Budget Fact Sheet 2-11-10
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The University of Kansas Medical Center strives for excellence in education, research, and patient care. However, the recent unprecedented state and federal budget cuts have put our institution’s forward motion in jeopardy. Further cuts undermine our mission to train physicians, nurses and allied health professionals for the State of Kansas.

Management of Budget Reductions

KU Medical Center has to date managed budget reductions through a number of cuts and administrative changes. Our goal has been to protect units that generate revenue for other programs and to the extent possible, moved State General Fund (SGF) expenses to other accounts – whether clinical, research, or philanthropic.

Specific Impacts

1) **Budget cuts will impact National Cancer Institute (NCI) designation.** Although we have numerous talented researchers in the pipeline who are interested in coming to KUMC, we have been forced to slow down recruitment for quality researchers and clinical staff needed for us to be successful in our application for NCI designation.

2) **Reduction in number of nursing students.** In spite of the worsening nursing shortage, the number of nursing students (undergraduate) admitted to KUMC was down over 6% in 2009. In fact, we are now training the same number of undergraduate nurses that we trained in 2005. Last year, the KU School of Nursing had 336 qualified candidates and 452 total applicants, but slots for just 120.

3) KU Medical Center has **already eliminated 79 positions** as a result of the cuts – including 15 faculty positions.

4) **73 other positions were funded with American Recovery and Reinvestment Act (ARRA) funds** and will need to be either transferred to other funding or eliminated to compensate for the end of that funding.
5) **KUMC shifted salary portions of 363 positions to other sources of funding**, like clinical revenue for medical faculty in Kansas City and Wichita. This particular strategy is not sustainable over time, especially in light of current economic pressures and health care reform efforts. More faculty time spent in clinics could mean less time teaching our medical students.

6) Additional measures include reducing investments in information and instructional technology, which will be detrimental to our infrastructure in the long term.

7) **We have significantly changed the way our researchers are funded**, requiring more of their research and team to be grant-funded. Research assistants and staff who were funded with SGF dollars will be expected to be funded with grant awards.

8) **Budget reductions have caused the Wichita Campus** to eliminate vacant positions, shift salaries to clinical earnings, delay technology upgrades, and leave positions vacant for 90 days prior to refilling. Wichita’s medical education program is already hampered by insufficient numbers of full-time physicians committed to teaching. The salary freeze, threats of furlough, and further budget reductions make recruiting new faculty to the city even more difficult. Faculty committed to teaching must readjust their priorities to earning professional fee income as permanent funding diminishes, reducing the time faculty can spend with students – the main reason medical students rate their Wichita experience so highly. The quality of our students’ educational experience is their competitive edge.

**Looking Ahead**

KU Medical Center recognizes the critical economic situation facing our state and understands the difficult decisions our policymakers currently face. However, we also see shortages of physicians, nurses, and allied health professionals throughout the state, and see the potential for economic impact and cures for disease that NCI designation and more advanced NIH research could bring.

Budget cuts beyond our current level would only further hinder our efforts, and would run counter to what will ultimately help bring Kansas out of the current recession – the education of skilled health professionals and the economic benefits of innovative medical research.

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