

FCR 13

Office of the President
June 12, 2007

Members, Board of Trustees:

2006-07 BUDGET REVISIONS

Recommendation: that the Board of Trustees authorize and approve the following revisions to the 2006-07 budget. The budget revisions outlined below will increase the University of Kentucky's total budget by \$12,868,700 – from \$1,894,473,200 to \$1,907,341,900.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
State Appropriations			
Operating	\$311,945,300	\$312,045,300	\$ 100,000
Gifts, Grants, and Contracts	4,595,200	4,845,200	250,000
Sales and Services of Educational Activities			
Departmental Sales and Services	18,940,300	19,395,800	455,500
Transfers	6,190,800	6,715,800	525,000
Fund Balances	85,355,600	85,905,600	550,000
Health Affairs, including University Hospital	586,561,800	596,561,800	<u>10,000,000</u> \$11,880,500
2. Expenditures			
Health Affairs			
Health Affairs and University Hospital			
General Administrative and Support Services	\$243,379,400	\$253,379,400	\$10,000,000
Provost			
College of Agriculture			
Agricultural Experiment Station			
Director	868,400	1,693,400	825,000
College of Engineering			
Administration	1,627,000	1,877,000	250,000
College of Law	6,103,700	6,259,200	155,500

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u> (continued)			
2. Expenditures (continued)			
Research			
Coldstream Research Campus	\$ 520,000	\$ 1,070,000	\$ 550,000
University Wide			
Nonrecurring Funds			
General Operating Programs	80,403,400	80,503,400	<u>100,000</u>
			\$11,880,500

Comments – Per Executive Order 2006-1016, the Arboretum and the Pilot Project Music/Arts Extension Agent Employment each receive \$50,000 in state appropriated funds in FY 2007 and FY 2008 to support program expenses.

Income from Gifts, Grants, and Contracts increased \$250,000 for the Council on Postsecondary Education’s “Strategy for Statewide Engineering Education in Kentucky.” The purpose of this program - - involving the University of Kentucky, the University of Louisville, Western Kentucky University, and Murray State University – is to deliver joint baccalaureate degree programs in civil, mechanical, and electrical engineering across the state in order to increase the number of engineers in Kentucky.

Departmental Sales and Services income increased \$155,500 due to reimbursement from Vanderbilt Law School and John Marshall Law School for salary expenses associated with temporary assignments.

Due to ownership rights, the proceeds from the sale of the “right of way” on Newtown Pike were recorded in Departmental Sales and Services (\$300,000) and Transfers (\$525,000). These funds will be used by the College of Agriculture to support special projects associated with the equine initiative.

Prior-year fund balances of \$550,000 will be budgeted for infrastructure improvements at the Coldstream Research Campus.

The University Hospital anticipates earning an additional \$10 million as a result of increased patient activity and volume. This income will be used for increased personnel costs and to support two additional nursing locations. In addition, the increased activity has led to additional supply costs.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>RESTRICTED FUNDS</u>			
1. Income Estimates			
Endowment and Investment	\$ 18,146,100	\$ 18,149,300	\$ 3,200
Gifts, Grants and Contracts	74,323,100	75,308,100	<u>985,000</u>
			\$ 988,200
2. Expenditures			
Provost			
Libraries	\$ 2,889,800	\$ 2,903,000	\$ 13,200
Student Aid			
Academic Competitiveness			
Grant	0	550,000	550,000
SMART Grant	0	425,000	<u>425,000</u>
			\$ 988,200
3. <u>Comments</u> – UK Libraries received \$13,200 in gifts and endowment income to support student workers and purchase materials for processing the Mr. Logan P. English collection located in the Libraries’ Special Collections and Digital Programs.			

Student Aid increased \$975,000 from participation in two new federally funded programs for Pell-eligible undergraduate students pursuant to the Higher Education Reconciliation Act of 2005. This increase funded: (1) Academic Competitiveness Grants (ACG) of \$550,000 to eligible freshmen and sophomores whose high school work, ACT/SAT, and GPA met prescribed standards, and (2) National Science and Mathematics Access to Retain Talent (SMART) Grants of \$425,000 to eligible junior and seniors whose GPA and major field of study met prescribed criteria.

Action taken: Approved Disapproved Other _____