

UNIVERSITY OF KANSAS MEDICAL CENTER

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 103,377,756	\$ 109,917,083	\$ 109,843,406	\$ 109,996,170	\$ 109,196,122	\$ 114,217,114	\$ 113,371,323
Other Funds	215,221,018	226,133,242	226,063,832	225,363,709	223,955,245	234,719,615	233,209,096
TOTAL	\$ 318,598,774	\$ 336,050,325	\$ 335,907,238	\$ 335,359,879	\$ 333,151,367	\$ 348,936,729	\$ 346,580,419
Capital Improvements:							
State General Fund	\$ 1,103,608	\$ 525,000	\$ 525,000	\$ 1,820,000	\$ 1,820,000	\$ 1,320,000	\$ 1,320,000
Other Funds	7,890,949	12,323,366	12,323,366	4,007,170	4,007,170	3,594,581	3,594,581
TOTAL	\$ 8,994,557	\$ 12,848,366	\$ 12,848,366	\$ 5,827,170	\$ 5,827,170	\$ 4,914,581	\$ 4,914,581
GRAND TOTAL	\$ 327,593,331	\$ 348,898,691	\$ 348,755,604	\$ 341,187,049	\$ 338,978,537	\$ 353,851,310	\$ 351,495,000

Percentage Change:

Operating Expenditures							
State General Fund	(1.9) %	6.3 %	6.3 %	0.1 %	(0.6) %	3.8 %	3.8 %
All Funds	(0.9)	5.5	5.4	(0.2)	(0.8)	4.0	4.0
FTE Positions	2,837.8	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2,837.8	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4

AGENCY OVERVIEW

The University of Kansas Medical Center (KUMC) is under the jurisdiction of the University of Kansas. The Executive Vice-Chancellor of KUMC reports directly to the Chancellor of the University of Kansas. KUMC is composed of the School of Medicine (located in Kansas City and Wichita), the School of Nursing, the School of Allied Health, and a Graduate School.

MAJOR ISSUES FROM PRIOR YEARS

The **1999 Legislature** passed the Higher Education Coordination Act (SB 345) that transferred supervision of community colleges, area vocational schools, technical colleges, adult education programs, and proprietary schools from the Department of Education to the Board of Regents.

The **2001 Legislature** adopted a proposal that provided for the state universities to be funded through an operating block grant rather than the multiple line-item appropriations that had been used previously. The change was made to allow the institutions greater flexibility in managing its budgets and to base future funding on performance rather than an enrollment formula.

The **2002 Legislature** passed the University Research and Development Act (HB 2690) that authorized the issuance of not more than \$120.0 million in bonds to fund a portion of the financing for research facilities at the state universities.

The **2006 Legislature** passed legislation allowing interest earnings on certain state university funds to be spent on deferred maintenance. Under prior law, the interest earned by the General Fees Fund (tuition revenue) and the Restricted

The Medical Center was established in 1905 through the merger of a number of proprietary medical schools; the first building on the present site was opened in 1924. **A total of 3,371 students attended KUMC during the Fall of 2014 semester. The attendance reflects an increase of 22 students or 0.7 percent, above the Fall 2013 semester.**

Fees Fund (student fees and other revenue) was retained in the State General Fund. The legislation transfers the amount of interest earned into the deferred maintenance fund.

The **2011 Legislature** passed legislation that created the Postsecondary Tiered Technical Education State Aid Act. Beginning with FY 2012, and in each fiscal year thereafter, each community college and technical college and the Washburn Institute of Technology is eligible for postsecondary tiered technical education state aid from the State General Fund for credit hours approved by the State Board of Regents, using a credit hour cost calculation model.

The **2011 Legislature** also passed legislation designating 50 counties as Rural Opportunity Zones (ROZ), effectively providing an income tax exemption for certain out-of-state taxpayers who relocate to those counties; and authorizing the counties to participate in a state-matching program to repay student loans of up to \$15,000 for certain students who establish domicile in ROZ counties.

The **2012 Legislature** passed legislation requiring the State Board of Regents to establish a career technical education

incentive program that will award \$1,000, subject to appropriation, to a school district for each high school graduate who graduates from that district with an industry-recognized credential in a high-need occupation, as identified by the Secretary of Labor, in consultation with the State Board of Regents and the State Board of Education.

The legislation requires the State Board of Regents to initiate the development of a statewide articulation agreement on career technical education programs among high schools, community colleges, technical colleges, and the Institute of Technology at Washburn University. This provision went into effect on July 1, 2013.

The **2012 Legislature** passed legislation amending statutes governing the low-income family postsecondary savings accounts incentive program. The bill allows a third-party contributor, other than the account owner, to contribute money to a family postsecondary savings account.

The **2012 Legislature** passed legislation removing the expiration date on the State Educational Institution Project Delivery Construction Procurement Act, that applies only to university construction projects and services funded totally with

non-state money. The act exempts certain construction projects and construction project services at state universities from many of the requirements imposed on other state agencies.

The **2012 Legislature** passed legislation amending the Vocational Education Scholarship statutes that deal with state universities and negotiated contracts, extending a sunset on private and out-of-state postsecondary fees, changing requirements related to remedial education and the qualified admissions standards at state education institutions, and authorizing individual plans for success for students admitted under the minimum admissions standards.

