KUMC Budget and NCI Frequently Asked Questions (FAQ) 1-11-10

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 and undermine the momentum we have made toward applying for National Cancer Institute designation.

1) **Have state budget cuts impacted National Cancer Institute (NCI) designation?**

   After the most recent November allotments, the medical center is now $14.4 M below our originally funded amount for FY 2009. Because state funding is a much larger percentage of KUMC’s overall budget, these cuts affect the Medical Center more severely than KU’s main campus. In addition, the $5 million appropriation for the cancer center was reduced to $4.4 million. Accordingly, the university has been forced to slow down recruitment for quality researchers and clinical staff needed for us to be successful in our application for NCI designation. One of the key things NCI looks for in granting its designation is the support of the state in the NCI request.

2) **Is KUMC still planning to apply for NCI designation in September 2011?**

   Yes, we are pressing full speed ahead, but obviously with concern about what further budget cuts might mean. Investing in NCI designation is an investment in the economy and what it means to the region (i.e. $1.3 billion annually and 9,400 permanent jobs within ten years).

3) **Do the recent philanthropic gifts to the Cancer Center mean that the Kansas legislature doesn’t need to provide funding?**

   We are extremely grateful for the generous gifts recently made to the Cancer Center, however, the recent gifts are tied to specific uses, namely recruitment and retention of world class researchers. Our original business plan for the Cancer Center relied on significant philanthropic dollars. In contrast, the use of the $5 million which has been appropriated to the Cancer Center since 2006 from the Kansas legislature (now reduced to $4.4 million) is for infrastructure and outreach throughout the state and region. The philanthropic dollars do not replace the state general funds and in fact, more philanthropy is needed to get us to NCI designation.

4) **Why hasn’t KUMC tried to hold the Cancer Center harmless, if this is the university’s top research priority?**

   It is not possible. KU Medical Center must manage the $14.4 million in 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, move State General Fund (SGF) expenses to other accounts – whether clinical, research or philanthropic. However, a cut of $14.4 million is nearly the same size as the combined budgets of the School of Nursing and School of Allied Health (each $8.5 million) and just shy of the entire Wichita School of Medicine program ($15.3 million). In order to reach this level of cuts, we have:

- **Eliminated 79 positions** as a result of the cuts – including 15 faculty positions.
- **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.
- **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.
- **Funded 73 other positions with American Recovery and Reinvestment Act (ARRA) funds** that will ultimately need to be either transferred to other funding or eliminated to compensate for those one-time dollars.