

Budget Brief: Utah Medical Education Council

SUMMARY

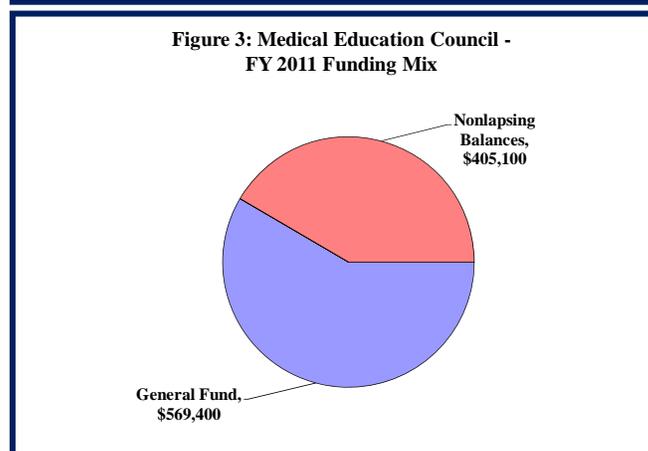
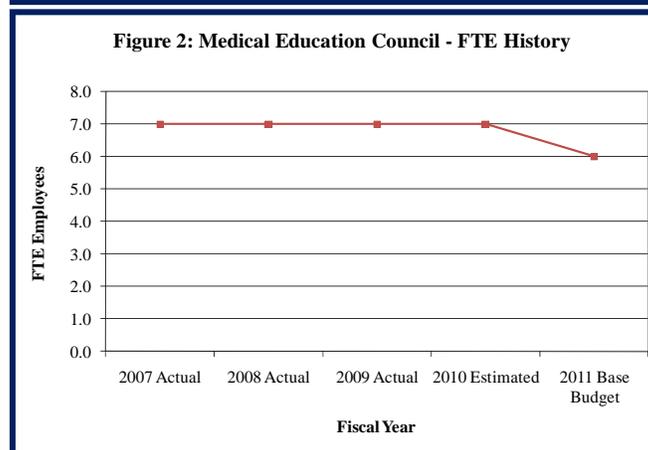
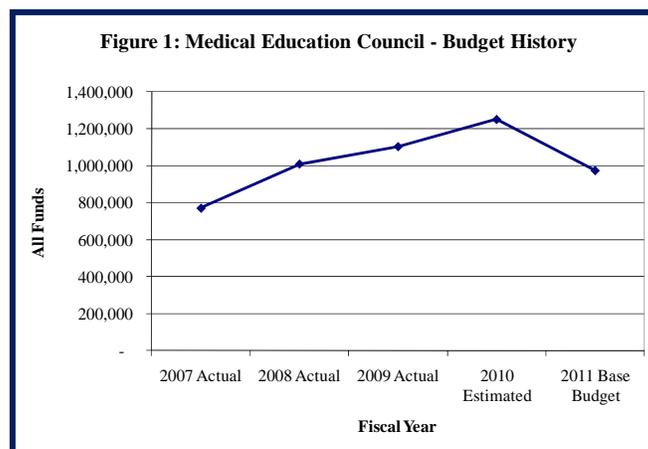
In the 1997 General Session, the Legislature passed H. B. 141, “Medical Education Program”. This bill created the Utah Medical Education Program, administered by the Utah Medical Education Council (MEC). The MEC evaluates current and future healthcare needs, including retention rates for physicians; stabilizes funding for training; and establishes policies to achieve a viable healthcare workforce. The MEC works closely with the healthcare industry and colleges and universities with medical education programs. In addition, the MEC seeks to develop training opportunities for physicians in rural and underserved areas.

DISCUSSION AND ANALYSIS

Base Budget: The MEC’s total appropriation for FY 2010 was \$1,399,900 of which \$638,500 was from the General Fund, \$424,500 in Dedicated Credits Revenue, and \$336,900 in beginning nonlapsing balance. The balances from the Medical Education Council are largely due to the pending commitments in rural and other clinics for development of residency training funds. The process for establishing these residency slots can take 2-3 years. The MEC’s budget of \$638,500 from the General Fund is made up of \$300,000 ongoing for the Rural Residency Training Program, and \$338,500 for salaries and benefits, current expenses, travel, supplies and rent.

The MEC’s budget of state funds was reduced by \$28,000 during the 2008 2nd Special Session, by \$50,500 in H.B. 3 as a FY 2009 supplemental, and by \$42,000 in a reduction to its FY 2010 base. The FY 2010 base reduction was accompanied by a one-time backfill of \$57,500. The net reduction with the one-time backfill was approximately 9.0% of the original FY 2009 base. The total reduction of state funds to the MEC budget was \$120,500 or 17.2% of its FY 2009 Original Appropriation, which will take full effect beginning in FY 2011.

The Executive Appropriations Committee (EAC) adopted FY 2011 General and Education Fund revenue estimates that are 98% of the original FY 2010 ongoing appropriations. The FY 2011 base budget bills (S.B. 1 and H.B. 1) reduce appropriations for all line items and programs proportionately to match revenues. This reduction for the MEC gives the agency a FY 2011 base appropriation of \$974,500, of which \$569,400 is from the General Fund.



Recommendation: The Analyst recommends the subcommittee consider as part of the 5% target for Higher Education Appropriations an ongoing reduction of \$29,100 from the Rural Residency Training Program. To this point, all reductions for the MEC have come from their agency operating budget without reductions to the ongoing allocation to the training program. This reduction represents just under 10% of the original appropriation of \$300,000 to the Rural Residency Training Program.

BUDGET DETAIL TABLE

The following table outlines the MEC budget from FY 2009 to FY 2011 and indicates reductions that have been taken during the past fiscal year. Note that the \$57,500 backfill for FY 2010 is one-time and does not continue in the FY 2011 base budget.

Medical Education Council						
	FY 2009	FY 2010		FY 2010		FY 2011*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	623,000	581,000	0	581,000	(11,600)	569,400
General Fund, One-time	0	57,500	0	57,500	(57,500)	0
Dedicated Credits Revenue	392,100	424,500	(34,100)	390,400	(390,400)	0
Beginning Nonlapsing	717,000	336,900	290,800	627,700	(222,600)	405,100
Closing Nonlapsing	(627,700)	0	(405,100)	(405,100)	405,100	0
Total	\$1,104,400	\$1,399,900	(\$148,400)	\$1,251,500	(\$277,000)	\$974,500
Line Items						
Medical Education Council	1,104,400	1,399,900	(148,400)	1,251,500	(277,000)	974,500
Total	\$1,104,400	\$1,399,900	(\$148,400)	\$1,251,500	(\$277,000)	\$974,500
Categories of Expenditure						
Personnel Services	664,200	644,100	35,100	679,200	(128,000)	551,200
In-state Travel	3,200	4,500	0	4,500	300	4,800
Out-of-state Travel	9,200	10,200	0	10,200	300	10,500
Current Expense	95,400	101,100	(1,100)	100,000	(7,000)	93,000
DP Current Expense	1,000	8,100	0	8,100	6,900	15,000
Other Charges/Pass Thru	331,400	631,900	(182,400)	449,500	(149,500)	300,000
Total	\$1,104,400	\$1,399,900	(\$148,400)	\$1,251,500	(\$277,000)	\$974,500
Other Data						
Budgeted FTE	7.0	6.0	1.0	7.0	(1.0)	6.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.