The **2013 Legislature** reduced the university's State General Fund operating budget by 1.5 percent with an additional reduction to the salaries and wages all funds expenditures of approximately 1.5 percent in FY 2014 and 1.3 percent for FY 2015.

The **2014 Legislature** added \$5.0 million, all from the State General Fund, and deleted the same amount from special revenue funds for cancer research. The legislature also added language for \$25.0 million in bonding authority for the health education building project.

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency's** revised estimate is \$348.9 million, including \$110.4 million from the State General Fund. This is an increase of \$19.4 million, or 5.9 percent, all funds and \$73,677, or less than 0.1 percent, State General Fund above the FY 2015 approved amount. The all funds increase is mainly in salaries and wages (\$12.5 million) and other assistance (\$938,915) with

partially offsetting decreases in commodities (\$177,980) and capital outlay (\$2.3 million). There is also an increase in capital improvement expenditures with the transfer and carry-over of the Education Building Fund (\$8.4 million) in FY 2015. The State General Fund increase is due to the agency submitting its budget prior to the Governor's allotment.

The agency's revised estimate in FY 2015 for capital improvements is \$12.8 million, including \$525,000 from the State General Fund. This is an increase of \$8.9 million, or 222.4 percent, all funds and a decrease of \$50,000, or 8.7 percent,

FY 2015 Governor Recommendation

The **Governor** recommends \$348.8, including 110.4 from the State General Fund. This is an increase of \$19.3 million all from special revenue funds. There is no change to the State

FY 2016 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).

FY 2016 Governor 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

State General Fund from the approved amount. The increase is mainly due to the transfer from the Board of Regents and carry-forward of the Educational Building Fund (\$8.4 million).

General Fund from the approved amount. The Governor concurs with the agency's capital improvement revised estimate.

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.

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.

FY 2017 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.

FY 2017 Governor 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

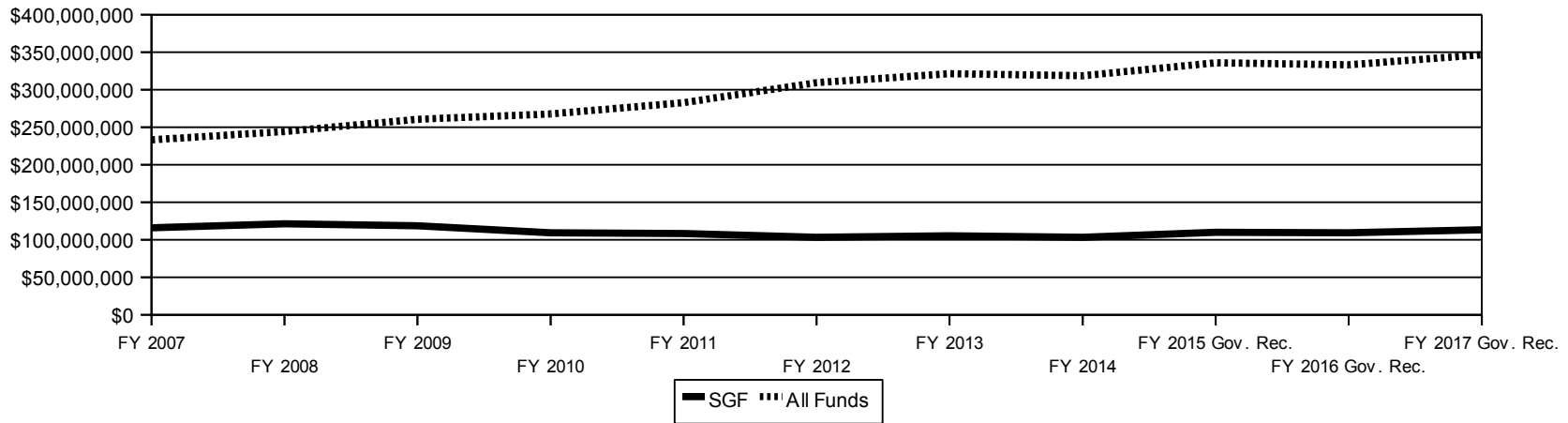
The agency requests \$4.9 million, including \$1.3 million from the State General Fund for capital improvements. This is a decrease of \$912,589, or 15.7 percent, all funds and \$500,000, or 27.5 percent, State General Fund below the FY 2016 request. The decrease is due to no Educational Building Fund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

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.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 115,913,124	6.7 %	\$ 233,202,205	1.6 %	2,423.1
2008	121,416,004	4.7	244,195,092	4.7	2,678.8
2009	118,458,348	(2.4)	260,569,100	6.7	2,604.9
2010	109,293,224	(7.7)	267,673,172	2.7	2,916.4
2011	108,328,970	(0.9)	282,727,782	5.6	2,438.3
2012	103,274,696	(4.7)	309,369,226	9.4	2,721.0
2013	105,327,704	2.0	321,340,020	3.9	2,837.8
2014	103,377,756	(1.9)	318,598,774	(0.9)	2,837.8
2015 Gov. Rec.	109,843,406	6.3	335,907,238	5.4	2,632.4
2016 Gov. Rec.	109,196,122	(0.6)	333,151,367	(0.8)	2,632.4
2017 Gov. Rec.	113,371,323	3.8	346,580,419	4.0	2,632.4
Eleven-Year Change	\$ (2,541,801)	(2.2)%	\$ 113,378,214	48.6 %	209.3

