

House Budget Committee Report

Agency: University of Kansas Medical Center

Bill No. HB 2370

Bill Sec. 113

Analyst: Morrow

Analysis Pg. No. 2249

Budget Page No. 290

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 114,217,114	\$ 113,371,323	\$ 0
Other Funds	234,719,615	233,209,096	0
Subtotal	<u>\$ 348,936,729</u>	<u>\$ 346,580,419</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 1,320,000	\$ 1,320,000	\$ 0
Other Funds	3,594,581	3,594,581	0
Subtotal	<u>\$ 4,914,581</u>	<u>\$ 4,914,581</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 353,851,310</u></u>	<u><u>\$ 351,495,000</u></u>	<u><u>\$ 0</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 \$348.9 million, including \$114.2 million from the State General Fund. This is an increase of \$13.6 million, or 4.0 percent, all funds and \$4.2 million, or 3.8 percent, State General Fund above the FY 2016 request. The increases are mainly in salaries and wages (\$10.2 million) and contractual services (\$3.2 million) for FY 2017.

The agency requests \$4.9 million, including \$1.3 million from the State General Fund for capital improvements. This is a decrease of \$912,589, or 15.7 percent, all funds and \$500,000, or 27.5 percent, State General Fund below the FY 2016 request. The decrease is due to no Educational Building Fund expenditures and lower debt service principal expenditures for FY 2017.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$346.6 million, including \$113.4 million from the State General Fund. This is an increase of \$13.4 million, or 4.0 percent, all funds and \$4.2 million, or 3.8 percent, State General Fund above the FY 2016 recommendation.

The Governor recommends a reduction of \$2.4 million, including \$845,791 from the State General Fund, from the agency's FY 2017 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 2017.

Senate Subcommittee Report

Agency: University of Kansas Medical Center

Bill No. SB 237

Bill Sec. 113

Analyst: Morrow

Analysis Pg. No. 2249

Budget Page No. 290

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 114,217,114	\$ 113,371,323	\$ 4,685,974
Other Funds	234,719,615	233,209,096	0
Subtotal	<u>\$ 348,936,729</u>	<u>\$ 346,580,419</u>	<u>\$ 4,685,974</u>
Capital Improvements:			
State General Fund	\$ 1,320,000	\$ 1,320,000	\$ 0
Other Funds	3,594,581	3,594,581	0
Subtotal	<u>\$ 4,914,581</u>	<u>\$ 4,914,581</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 353,851,310</u></u>	 <u><u>\$ 351,495,000</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 \$348.9 million, including \$114.2 million from the State General Fund. This is an increase of \$13.6 million, or 4.0 percent, all funds and \$4.2 million, or 3.8 percent, State General Fund above the FY 2016 request. The increases are mainly in salaries and wages (\$10.2 million) and contractual services (\$3.2 million) for FY 2017.

The agency requests \$4.9 million, including \$1.3 million from the State General Fund for capital improvements. This is a decrease of \$912,589, or 15.7 percent, all funds and \$500,000, or 27.5 percent, State General Fund below the FY 2016 request. The decrease is due to no Educational Building Fund expenditures and lower debt service principal expenditures for FY 2017.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$346.6 million, including \$113.4 million from the State General Fund. This is an increase of \$13.4 million, or 4.0 percent, all funds and \$4.2 million, or 3.8 percent, State General Fund above the FY 2016 recommendation.

The Governor recommends a reduction of \$2.4 million, including \$845,791 from the State General Fund, from the agency's FY 2017 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 2017.
2. Delete \$15,088, all from the State General Fund, for Midwest stem cell therapy center for FY 2017.
3. Delete \$1,400, all from the State General Fund, for Rural Health Bridging for FY 2017.
4. Add \$1.0 million, all from the State General Fund, for the Medical Scholarships and Loans fund for FY 2017.
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 2017.

Senate Committee Recommendation

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

1. Delete \$3.7 million, all from the State General Fund, for the Wichita hospital expansion project and review at Omnibus funding for the Wichita hospital expansion project for FY 2017.
2. Delete \$1.0 million, all from the State General Fund, for the Medical Scholarships and Loans fund for FY 2017.

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 2017. 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 2017.
3. Delete \$242,399, including \$130,408 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.
4. Delete \$469,075, including \$159,984 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 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Veto FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 335,275,960	\$ (1,741,617)	\$ 333,534,343	\$ 0	\$ 333,534,343
Aid to Local Units	0	0	0	0	0
Other Assistance	11,304,459	(11,007)	11,293,452	0	11,293,452
Subtotal- Operations	\$ 346,580,419	\$ (1,752,624)	\$ 344,827,795	\$ 0	\$ 344,827,795
Capital Improvements	4,914,581	(725,000)	4,189,581	0	4,189,581
TOTAL	\$ 351,495,000	\$ (2,477,624)	\$ 349,017,376	\$ 0	\$ 349,017,376
State General Fund					
State Operations	\$ 104,696,558	\$ (1,320,535)	\$ 103,376,023	\$ 0	\$ 103,376,023
Aid to Local Units	0	0	0	0	0
Other Assistance	8,674,765	(11,007)	8,663,758	0	8,663,758
Subtotal-Operating	\$ 113,371,323	\$ (1,331,542)	\$ 112,039,781	\$ 0	\$ 112,039,781
Capital Improvements	1,320,000	(725,000)	595,000	0	595,000
TOTAL	\$ 114,691,323	\$ (2,056,542)	\$ 112,634,781	\$ 0	\$ 112,634,781
FTE Positions	2,632.4	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	2,632.4	0.0	2,632.4	0.0	2,632.4