

House Budget Committee Report

Agency: University of Kansas Medical Center

Bill No. HB 2370

Bill Sec. 112

Analyst: Morrow

Analysis Pg. No. 2249

Budget Page No. 290

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 109,996,170	\$ 109,196,122	\$ 0
Other Funds	225,363,709	223,955,245	0
Subtotal	\$ 335,359,879	\$ 333,151,367	\$ 0
Capital Improvements:			
State General Fund	\$ 1,820,000	\$ 1,820,000	\$ 0
Other Funds	4,007,170	4,007,170	0
Subtotal	\$ 5,827,170	\$ 5,827,170	\$ 0
TOTAL	\$ 341,187,049	\$ 338,978,537	\$ 0
FTE positions	2,632.4	2,632.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,632.4	2,632.4	0.0

Agency Request

The **agency** requests operating expenditures of \$335.4 million, including \$110.0 million from the State General Fund. This is an overall decrease of \$690,446, or 0.2 percent, all funds with an increase of \$79,087, or 0.1 percent, from the State General Fund, from the FY 2015 revised estimate. There are decreases in contractual services (\$1.5 million), commodities (\$345,629), and capital outlay (\$166,629) with a partially offsetting increase in salaries and wages (\$946,806).

The agency also requests \$5.8 million, including \$1.8 million from the State General Fund for capital improvements. This is a decrease of \$7.0 million, or 54.6 percent, all funds and an increase of \$1.3 million, or 246.7 percent, State General Fund from the FY 2015 revised estimate. The decrease in all other funds is due to the transfer of the Educational Building Fund not made at this point and the increase in State General Fund is due to an increase in debt service principal for FY 2016.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$333.2 million, including \$109.2 million from the State General Fund. This is a decrease of \$2.8 million, or 0.8 percent, all funds and \$647,284, or 0.6 percent, State General Fund below the FY 2015 recommendation.

The Governor recommends a reduction of \$2.2 million, including \$800,048 from the State General Fund, from the agency's FY 2016 request to reduce employer contributions for state employee health insurance. This is the only change from the agency's request.

The Governor concurs with the agency's capital improvement budget request.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation with the following adjustment:

1. Add a proviso to the cancer center research appropriation for the \$1 to \$1 matching funds from the University and report to House Appropriations and Senate Ways and Means on the economic value and jobs created with this funding for FY 2016.

Senate Subcommittee Report

Agency: University of Kansas Medical Center **Bill No.** SB 237 **Bill Sec.** 112

Analyst: Morrow **Analysis Pg. No.** 2249 **Budget Page No.** 290

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 109,996,170	\$ 109,196,122	\$ 4,685,974
Other Funds	225,363,709	223,955,245	0
Subtotal	<u>\$ 335,359,879</u>	<u>\$ 333,151,367</u>	<u>\$ 4,685,974</u>
Capital Improvements:			
State General Fund	\$ 1,820,000	\$ 1,820,000	\$ 0
Other Funds	4,007,170	4,007,170	0
Subtotal	<u>\$ 5,827,170</u>	<u>\$ 5,827,170</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 341,187,049</u></u>	<u><u>\$ 338,978,537</u></u>	<u><u>\$ 4,685,974</u></u>
FTE positions	2,632.4	2,632.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>2,632.4</u></u>	<u><u>2,632.4</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests operating expenditures of \$335.4 million, including \$110.0 million from the State General Fund. This is an overall decrease of \$690,446, or 0.2 percent, all funds with an increase of \$79,087, or 0.1 percent, from the State General Fund, from the FY 2015 revised estimate. There are decreases in contractual services (\$1.5 million), commodities (\$345,629), and capital outlay (\$166,629) with a partially offsetting increase in salaries and wages (\$946,806).