Summary of Operating Budget FY 2014 - FY 2016

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
By Program:									
Institutional Support	\$ 36,031,747	\$ 34,850,448	\$ 34,136,326	\$ (714,122)	(2.0) %	\$ 34,818,897	\$ 33,991,911	\$ (826,986)	(2.4)%
Instructional Services	129,654,007	133,290,336	133,172,636	(117,700)	(0.1)	133,279,824	132,101,383	(1,178,441)	(0.9)
Academic Support	20,770,408	20,619,092	20,895,895	276,803	1.3	20,608,051	20,768,742	160,691	0.8
Student Services	3,139,942	3,474,372	3,538,246	63,874	1.8	3,472,091	3,523,072	50,981	1.5
Research	86,439,705	92,935,794	93,292,148	356,354	0.4	92,923,598	92,639,929	(283,669)	(0.3)
Public Service	7,761,587	7,801,276	7,922,216	120,940	1.6	7,798,809	7,882,894	84,085	1.1
Student Aid	6,485,355	6,995,167	6,964,815	(30,352)	(0.4)	6,995,167	6,964,815	(30,352)	(0.4)
Auxiliary	2,703,584	2,280,556	2,318,513	37,957	1.7	2,267,828	2,296,070	28,242	1.2
Physical Plant/Central Services	23,180,843	31,534,367	30,494,232	(1,040,135)	(3.3)	31,474,056	30,357,699	(1,116,357)	(3.5)
Debt Service	2,431,596	2,268,917	2,624,852	355,935	15.7	2,268,917	2,624,852	355,935	15.7
TOTAL	\$ 318,598,774	\$ 336,050,325	\$ 335,359,879	\$ (690,446)	(0.2) %	\$ 335,907,238	\$ 333,151,367	\$ (2,755,871)	(0.8)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 251,902,748	\$ 262,762,389	\$ 263,709,195	\$ 946,806	0.4 %	\$ 262,619,302	\$ 261,500,683	\$ (1,118,619)	(0.4)%
Contractual Services	37,690,163	42,990,133	41,539,555	(1,450,578)	(3.4)	42,990,133	41,539,555	(1,450,578)	(3.4)
Commodities	12,029,223	13,317,873	12,972,245	(345,628)	(2.6)	13,317,873	12,972,245	(345,628)	(2.6)
Capital Outlay	3,041,794	3,327,989	3,161,360	(166,629)	(5.0)	3,327,989	3,161,360	(166,629)	(5.0)
Debt Service	2,431,596	2,268,917	2,624,852	355,935	15.7	2,268,917	2,624,852	355,935	15.7
Subtotal - Operations	\$ 307,095,524	\$ 324,667,301	\$ 324,007,207	\$ (660,094)	(0.2) %	\$ 324,524,214	\$ 321,798,695	\$ (2,725,519)	(0.8)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	11,503,250	11,383,024	11,352,672	(30,352)	(0.3)	11,383,024	11,352,672	(30,352)	(0.3)
TOTAL	\$ 318,598,774	\$ 336,050,325	\$ 335,359,879	\$ (690,446)	(0.2) %	\$ 335,907,238	\$ 333,151,367	\$ (2,755,871)	(0.8)%
Financing:									
State General Fund	\$ 103,377,756	\$ 109,917,083	\$ 109,996,170	\$ 79,087	0.1 %	\$ 109,843,406	\$ 109,196,122	\$ (647,284)	(0.6)%
General Fees Fund	35,246,764	40,694,794	40,900,837	206,043	0.5	40,681,545	40,720,422	38,877	0.1
All Other Funds	179,974,254	185,438,448	184,462,872	(975,576)	(0.5)	185,382,287	183,234,823	(2,147,464)	(1.2)
TOTAL	\$ 318,598,774	\$ 336,050,325	\$ 335,359,879	\$ (690,446)	(0.2) %	\$ 335,907,238	\$ 333,151,367	\$ (2,755,871)	(0.8)%

