
**KU School of Medicine
FY12 Budget & Finance
Town Hall
May 23, 2011**

**Barbara Atkinson, MD
Executive Dean, KU School of Medicine**

Agenda

- Impact of Budget Changes on KUMC
- School of Medicine-KC Budget
- Investment in Key Priorities
 - Cancer Center
 - School of Public Health
 - Salina and Wichita Expansion

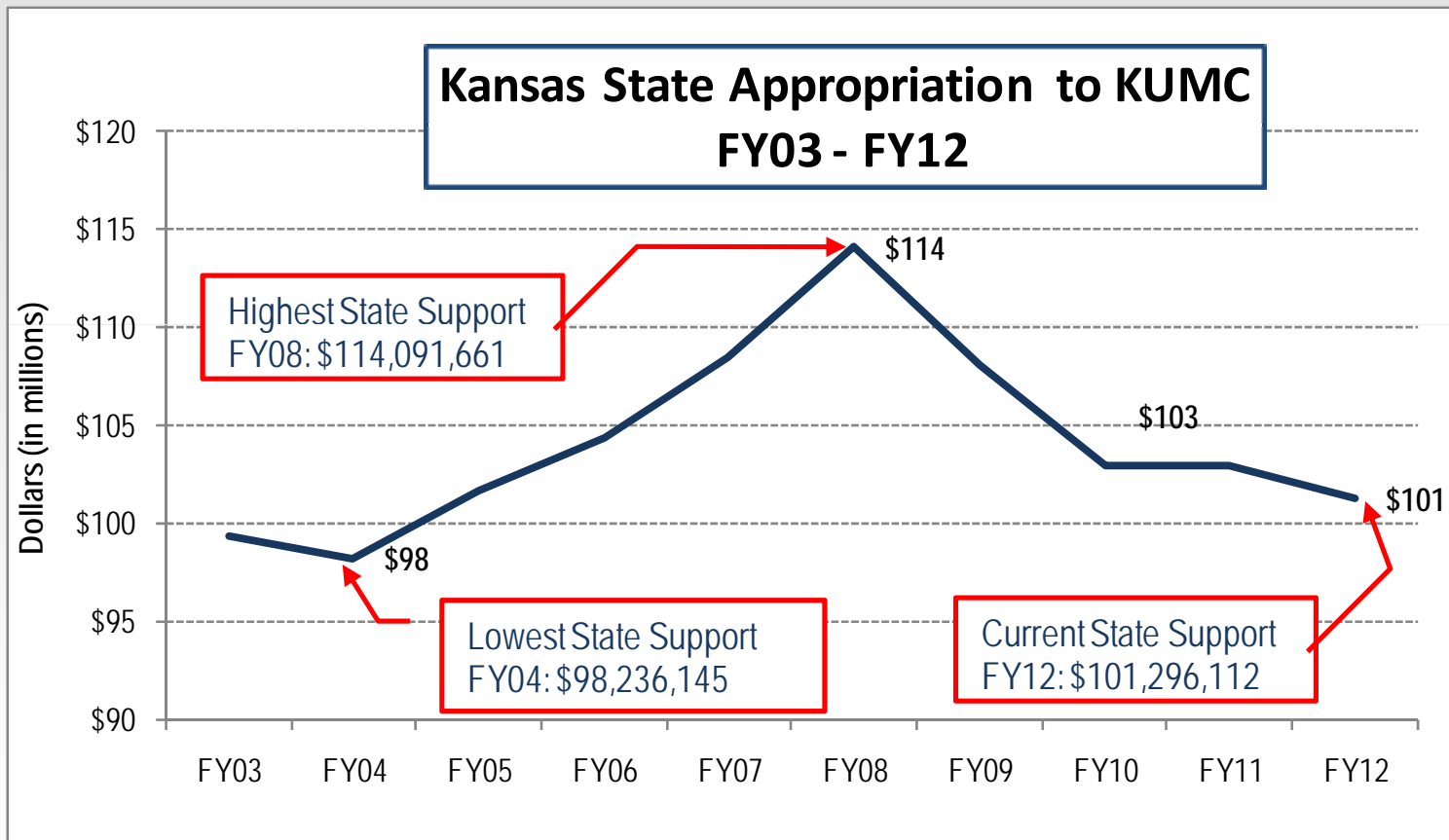
State of Kansas FY12 Budget Cuts

- FY12 State Budget Shortfall of \$500M
- Deep Cuts to K-12 Education and Social Services
- Average of 5% Cut from Most Budgets