The agency also requests \$5.8 million, including \$1.8 million from the State General Fund for capital improvements. This is a decrease of \$7.0 million, or 54.6 percent, all funds and an increase of \$1.3 million, or 246.7 percent, State General Fund from the FY 2015 revised estimate. The decrease in all other funds is due to the transfer of the Educational Building Fund not made at this point and the increase in State General Fund is due to an increase in debt service principal for FY 2016.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$333.2 million, including \$109.2 million from the State General Fund. This is a decrease of \$2.8 million, or 0.8 percent, all funds and \$647,284, or 0.6 percent, State General Fund below the FY 2015 recommendation.

The Governor recommends a reduction of \$2.2 million, including \$800,048 from the State General Fund, from the agency's FY 2016 request to reduce employer contributions for state employee health insurance. This is the only change from the agency's request.

The Governor concurs with the agency's capital improvement budget request.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. Add 3.7 million, all from the State General Fund, for the Wichita hospital expansion project for FY 2016.
2. Delete \$15,088, all from the State General Fund, for Midwest stem cell therapy center for FY 2016.
3. Delete \$1,400, all from the State General Fund, for Rural Health Bridging for FY 2016.
4. Add \$1.0 million, all from the State General Fund, for the Medical Scholarships and Loans fund for FY 2016.
5. Add a proviso to the cancer center research appropriation for the \$1 to \$1 matching funds from the University and report to House Appropriations and Senate Ways and Means on the economic value and jobs created with this funding for FY 2016.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation with the following adjustments:

1. Delete \$3.7 million, all from the State General Fund, for the Wichita hospital expansion project for FY 2016 and review at Omnibus funding for the Wichita hospital expansion project for FY 2016.
2. Delete \$1.0 million, all from the State General Fund, for the Medical Scholarships and Loans fund for FY 2016.

Senate Committee of the Whole Recommendation (Senate Sub. for HB 2135)

The **Committee of the Whole** concurs with the Committee's recommendation.

Conference Committee Recommendation (House Sub. for SB 112)

The **Conference Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$1.8 million, all from the State General Fund, for debt service payments for the Health Education Building for FY 2016. These payments will be made through the Department of Administration.
2. Add language to the cancer center research appropriation for the dollar for dollar matching funds from the university and report to House Appropriations and Senate Ways and Means Committees on the economic value and jobs created with this funding for FY 2016.
3. Delete \$142,461, including \$74,190 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 12.37 percent to 10.91 percent for FY 2016. This implements the provisions of SB 228.
4. Delete \$476,904 including \$162,579 from the State General Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016.

	Governor's Recommendation FY 2016	Legislative Action	Legislative Approved FY 2016	Governor's Veto FY 2016	Final Legislative Approved FY 2016
All Funds					
State Operations	\$ 321,798,695	\$ (1,111,510)	\$ 320,687,185	\$ 0	\$ 320,687,185
Aid to Local Units	0	0	0	0	0
Other Assistance	11,352,672	(11,275)	11,341,397	0	11,341,397
Subtotal- Operations	\$ 333,151,367	\$ (1,122,785)	\$ 332,028,582	\$ 0	\$ 332,028,582
Capital Improvements	5,827,170	(1,265,000)	4,562,170	0	4,562,170
TOTAL	<u>\$ 338,978,537</u>	<u>\$ (2,387,785)</u>	<u>\$ 336,590,752</u>	<u>\$ 0</u>	<u>\$ 336,590,752</u>
State General Fund					
State Operations	\$ 100,507,367	\$ (728,914)	\$ 99,778,453	\$ 0	\$ 99,778,453
Aid to Local Units	0	0	0	0	0
Other Assistance	8,688,755	(11,275)	8,677,480	0	8,677,480
Subtotal-Operating	\$ 109,196,122	\$ (740,189)	\$ 108,455,933	\$ 0	\$ 108,455,933
Capital Improvements	1,820,000	(1,265,000)	555,000	0	555,000
TOTAL	<u>\$ 111,016,122</u>	<u>\$ (2,005,189)</u>	<u>\$ 109,010,933</u>	<u>\$ 0</u>	<u>\$ 109,010,933</u>
FTE Positions	2632.4	0.0	2,632.4	0.0	2,632.4
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>2,632.4</u>	<u>0.0</u>	<u>2,632.4</u>	<u>0.0</u>	<u>2,632.4</u>