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:								
Institutional Support	\$ 34,136,326	\$ 35,400,417	\$ 1,264,091	3.7 %	\$ 33,991,911	\$ 35,254,468	\$ 1,262,557	3.7 %
Instructional Services	133,172,636	141,597,706	8,425,070	6.3	132,101,383	140,464,481	8,363,098	6.3
Academic Support	20,895,895	21,542,600	646,705	3.1	20,768,742	21,410,440	641,698	3.1
Student Services	3,538,246	3,206,718	(331,528)	(9.4)	3,523,072	3,191,148	(331,924)	(9.4)
Research	93,292,148	96,108,635	2,816,487	3.0	92,639,929	95,393,346	2,753,417	3.0
Public Service	7,922,216	7,725,306	(196,910)	(2.5)	7,882,894	7,681,358	(201,536)	(2.6)
Student Aid	6,964,815	6,964,815	0	0.0	6,964,815	6,964,815	0	0.0
Auxiliary	2,318,513	2,399,020	80,507	3.5	2,296,070	2,376,155	80,085	3.5
Physical Plant/Central Services	30,494,232	30,934,943	440,711	1.4	30,357,699	30,787,639	429,940	1.4
Debt Service	2,624,852	3,056,569	431,717	16.4	2,624,852	3,056,569	431,717	16.4
TOTAL	\$ 335,359,879	\$ 348,936,729	\$ 13,576,850	4.0 %	\$ 333,151,367	\$ 346,580,419	\$ 13,429,052	4.0 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 263,709,195	\$ 273,896,232	\$ 10,187,037	3.9 %	\$ 261,500,683	\$ 271,539,922	\$ 10,039,239	3.8 %
Contractual Services	41,539,555	44,770,794	3,231,239	7.8	41,539,555	44,770,794	3,231,239	7.8
Commodities	12,972,245	12,808,615	(163,630)	(1.3)	12,972,245	12,808,615	(163,630)	(1.3)
Capital Outlay	3,161,360	3,100,060	(61,300)	(1.9)	3,161,360	3,100,060	(61,300)	(1.9)
Debt Service	2,624,852	3,056,569	431,717	16.4	2,624,852	3,056,569	431,717	16.4
Subtotal - Operations	\$ 324,007,207	\$ 337,632,270	\$ 13,625,063	4.2 %	\$ 321,798,695	\$ 335,275,960	\$ 13,477,265	4.2 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	11,352,672	11,304,459	(48,213)	(0.4)	11,352,672	11,304,459	(48,213)	(0.4)
TOTAL	\$ 335,359,879	\$ 348,936,729	\$ 13,576,850	4.0 %	\$ 333,151,367	\$ 346,580,419	\$ 13,429,052	4.0 %
Financing:								
State General Fund	\$ 109,996,170	\$ 114,217,114	\$ 4,220,944	3.8 %	\$ 109,196,122	\$ 113,371,323	\$ 4,175,201	3.8 %
General Fees Fund	40,900,837	41,704,368	803,531	2.0	40,720,422	41,515,125	794,703	2.0
All Other Funds	184,462,872	193,015,247	8,552,375	4.6	183,234,823	191,693,971	8,459,148	4.6
TOTAL	\$ 335,359,879	\$ 348,936,729	\$ 13,576,850	4.0 %	\$ 333,151,367	\$ 346,580,419	\$ 13,429,052	4.0 %

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$110,335,811 for the University of Kansas Medical Center in FY 2015. Two adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made:

- An increase of \$106,272, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015; and

- A reduction of \$73,677 from the State General Fund, as the result of the Governor’s December 9th, State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to \$110,368,406. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency’s budget was submitted prior to the December allotment, so the agency’s revised budget estimates do not incorporate the second allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 110,368,406	\$ 110,442,083	\$ 73,677	\$ 110,368,406	\$ 0
All Other Funds	219,120,400	238,456,608	19,336,208	238,387,198	19,266,798
TOTAL	<u>\$ 329,488,806</u>	<u>\$ 348,898,691</u>	<u>\$ 19,409,885</u>	<u>\$ 348,755,604</u>	<u>\$ 19,266,798</u>
FTE Positions	2,837.8	2,632.4	(205.4)	2,632.4	(205.4)

The **agency’s** revised estimate is \$348.9 million, including \$110.4 million from the State General Fund. This is an increase

of \$19.4 million, or 5.9 percent, all funds and \$73,677, or less than 0.1 percent, State General Fund above the FY 2015

approved amount. The increase is mainly in salaries and wages (\$12.5 million) and other assistance (\$938,915) with partially offsetting decreases in commodities (\$177,980) and capital outlay (\$2.3 million). There is also an increase in capital improvement expenditures with the transfer and carry-over of the Education Building Fund (\$8.4 million) in FY 2015. The

State General Fund increase is due to the agency submitting its budget prior to the Governor's allotment.

The **Governor** recommends \$348.8, including 110.4 from the State General Fund. This is an increase of \$19.3 million all from special revenue funds. There is no change to the State General Fund from the approved amount.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million, which reduced

expenditures by \$60.1 million. The allotment plan included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments that have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	\$ (73,677)	\$ (73,677)	0.0
TOTAL	<u>\$ (73,677)</u>	<u>\$ (73,677)</u>	<u>0.0</u>

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of \$73,677 from the State General Fund, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member

employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$69,410 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$143,087.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 335,359,879	\$ 333,151,367	\$ (2,208,512)
FTE Positions	2,632.4	2,632.4	0.0
Change from FY 2015:			
<i>Dollar Change:</i>			
State General Fund	\$ 79,087	\$ (647,284)	
All Other Funds	(769,533)	(2,108,587)	
TOTAL	<u>\$ (690,446)</u>	<u>\$ (2,755,871)</u>	
<i>Percent Change:</i>			
State General Fund	0.1 %	(0.6) %	
All Other Funds	(0.3)	(0.9)	
TOTAL	<u>(0.2) %</u>	<u>(0.8) %</u>	
Change in FTE Positions	0.0	0.0	

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 **Governor** recommends \$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.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 348,936,729	\$ 346,580,419	\$ (2,356,310)
FTE Positions	2,632.4	2,632.4	0.0
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 4,220,944	\$ 4,175,201	
All Other Funds	9,355,906	9,253,851	
TOTAL	<u>\$ 13,576,850</u>	<u>\$ 13,429,052</u>	
<i>Percent Change:</i>			
State General Fund	3.8 %	3.8 %	
All Other Funds	4.2	4.1	
TOTAL	<u>4.0 %</u>	<u>4.0 %</u>	
Change in FTE Positions	0.0	0.0	

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 **Governor** recommends \$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.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$840,318, including \$288,061 from the State General Fund, and affects 2,702 employees.**

Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, there are no longevity bonus payments.**

Group Health Insurance. The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$2.2 million, including \$800,048 from the State General Fund for FY 2016. This is a reduction of \$2.4 million, including \$845,791 from the State General Fund, for FY 2017.**

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	32.8 %	32.8 %	32.7 %	32.7 %
General Fees Fund	12.2	12.2	12.0	12.0
All Other Funds	55.0	55.0	55.3	55.3
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Note: Percentages may not add due to rounding.