➤ FY12 KUMC Appropriation Only Reduced by
~2%

➤ FY12 Cancer Center Appropriation **INCREASED**
by \$580K

Impact of Kansas Budget on KUMC

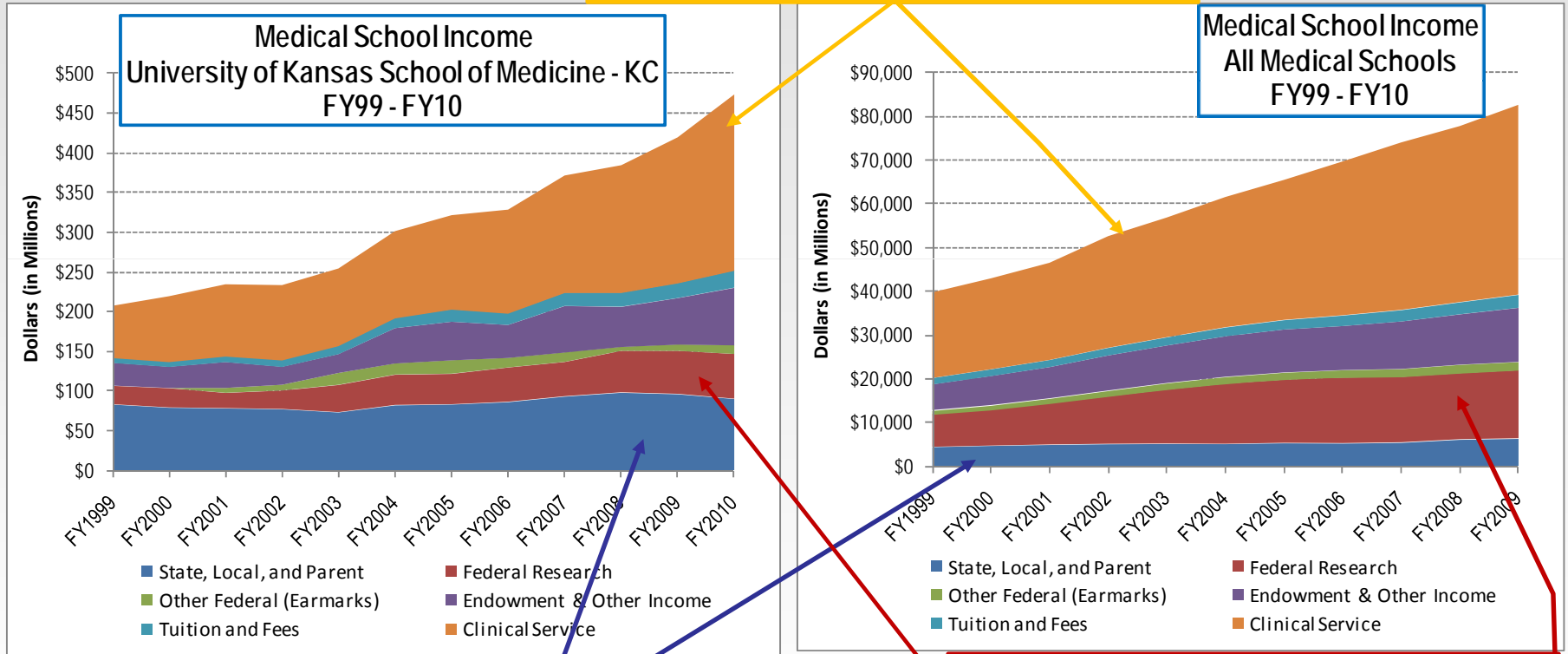


Impact of Budget Changes on KUMC

- **FY11 KUMC Budget (w/o Cancer) \$103.1M**
 - FY12 Tuition Increase \$1.6M
 - FY12 Projected F&A Increase \$0.7M
 - State (SGF) Reduction **(\$1.8M)**
 - Hemenway Mortgage Reallocation **(\$1.5M)**
 - Increased Fringe Benefits Reallocation **(\$1.5M)**
- **FY12 KUMC Budget \$100.6M**
- **FY11 Cancer Center Appropriation \$4.4M**
 - FY12 Cancer Center Increase \$0.6M
- **FY12 Cancer Center Appropriation \$5.0M**

Medical Schools Have Witnessed Prodigious Growth

Growth in Clinical Services at KUMC has averaged 50% more than All Medical Schools (12% v. 8%)



Kansas has supported KUMC at three times the rate of State Support for all Medical Schools (Avg. 29% v. 9.0%)

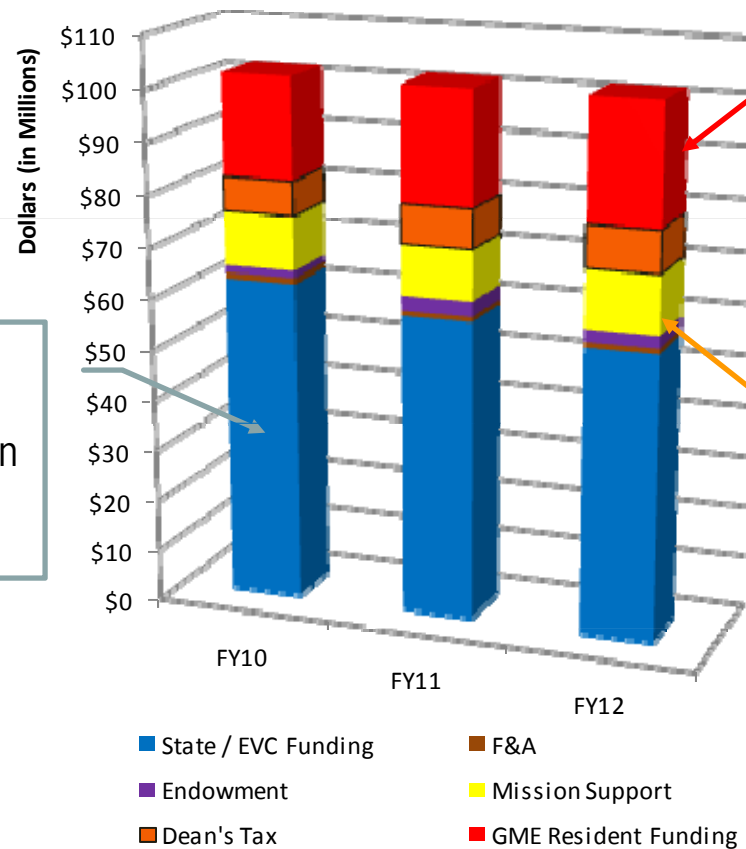
Federal Research at KUMC has averaged 12% of Total Income compared to 21% for All Medical Schools



Source: LCME I-A, Annual Financial Questionnaire (AFQ)
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School of Medicine-KC Sources FY10-FY12

