

Approximately 758 UMDNJ clinical and research faculty members are impacted by this legislation. These include faculty members who have been awarded millions of dollars in research grants, provide charity care, and generate clinical income that supports UMDNJ's operation. The legislation has created annual pension contribution losses ranging from less than \$1,000 to over \$30,000. Many of these faculty members are capable of substantially greater earnings elsewhere, but accepted lower salaries to work in an academic setting and to serve this community.

This legislation coupled with the current fiscal environment at UMDNJ will result in some of the most productive faculty leaving UMDNJ. Since UMDNJ does not have the resources or the ability to replace these faculty members, such a loss translates into a huge potential loss of income for UMDNJ – income that is generated from grants and clinical activities that support UMDNJ's operation.

We estimate that UMDNJ receives in "indirect costs" 50% of all grant award dollars, and that the State receives a share of these "indirect costs." In addition, UMDNJ's clinicians generate well over \$200 Million Dollars a year in income that is used to support UMDNJ's operations.

If the objectives are to establish a self-sufficient UMDNJ and to balance the State's Budget, this legislation will have the opposite effect. Unquestionably, the State will lose substantially more than the \$2 Million it stands to gain in pension savings. UMDNJ will lose millions of dollars currently generated by clinicians and scientists who will seek employment elsewhere. When this happens, UMDNJ:

1. not be able to sustain itself;
2. have greater reliance on the State to support its operation; and/or
3. need to close programs and eliminate services that benefit New Jersey's residents.

This outcome can be avoided if we work together. We would like the opportunity to collaborate with you to balance the State's Budget and limit the impact of this legislation on the productive research and clinical faculty at UMDNJ. Through such an effort, UMDNJ can continue to be the academic, service and clinical resource it is to the residents of New Jersey.

You can reach us via Peter Guzzo at 609-883-7481 or Alex Bernstein at 973-972-5875. We look forward to hearing from you and the opportunity to work with you toward this goal.

Cc: Peter Guzzo (By Email to NJTTP@msn.com)
UMDNJ Faculty