General Fees Fund

Under KSA 76-719, the Board of Regents has the authority to set tuition rates at each university and the funds collected from tuition are deposited in the general fees fund, excluding the

student activity fees that are deposited in the restricted fees fund. Tuition is set by the Board of Regents after the Legislative Session has concluded each year.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 2,093,512	\$ 2,838,468	\$ 2,838,468	\$ 3,578,066	\$ 3,591,315	\$ 4,100,479	\$ 4,294,143
Revenue	37,098,997	42,338,625	42,338,625	42,329,417	42,329,417	42,329,317	42,329,317
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 39,192,509	\$ 45,177,093	\$ 45,177,093	\$ 45,907,483	\$ 45,920,732	\$ 46,429,796	\$ 46,623,460
Less: Expenditures	35,957,324	41,175,000	41,161,751	41,383,007	41,202,592	42,188,949	41,999,706
Transfers Out	322,217	349,027	349,027	348,997	348,997	348,897	348,897
Off Budget Expenditures	74,500	75,000	75,000	75,000	75,000	75,000	75,000
Ending Balance	<u>\$ 2,838,468</u>	<u>\$ 3,578,066</u>	<u>\$ 3,591,315</u>	<u>\$ 4,100,479</u>	<u>\$ 4,294,143</u>	<u>\$ 3,816,950</u>	<u>\$ 4,199,857</u>
Ending Balance as Percent of Expenditures	7.9%	8.7%	8.7%	9.9%	10.4%	9.0%	10.0%
Month Highest Ending Balance	September <u>\$ 7,676,487</u>	September <u>\$ 8,026,487</u>	September <u>\$ 8,026,487</u>	September <u>\$ 8,276,000</u>	September <u>\$ 8,276,000</u>	September <u>\$ 8,126,000</u>	September <u>\$ 8,126,000</u>
Month Lowest Ending Balance	May \$ 251,300	May \$ 100,000	May \$ 100,000	May \$ 175,000	May \$ 175,000	May \$ 100,000	May \$ 100,000

Medical Loan Repayment Fund

The Medical Student Repayment Fund reflects receipts for Program by students who have decided to repay the loan instead of their service obligation.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 2,757,153	\$ 3,708,980	\$ 3,708,980	\$ 3,166,959	\$ 3,166,959	\$ 2,339,130	\$ 2,339,130
Revenue	1,974,963	660,000	660,000	720,000	720,000	720,000	720,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 4,732,116	\$ 4,368,980	\$ 4,368,980	\$ 3,886,959	\$ 3,886,959	\$ 3,059,130	\$ 3,059,130
Less: Expenditures	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	1,023,136	1,202,021	1,202,021	1,547,829	1,547,829	1,758,669	1,758,669
Ending Balance	<u>\$ 3,708,980</u>	<u>\$ 3,166,959</u>	<u>\$ 3,166,959</u>	<u>\$ 2,339,130</u>	<u>\$ 2,339,130</u>	<u>\$ 1,300,461</u>	<u>\$ 1,300,461</u>
Ending Balance as Percent of Expenditures	-	-	-	-	-	-	-
Month Highest Ending Balance	June <u>\$ 3,708,980</u>	June <u>\$ 2,900,000</u>	June <u>\$ 2,900,000</u>	June <u>\$ 2,700,000</u>	June <u>\$ 2,700,000</u>	June <u>\$ 1,700,000</u>	June <u>\$ 1,700,000</u>
Month Lowest Ending Balance	July <u>\$ 2,753,310</u>	July <u>\$ 2,500,000</u>	July <u>\$ 2,500,000</u>	July <u>\$ 2,300,000</u>	July <u>\$ 2,300,000</u>	July <u>\$ 1,300,000</u>	July <u>\$ 1,300,000</u>

Enrollment Trends

The following table summarizes recent enrollment trends at the University of Kansas Medical Center. Headcount enrollment reflects the actual number of students enrolled. Full-time equivalent converts those students to full-time, based on the number of credit hours the students are enrolled.

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2009 to Fall 2014
Headcount	3,178	3,196	3,270	3,362	3,349	3,371	
Change	75	18	74	92	(13)	22	193
%Change	2.4 %	0.6 %	2.3 %	2.8 %	(0.4)%	0.7 %	6.1 %
FTE Students*	2,843	2,894	2,975	3,038	3,045	3,062	
Change	65	51	81	63	7	17	219
%Change	2.3 %	1.8 %	2.8 %	2.1 %	0.2 %	0.6 %	7.7 %
Student Credit Hours	28,258	28,241	28,649	29,509	29,765	31,186	
Change	377	(17)	408	860	256	1,421	2,928
%Change	1.4 %	(0.1)%	1.4 %	3.0 %	0.9 %	4.8 %	10.4 %

