physicians, for the citizens of Newark. Medical students volunteer their time at the clinic and almost 600 patient encounters a year are possible through this program. Our program is so successful and needed by the community that we are overbooked and cannot accept any new patients.

This brings me to, in my opinion, the most important strength of New Jersey Medical School -- the outstanding clinical education. Because Newark is very diverse in culture, as well as diseases, as soon as you hit the floors during your third year, you're bombarded with not only the run-of-the-mill diseases, but the diseases that you thought had been eradicated. The opportunity for learning at University Hospital is limitless. As students, we're not just on the sidelines. We, in conjunction with our attendings and residents, were treating our patients as a team, which is the

only way to learn. During away rotations, where I encountered students from other schools, I was shocked by my level of skill and my comfort with my clinical skills, as compared to these other graduating students.

The quality of our education is exemplified by my class and where they matched for their residences. My classmates are neurosurgeons, ophthalmologists, urologists, radiation oncologists, and pediatric neurologists. We matched at incredibly prestigious programs including: Mass General, Brown, UPenn, Yale, Columbia, Cornell, Baylor, Georgetown, UCS, and UCLA.

Many students are choosing these advanced specialties because of heavy student loan burdens. As the costs of medical education have increased, so have student tuitions. To continue, UMDNJ, especially New Jersey Medical students' goal of educating New Jersey's future primary care physicians, UMD needs to address this issue. If UMD can utilize this review as an opportunity to streamline spending while maintaining and improving our facilities, or possibly reduce or even stop the inflation of student tuitions, the citizens of New Jersey will gain many more quality primary care physicians and UMDNJ will become a leading, affordable, quality health-care university.

I view our meeting here today as a great opportunity. Personally, I don't know if our system is broken or if it's sound, but this meeting gives us the opportunity to review and to improve. As a public school, we must justify our finances. Just as NJMS has undergone an LCME self-assessment for reaccreditation, UMDNJ should undergo a complete self-assessment of finances, of management, as well as procedures and/or infrastructure, by the most money-conscious and qualified members

of our community, to ensure a thorough understanding of our strengths and weaknesses. Let's show the public that their tax dollars are providing quality education for New Jersey's future doctors. Let's show the Newark residents that they will continue to benefit from the organizations like the Student Family Health Care clinic, and please show our current and future medical students that our tuition is going to our facilities, as well as ensuring a quality education.

Thank you.

ASSEMBLYWOMAN WEINBERG: I couldn't have said it better myself.

Thank you very much, Dr. Lynch.

Last, we have Hermann Logang. Did I pronounce that--

**HERMANN LOGANG, B.S.N.:** Yes.

Good afternoon, Chairwoman, good afternoon, Assemblymen, good afternoon, Assemblywomen. I'm Hermann Logang, and I'm a former student of the accelerated BSN program at the UMDNJ School of Nursing. I'm from the first batch that graduated last week. I joined the accelerated program in March 2004. It's a 14-month program. And before joining the program, I was schooled in an institution within the U.S., and outside the U.S., with a master's degree in civil engineering and business administration.

I'm pleased and grateful to talk to you about my experience with the School of Nursing. I will tell you that I had a fulfilling experience with the School of Nursing. Compared to the original institution I attended before attending the School of Nursing, I would say I had a great experience. I particularly praise the flexibility of the faculty in responding

to my academic needs. I particularly enjoyed the conducive faculty/student interaction that enabled me to actively engage in the learning process and definitely develop a strong (indiscernible) thinking skill.

The School of Nursing has a starting program that was very helpful to not only me, but all the students, and that really helped them to achieve the educational need. I want to be very brief; I'll summarize everything I say in one brief point. Having attended the School of Nursing, having obtained my BSN with the School of Nursing and thinking about what I would like to do in the future, I still look back at the School of Nursing. And to that respect, the fact that I'm thinking about going back to earn my masters and Ph.D., eventually, in nursing, with the School of Nursing, speaks of itself. It means that I enjoyed a great experience with the School of Nursing and I'm very thankful for the opportunity the schools gave me.

Thank you for your attention.

ASSEMBLYWOMAN WEINBERG: Thank you very much.

Before we close, I just want to take a moment. These kinds of things don't happen without staff support. We arrive here and ask all the intelligent questions, but there's a whole bunch of folks who help us put it together. And first, from the Office of Legislative Services, our staffer, David Price; Linda Brokaw and Joshua Love, who definitely -- I don't think you moved, did you, the whole time you were there? You're excused. And also from OLS, Stefanie Loh; and Jonathan Pushman, who is an intern graduate student in Public Policy at Bloustein School at Rutgers. The minority office staff, Tasha Kersey. From our majority staff, Kate McNerney.

And celebrating his last day as a member of the Assembly majority staff -- and what a way to finish up -- Wali Abdul-Salaam. We will miss him. He's been a very quiet staffer, puts together a tremendous amount of information for those of us who try to sound intelligent on the Health Committee. And I know he's going on to bigger and greater things, and we wish him much good luck. And last, but not least, Mike Affuso, who is also representing the Democratic Office. I want to say thank you to each and every one of you for helping us put this together today.

We heard the good and the bad today. We heard from the people who are in the front line of many of these programs, doing the best possible work on behalf of UMDNJ, on behalf of all the residents in the State of New Jersey, and we are proud of each and every one of you.

We all know -- we knew before we got here, and we certainly heard more of it today -- of those things which must be corrected. So that I think -- and Dr. Lynch, I'd love a copy of your testimony -- as you said, we want to make sure that every dollar that comes into this University is used for medical education, serving the underserved, keeping tuition as low as we can possibly keep it, taking care of educating more nurses, and doing all the things that all you wonderful people told us about today. That is the goal. We have the same goal here. And we just don't want to see money wasted or used inappropriately. I have full confidence that we've made a great step forward; that this Committee, with the help of members of the Budget Committee, will continue to monitor this situation. We will be back here as often as we need to.

And I'm always looking for quotes. I got this one, actually, from Tom Wicker -- for those of you who are too young to know, is an

American political columnist -- but he said, "If you open the door to reform one inch, somebody's going to come all the way through." And that's what we're doing here today. I think everybody is going to come all the way through, including the top administration and the Board at UMDNJ.

Thank you all very much.

**(MEETING CONCLUDED)**