FY10 - FY12 KUSOM-KC SOURCES

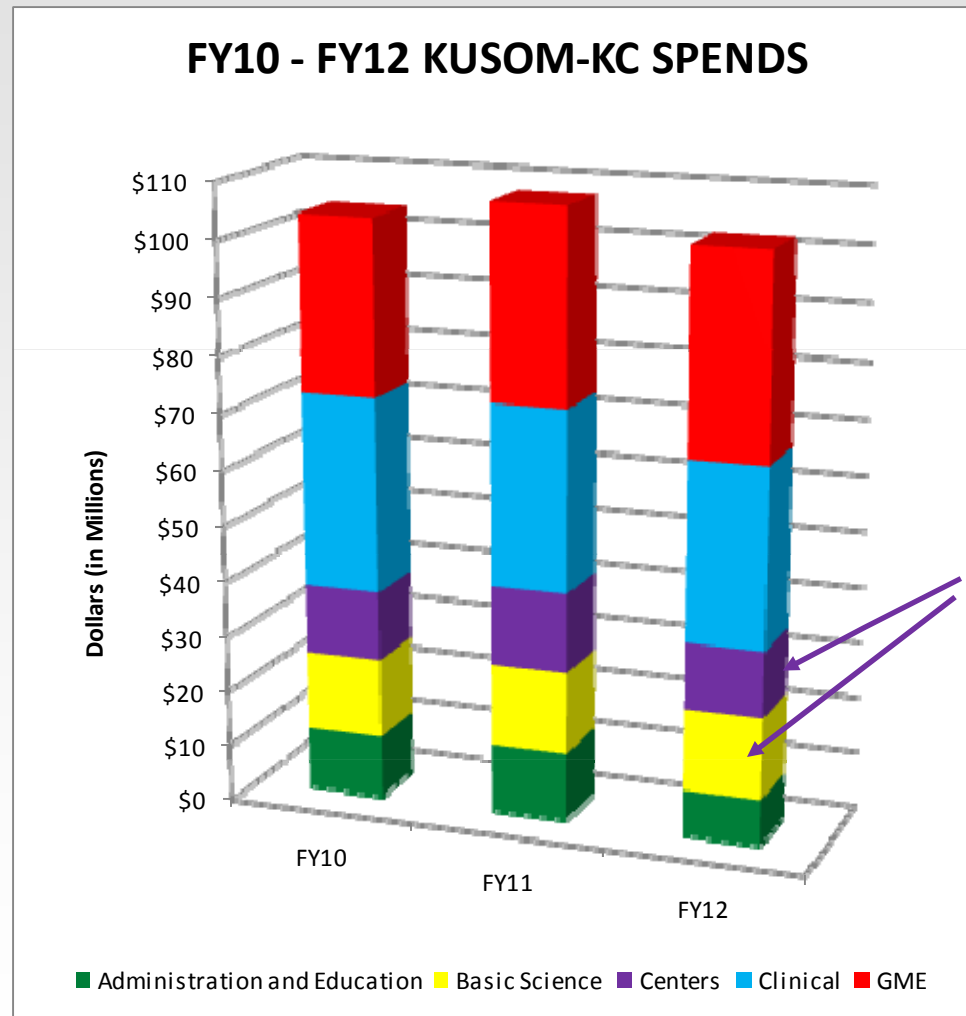


State funds for the School dropped \$7M from \$62M in FY10 to \$55M in FY12

Affiliate contracts for GME increased by more than \$2M between FY10 and FY12

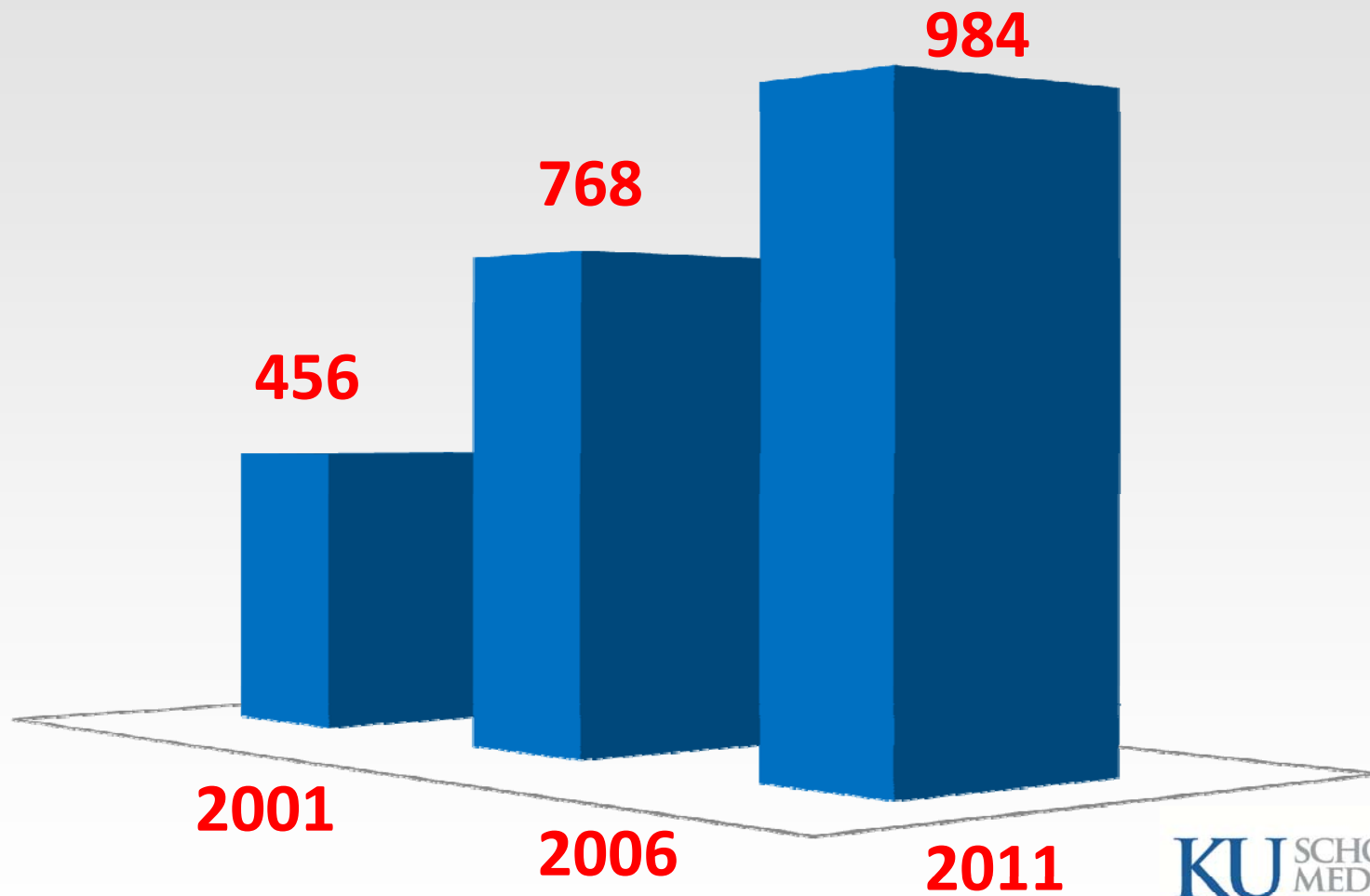
Growth in GME funding, Mission Support and Dean's Tax have nearly offset the \$7M State cuts.