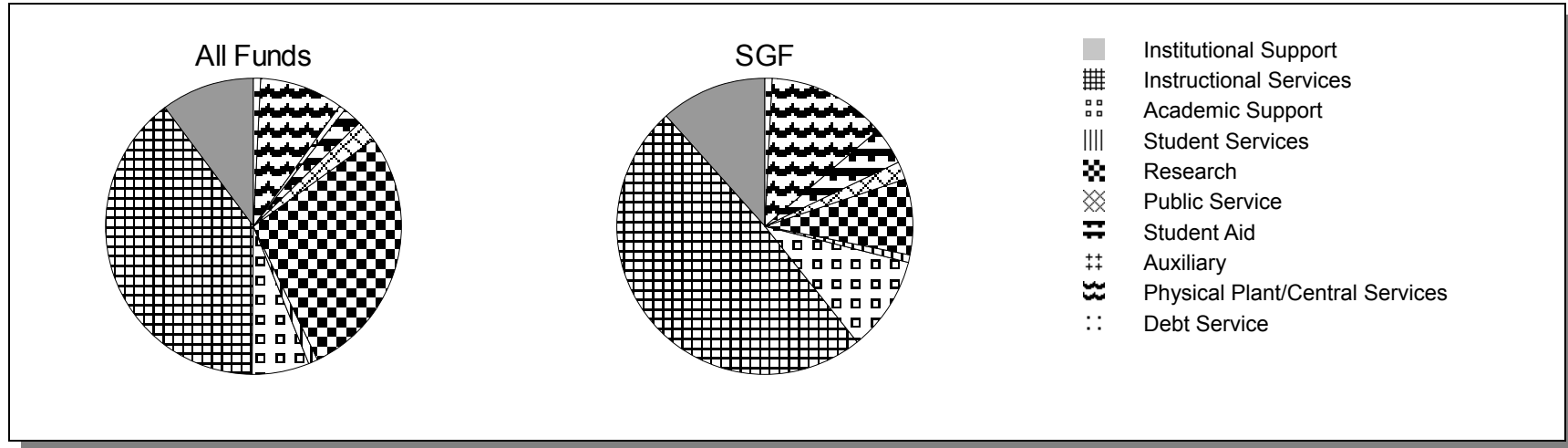
*Enrollment includes medical residents/fellows and visiting MD/PharmD students.

Medical students, MD/PhD students, medical residents/fellows, professional UG certificate program students, psychiatry interns/practicum students, visiting MD/PharmD students are all classified as full-time regardless of student credit hours and have an FTE assigned to 1.00.

All other FTE is based upon dividing credit hours by 15 for undergraduate students and by 9 for graduate or professional students.

PROGRAM DETAIL

EXPENDITURES BY PROGRAM-- GOVERNOR'S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Institutional Support	\$ 33,991,911	10.2 %	\$ 12,706,167	11.6 %
Instructional Services	132,101,383	39.7	53,599,273	49.1
Academic Support	20,768,742	6.2	11,308,260	10.4
Student Services	3,523,072	1.1	895,500	0.8
Research	92,639,929	27.8	9,034,697	8.3
Public Service	7,882,894	2.3	2,112,575	1.9
Student Aid	6,964,815	2.1	4,488,171	4.1
Auxiliary	2,296,070	0.7	0	0.0
Physical Plant/Central Services	30,357,699	9.1	14,211,184	13.0
Debt Service	2,624,852	0.8	840,295	0.8
TOTAL	\$ 333,151,367	100.0 %	\$ 109,196,122	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

Program	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Institutional Support	168.2	207.8	207.8	207.8	207.8	207.8	207.8
Instructional Services	1,191.2	945.8	945.8	945.8	945.8	945.8	945.8
Academic Support	127.4	167.9	167.9	167.9	167.9	167.9	167.9
Student Services	7.5	30.2	30.2	30.2	30.2	30.2	30.2
Research	1,078.5	1,015.2	1,015.2	1,015.2	1,015.2	1,015.2	1,015.2
Public Service	63.9	63.9	63.9	63.9	63.9	63.9	63.9
Student Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Auxiliary	33.7	34.2	34.2	34.2	34.2	34.2	34.2
Physical Plant/Central Services	167.4	167.4	167.4	167.4	167.4	167.4	167.4
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2,837.8	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4

A. Institutional Support

The Institutional Support program includes central management and long-range planning activities; fiscal operations; general administration and logistical services; personnel management; and community and alumni relations activities.

The **agency** requests FY 2016 operating expenditures of \$34.1 million, including \$12.8 million from the State General Fund. The overall request is a decrease of \$714,122, or 2.0 percent, all funds and a State General Fund increase of \$249,123, or 2.0 percent, above the revised estimate. There is a decrease in salaries and wages (\$1.0 million) with a partially offsetting increase in contractual services (\$303,582) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$34.0 million, including \$12.7 million from the State General Fund. The recommendation is a decrease of \$144,415, or 0.4 percent, all funds and \$96,599, or 0.8 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$35.4 million, including \$13.2 million from the State General Fund. The overall request is an increase of \$1.3 million, or 3.7 percent, all funds and \$422,195, or 3.3 percent, from the State General Fund above the FY 2016 request. There are increases

in salaries and wages (\$903,505) and contractual services (\$399,059) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$35.3 million, including \$13.1 million from the

B. Instructional Services

The Instructional Services program includes all instruction of students.

