

April 2, 1974

SENATOR CARPENTER: Now, what about 51-03, for example, the unrealized professional revenue. Why was that off so much?

SENATOR MARVEL: Excuse me just a minute. The Governor's fiscal staff last year estimated that the Med Center would realize from professional fees, in other words, these are fees of the medical staff as they use the state facilities for practice and basically this would come from welfare patients, that the total income that could be applied to the Med Center budget would be \$800,000. Actually there or they were off about almost 300, about 200, they were off about \$550,000. And you can see by those figures, you've got an agency request of \$554,419 and as a result of the staff working with the administration at the Med Center, that has been reduced about \$200,000 but still leaves a deficiency of \$344,194. Now, in other words, there was not that amount of fees realized as a result of practice by the medical faculty which could have been applied to the cost of running the University Hospital.

SENATOR CARPENTER: That's basically on welfare patients alone.

SENATOR MARVEL: Yes, sir.

SENATOR CARPENTER: Well, now how did the...maybe you don't know, how does the Governor's staff make a mistake of \$200,000 and reduce their original request from \$544,000 to \$344,000?

SENATOR MARVEL: No, actually, well...you want to know about the negotiations? Well actually if you take that unrealized professional fee revenue figure, the original amount they were supposed to raise was \$800,000. Actually they raised \$800,000 less, about \$544,000...they only raised about \$250,000. The fiscal staff, so that their deficiency request originally was \$544,000, which says in effect that the Governor's staff overestimated the amount of revenue that could come from this source by almost \$550,000.

SENATOR CARPENTER: Well, now....Go ahead.

SENATOR MARVEL: They're always talking about mistakes that we make. Here is a flagrant error that they made. The negotiations and if you want further information, I can get it from the staff but because of negotiations, that deficiency was cut down almost \$200,000. In other words, the staff more than earned their pay for several months as a result of this.

SENATOR CARPENTER: Well, it seemed to me, for example, from the observation of what you and the staff had, that their staff is certainly not any better than our staff and probably not as comparable. Do you agree to that?

SENATOR MARVEL: Yes, sir and I've agreed....and basically of a result of some of the experiences this session....this reaffirms my views.

SENATOR CARPENTER: Now in 51-01 and 51-03, they or there are charges there for apparently an audit by Peat, Marwick & Mitchell, I presume, was that authorized in the first place?

SENATOR MARVEL: This was the PM&M audit. Peat, Marwick & Mitchell audit was....just a moment.....all right, this audit....I just wanted to double check this....this audit was authorized by the Legislature and the \$40,000 amount that was put in the State Auditor's budget last year to say in