School of Medicine-KC Spends FY10-FY12

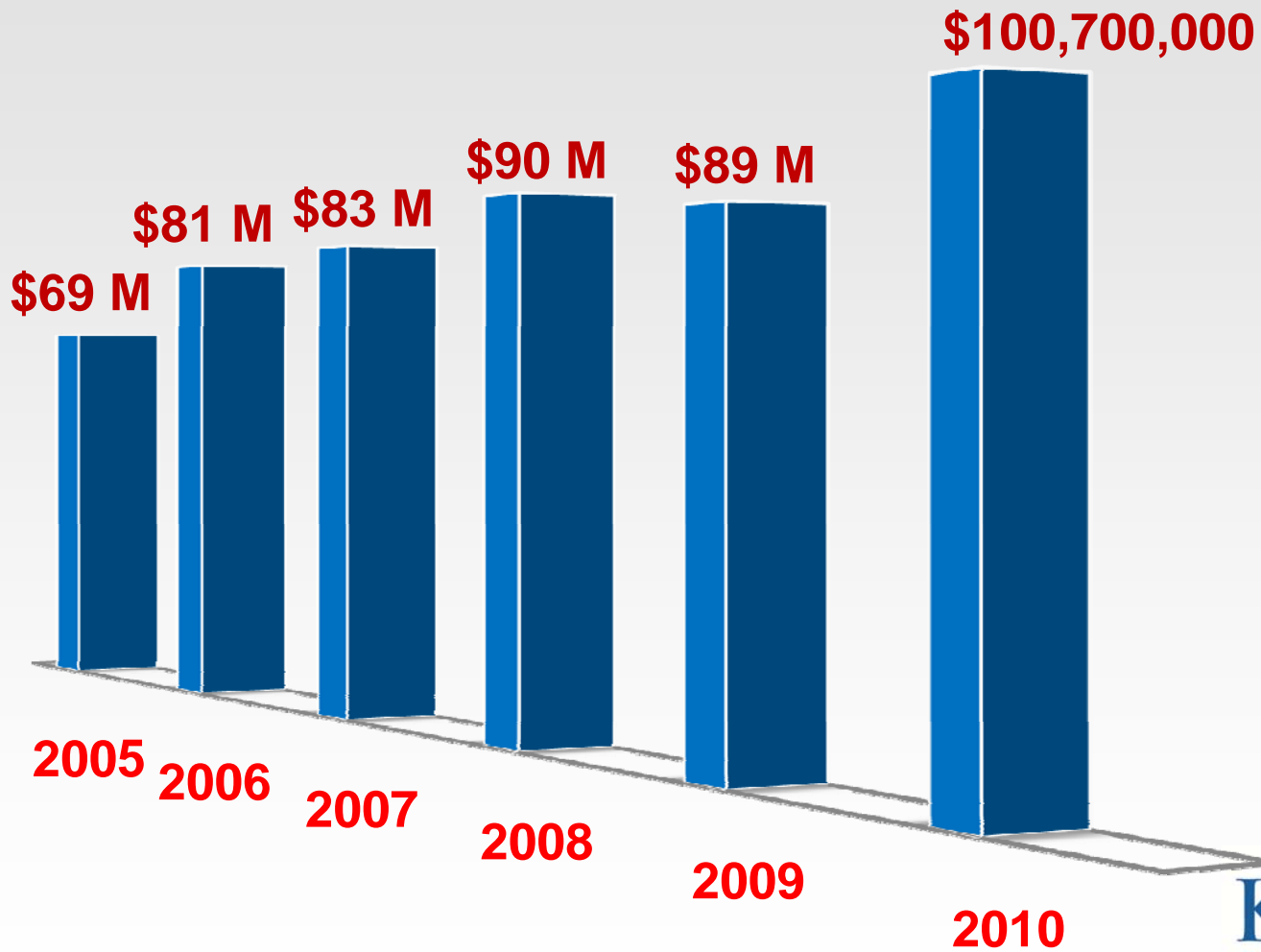


Investment in Clinical Departments is just slightly more than that in the Basic Science Departments and Centers. In both cases, the biggest investment is in research start-up packages.