The **agency** requests FY 2016 operating expenditures of \$133.2 million, including \$54.0 million from the State General Fund. The overall request is an all funds decrease of \$117,700, or 0.1 percent, and a State General Fund decrease of \$104,508, or 0.2 percent, below the FY 2015 revised estimate. There is a decrease in all operating expenditures for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$132.1 million, including \$53.6 million from the State General Fund. The recommendation is a decrease of \$1.1 million, or 0.8 percent, all funds and \$443,713, or 0.8 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

C. Academic Support

The Academic Support program includes all support services for the institution's primary missions of instruction, research, and public service. These support services cover libraries, museums and galleries, educational media services, academic computing support, academic administration, and course and curriculum.

The **agency** requests FY 2016 operating expenditures of \$20.9 million, including \$11.4 million from the State General

State General Fund. The recommendation is a decrease of \$145,949, or 0.4 percent, all funds and \$97,625, or 0.7 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$141.6 million, including \$56.5 million from the State General Fund. The overall request is an increase of \$8.4 million or 6.3 percent, all funds and a State General Fund increase of \$2.5 million, or 4.6 percent, above the FY 2016 request. There is an increase in salaries and wages (\$4.9 million) and contractual services (\$3.6 million) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$140.5 million, including \$56.0 million from the State General Fund. The recommendation is a decrease of \$1.1 million, or 0.8 percent, all funds and \$469,382, or 0.8 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

Fund. The overall request is an all funds increase of \$276,803, or 1.3 percent, and a State General Fund decrease of \$326,625, or 2.8 percent, from the FY 2015 revised estimate. There is an increase in salaries and wages (\$132,802) and contractual services (\$154,518) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$20.8 million, including \$11.3 million from the State General Fund. The recommendation is a decrease of

\$127,153, or 0.6 percent, all funds and \$83,743, or 0.7 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$21.5 million, including \$11.7 million from the State General Fund. The overall request is an increase of \$646,705, or 3.1 percent, all funds and a State General Fund increase of \$346,680, or 3.0 percent, above the FY 2016 request. There is

D. Student Services

The Student Services program is responsible for the non-academic activities surrounding the student's experience at the institution. These activities include social and cultural development, counseling and career guidance, financial aid administration, admissions, student health services, and intercollegiate athletics.

The **agency** requests FY 2016 operating expenditures of \$3.5 million, including \$895,500 from the State General Fund. The request is an overall increase of \$63,874, or 1.8 percent, all funds and a decrease of \$10,000, or 1.1 percent, from the State General Fund from the FY 2015 revised estimate. The increase is mainly due to an increase in salaries and wages (\$78,074) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$3.5 million, including \$895,500 from the State General Fund. The recommendation is a decrease of \$15,174,

E. Research

The Research program includes most research projects conducted by university personnel, whether individually or through an institute or research center.

an increase in salaries and wages (\$763,091) with an offsetting decrease in contractual services (\$102,636) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$21.4 million, including \$11.7 million from the State General Fund. The recommendation is a decrease of \$132,160, or 0.6 percent, all funds and \$87,041, or 0.7 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

or 0.4 percent, all funds below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$3.2 million, including \$495,500 from the State General Fund. The overall request is a decrease of \$331,528, or 9.4 percent, all funds and \$400,000, or 44.7 percent, State General Fund below the FY 2016 request. There is a decrease in contractual services (\$405,000) with a partially offsetting increase in salaries and wages (\$73,972) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$3.2 million, including \$495,500 from the State General Fund. The recommendation is a decrease of \$15,570, or 0.5 percent, all funds below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2016 operating expenditures of \$93.3 million, including \$9.1 million from the State General Fund. The overall request is an increase of \$356,354, or 0.4 percent, all funds and \$258,308, or 2.9 percent, State General

Fund from the FY 2015 revised estimate. The increase is in salaries and wages (\$562,880) with offsetting decreases in contractual services (\$135,215); commodities (\$400); and capital outlay (\$70,911) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$92.6 million, including \$9.0 million from the State General Fund. The recommendation is a decrease of \$652,219, or 0.7 percent, all funds and \$65,679, or 0.7 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

F. Public Service

The Public Service program is responsible for all non-credit instruction (except remedial instruction) and other activities that are primarily of benefit to external groups or individuals. These activities include outreach education, community service, and public broadcasting services.

The **agency** requests FY 2016 operating expenditures of \$7.9 million, including \$2.1 million from the State General Fund. The overall request is an increase of \$120,940, or 1.6 percent, all funds and \$20,395, or 1.0 percent, State General Fund above the approved amount. The increase is salaries and wages for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$7.9 million, including \$2.1 million from the State General Fund. The recommendation is a decrease of \$39,322, or 0.5 percent, all funds and \$17,990, or 0.8 percent, State General Fund below the agency's request. The decrease

The **agency** requests FY 2017 operating expenditures of \$96.1 million, including \$9.4 million from the State General Fund. The overall request is an increase of \$2.8 million, or 3.0 percent, all funds and a State General Fund increase of \$259,810, or 2.9 percent, above the FY 2016 request. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$95.4 million, including \$9.3 million from the State General Fund. The recommendation is a decrease of \$715,289, or 0.7 percent, all funds and \$72,030, or 0.8 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$7.7 million, including \$2.2 million from the State General Fund. The overall request is a decrease of \$196,910, or 2.5 percent, all funds and a State General Fund increase of \$42,934, or 2.0 percent, from the FY 2016 request. There is an increase in salaries and wages (\$156,590) with an offsetting decrease in contractual services (\$350,000) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$7.7 million, including \$2.2 million from the State General Fund. The recommendation is a decrease of \$43,948, or 0.6 percent, all funds and \$20,106, or 0.9 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

G. Student Aid

The Student Aid program includes activities covering all forms of financial aid assistance such as scholarships, fellowships, and loans.

The **agency** requests FY 2016 operating expenditures of \$7.0 million, including \$4.5 million from the State General Fund. The request is a decrease of \$30,352, or 0.4 percent, all funds below the FY 2015 revised estimate. The decrease reflects a decrease in available loans and grants.

H. Auxiliary

The Auxiliary program is responsible for activities that furnish goods or services to students, faculty and employees of the institution such as housing, food, and parking services.

The **agency** requests FY 2016 operating expenditures of \$2.3 million, all from special revenue funds. The request is an increase of \$37,957, or 1.7 percent, above the FY 2015 revised estimate. The increase is mainly in salaries and wages (\$20,183) and contractual services (\$21,774) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$2.3 million all from special revenue funds. The recommendation is a decrease of \$22,443, or 1.0 percent, below the agency's request. The decrease is due to the

I. Physical Plant/Central Services

The Physical Plant/Central Services program is responsible for the operation and maintenance of the facilities and grounds of the institution. This includes facilities planning, building maintenance, custodial services, and utilities.

The **Governor** concurs with the agency's request for FY 2016.

The **agency** requests FY 2017 operating expenditures of \$7.0 million, including \$4.5 million from the State General Fund. The request is the same as the request for FY 2016.

The **Governor** concurs with the agency's request for FY 2017.

Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$2.4 million, all from special revenue funds. The overall request is an increase of \$80,507, or 3.5 percent, all funds above the FY 2016 request. The increase is mainly in salaries and wages (\$69,620) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$2.4 million, all from special revenue funds. The recommendation is a decrease of \$22,865, or 1.0 percent, below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2016 operating expenditures of \$30.5 million, including \$14.3 million from the State General Fund. The overall request is a decrease of \$1.0 million, or 3.3 percent, all funds and \$490,026, or 3.3 percent, State General Fund below the FY 2015 revised estimate. There is an increase in salaries and wages (\$1.1 million) with offsetting decreases in

mainly contractual services (\$1.7 million) and commodities (\$334,875) for FY 2015.

The **Governor** recommends FY 2016 operating expenditures of \$30.4 million, including \$14.2 million from the State General Fund. The recommendation is a decrease of \$136,533, or 0.4 percent, all funds and \$92,324, or 0.6 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$30.9 million, including \$14.9 million from the State General

Fund. The overall request is an increase of \$440,711, or 1.4 percent, all funds and \$570,666, or 4.0 percent, State General Fund above the FY 2016 request. There are increase in salaries and wages (\$412,086) and contractual services (\$198,350) with an offsetting decrease in commodities (\$101,125) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$30.8 million, including \$14.8 million from the State General Fund. The recommendation is a decrease of \$147,304, or 0.5 percent, all funds and \$99,607, or 0.7 percent, below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

CAPITAL IMPROVEMENTS

	CAPITAL IMPROVEMENTS					
	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	\$ 7,451,410	\$ 7,451,410	\$ 0	\$ 0	\$ 0	\$ 0
Health Education Building	981,750	981,750	0	0	0	0
Parking	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service - Principal	3,915,206	3,915,206	5,327,170	5,327,170	4,414,581	4,414,581
TOTAL	\$ 12,848,366	\$ 12,848,366	\$ 5,827,170	\$ 5,827,170	\$ 4,914,581	\$ 4,914,581
Financing:						
State General Fund	\$ 525,000	\$ 525,000	\$ 1,820,000	\$ 1,820,000	\$ 1,320,000	\$ 1,320,000
All Other Funds	12,323,366	12,323,366	4,007,170	4,007,170	3,594,581	3,594,581
TOTAL	\$ 12,848,366	\$ 12,848,366	\$ 5,827,170	\$ 5,827,170	\$ 4,914,581	\$ 4,914,581

Current Year Agency Estimate

FY 2015 – Current Year. The agency's revised estimate in FY 2015 for capital improvements is \$12.8 million, including \$525,000 from the State General Fund. This is an increase of \$8.9 million, or 222.4 percent, all funds and a decrease of

\$50,000, or 8.7 percent, State General Fund from the approved amount. The increase is mainly due to the transfer from the Board of Regents and carry-forward of the Educational Building Fund (\$8.4 million).

Current Year Governor Recommendation

The **Governor** concurs with the agency's revised estimate.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests \$5.8 million, including \$1.8 million from the State General Fund. 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 for FY 2016.

Budget Year Governor Recommendation

The **Governor** concurs with the agency’s request.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests \$4.9 million, including \$1.3 million from the State General Fund for FY 2017. 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 expenditures for FY 2017.

Budget Year Governor Recommendation

The **Governor** concurs with the agency’s request.

Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
External research support (in millions)	\$130.0	\$111.0	\$107.0	\$103.0	\$103.0
Percent of students passing professional exam on first try:					
School of Medicine - fourth year	97.0%	96.0%	97.0%	97.0%	97.0%
School of Nursing	95.0%	95.0%	95.0%	95.0%	95.0%