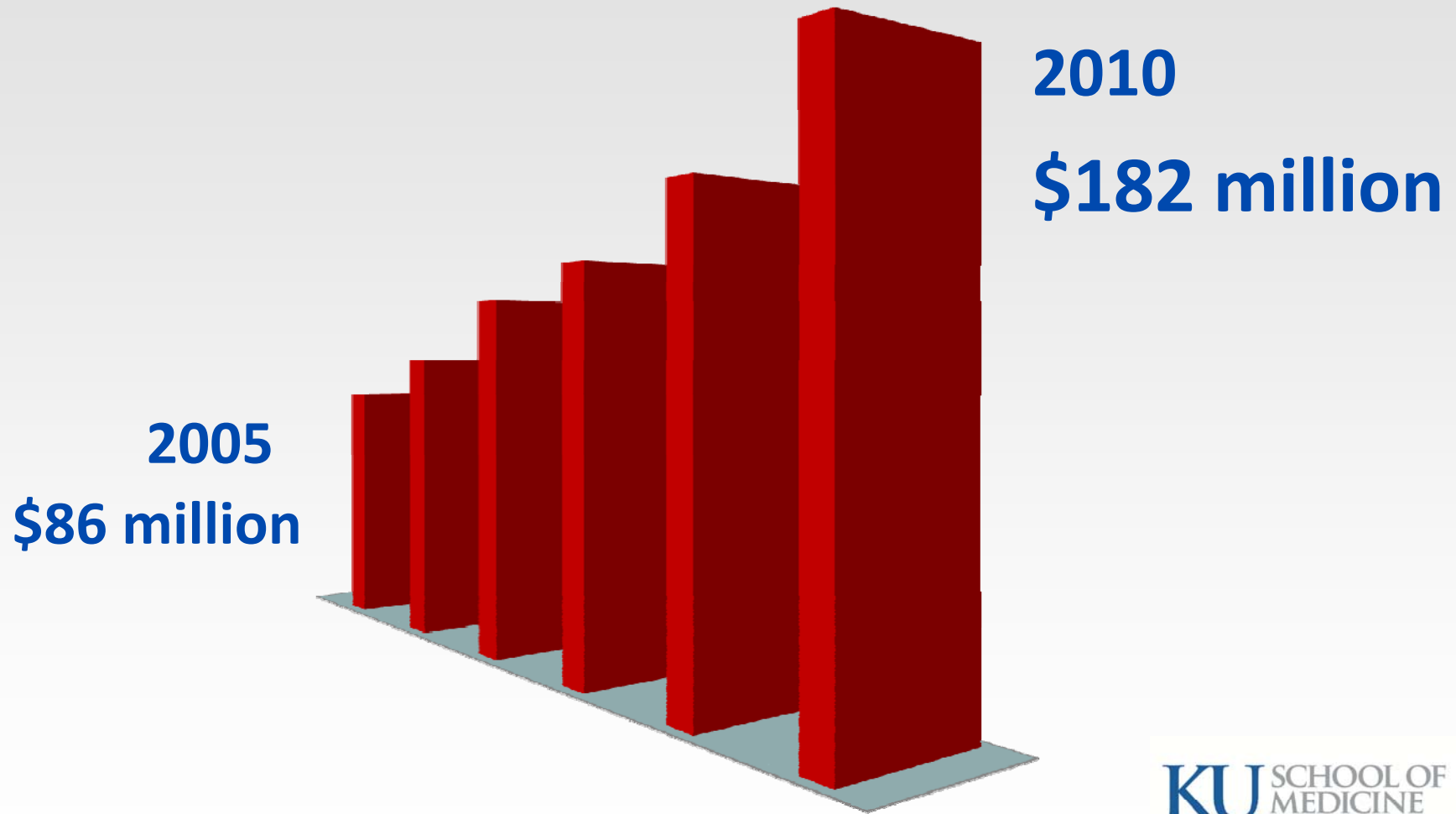
Growth in: Faculty



Growth in: Total research funding

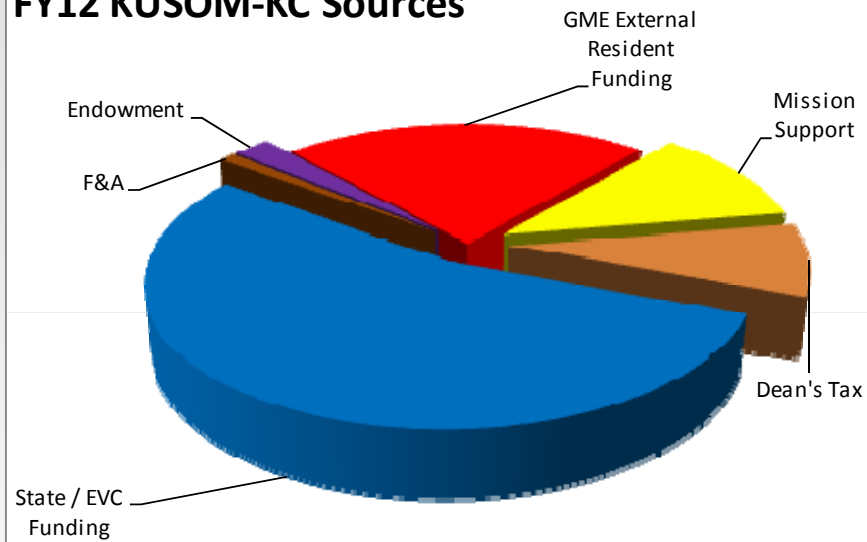


Growth in: Professional fee revenue

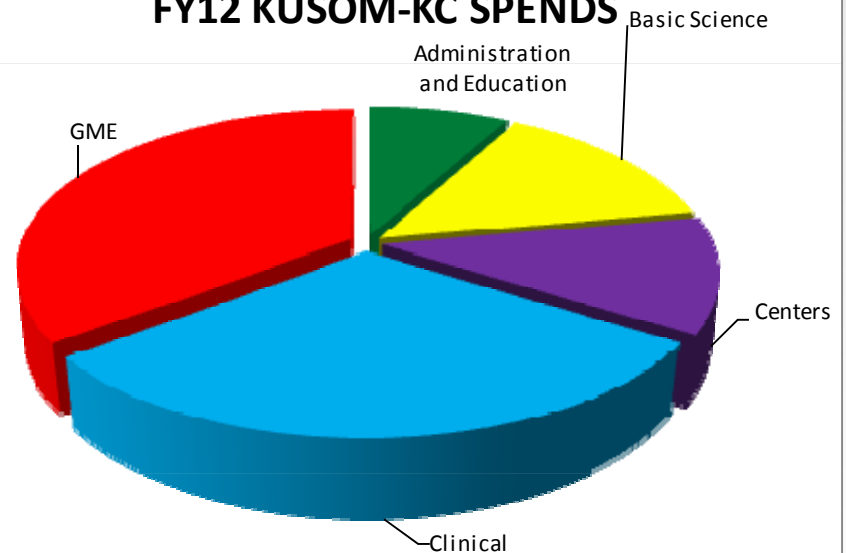


FY12 School of Medicine-KC Sources and Spends

FY12 KUSOM-KC Sources

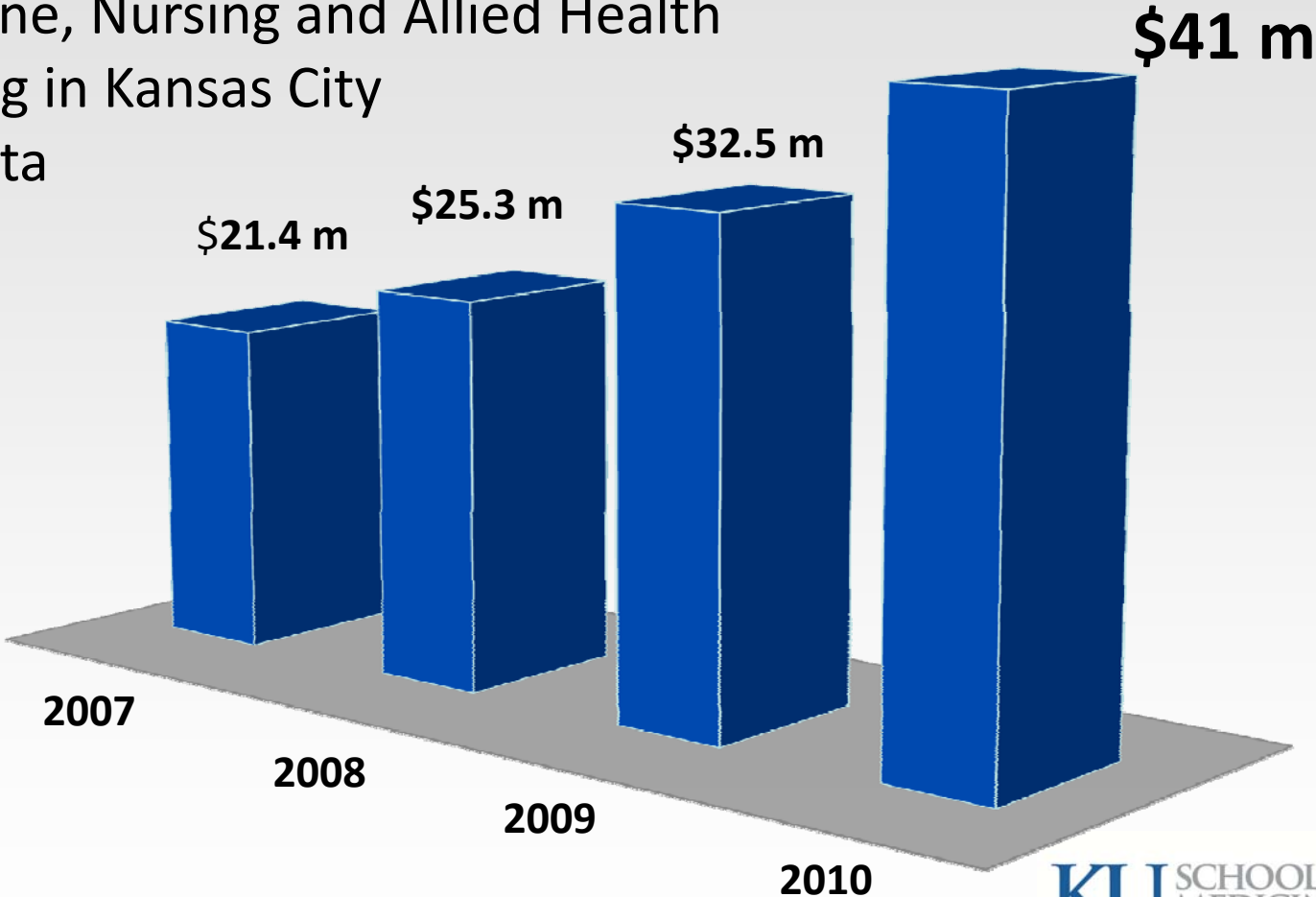


FY12 KUSOM-KC SPENDS



Growth in: Endowment

All Medicine, Nursing and Allied Health fundraising in Kansas City and Wichita



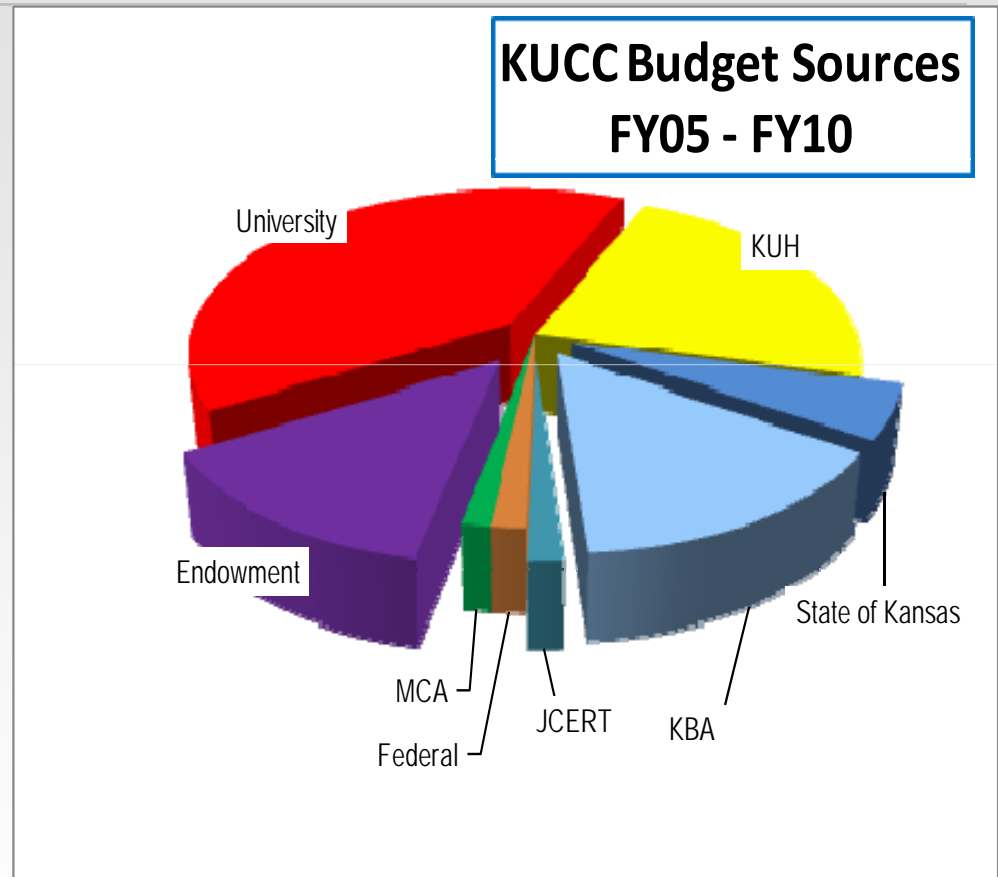
KU Cancer Center Support – FY05-FY10 Budget

• Sources

- FY05-FY10 KUCC Budget: \$353M
- State Investment Represents More than 1/5 of Total
- KU Endowment Raised \$48M toward \$92M Goal through FY10.
 - **\$56M Raised through 05/20/11**

• Spends

- Recruits and Scientific Leadership Across KUMC and KUL
- Shared Resources
- KUCC Leadership
- Space: Wahl/Hixon, Fairway Phase I Building, Renovation in 11 Other Buildings
- Clinical Trials



Cancer Center – Next Steps

- Submit NCI Cancer Center Support (CCSG) Grant September 25, 2011
- NCI Site Visit Jan/Feb 2012
- Grant Outcome May/June 2012
- Economic Impact 2006 – 2010 from Pursuit of NCI Status

\$453,000,000 and 1,123 jobs

- Comprehensive Cancer Center Status
 - Not available until first renewal five years later
 - NIH and Philanthropy Funding Environment
 - Persistence and Speed of Economic Turn-Around

Time Line for School of Public Health

- September 2010: Began Board of Regents approval process
- January 2011: Begin fundraising for Dean's search
- July 2011: With Regents' approval, reorganization to take effect

FUND RAISE TO ENSURE FINANCIAL SUPPORT FOR SPH

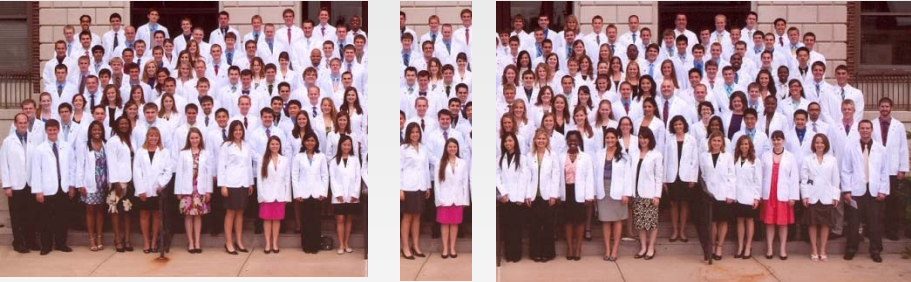
- Summer 2011: Potential accreditation application
- 2014-2015: Possibility of accreditation

Growth in: Medical student enrollment

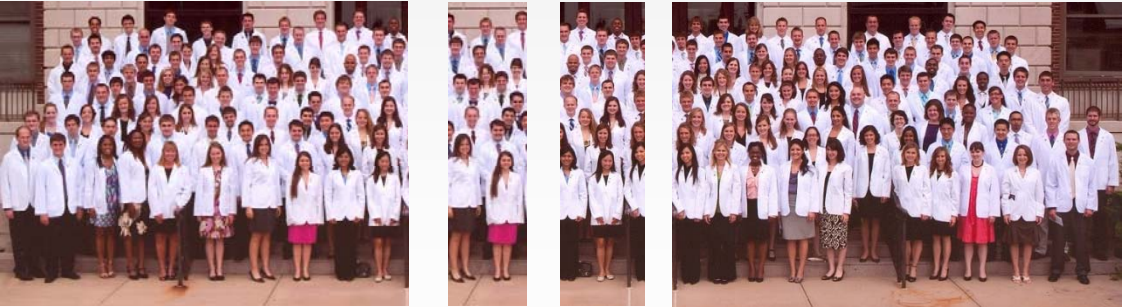
Today: 175



2011: 191

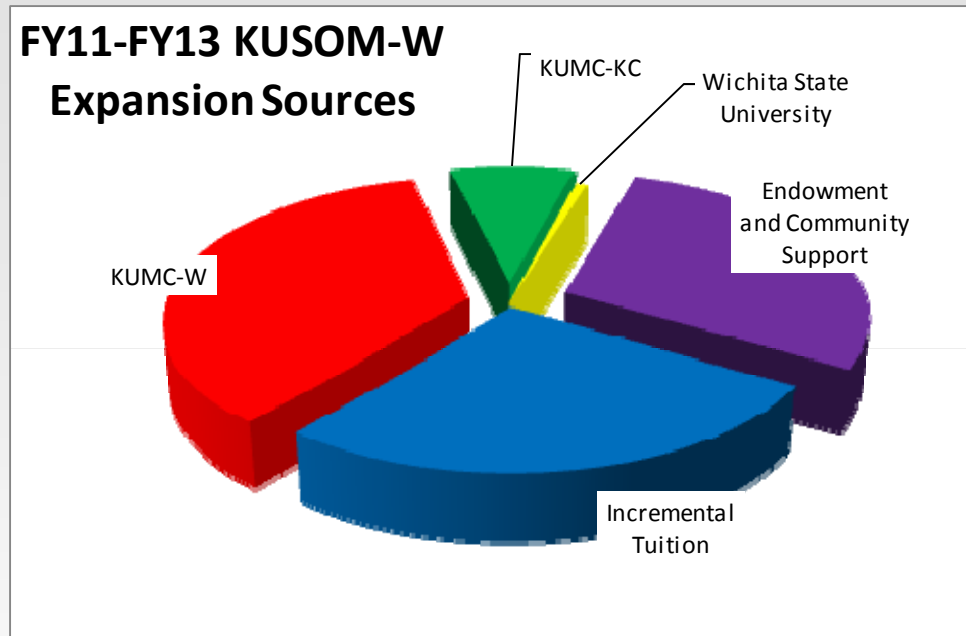


2012: 211



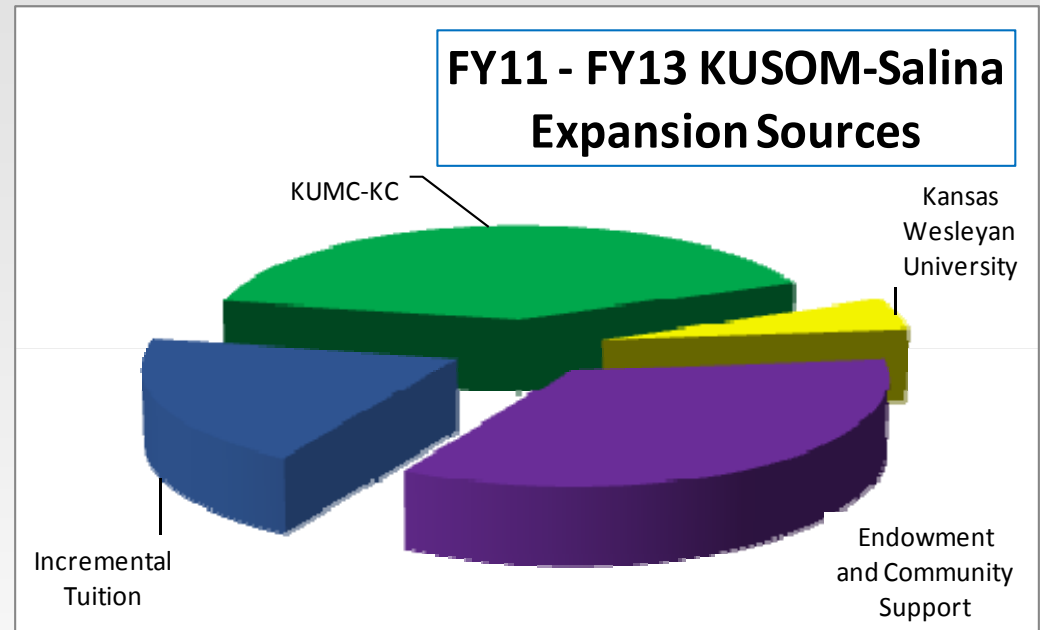
KUSOM-Wichita expansion

- FY11-FY13 Total Investment: \$4.3M
- On-Going Annual Budget: ~\$2.0M
- FY11-FY13 KUSOM-KC Investment: \$0.3M
- FY11 – FY13 Wichita Community and Endowment Support: \$1.2M
- **FY11 – FY13 Actual Community Pledges and Deposits: \$2.5M**



KUSOM-Salina expansion

- FY11-FY13 Total Investment: \$3.3M
- On-Going Annual Budget: ~\$1.4M
- FY11-FY13 KUSOM-KC Investment: \$0.6M
- FY11 – FY13 Salina Community and Endowment Support: \$1.1M
- **FY11 – FY13 Actual Community Pledges and Deposits: \$1.2M**



Questions?