

FCR 14

Office of the President
May 4, 2004

Members, Board of Trustees:

2003-04 Budget Revisions

Recommendation: that the following revisions to the 2003-04 budget be authorized and approved.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
State Appropriations			
Operating	\$301,937,600	\$296,013,900	\$ (5,923,700)
Tuition and Fees			
Tuition			
University System	123,552,200	125,728,300	2,176,100
Lexington Community College	13,187,600	13,587,600	400,000
Gifts, Grants, and Contracts			
The Medical Center Fund for Advancement of Education and Research	7,350,600	7,436,400	85,800
Sales and Services of Educational Activities			
Departmental Sales and Services	22,706,600	25,432,800	2,726,200
Hospital	319,047,100	347,642,100	28,595,000
			<u>\$ 28,059,400</u>
2. Expenditures			
Academic Units			
College of Dentistry			
Patient Care	\$ 2,492,400	\$ 2,578,200	\$ 85,800
College of Human Environmental Sciences			
Interior Design, Merchandising, and Textiles	509,800	569,800	60,000
Lexington Community College			
General Instruction	13,695,200	13,705,000	9,800
Health Affairs			
University Hospital	317,967,100	346,562,100	28,595,000
Support Units			
Executive Vice President for Finance and Administration			
Parking and Transportation	4,281,400	5,076,300	794,900
Real Property	227,500	456,800	229,300
University-Wide	50,691,200	48,975,800	(1,715,400)
			<u>\$ 28,059,400</u>

3. Comments - The Governor issued an executive order in January reducing the University's and the Lexington Community College's FY 2004 state appropriations. The University will cover the \$5,533,500 decrease using excess tuition revenue and reallocation of university-wide funds. The \$390,200 decrease in state appropriations for the Lexington Community College will be addressed using excess tuition.

A. GENERAL FUND (continued)

Fall and spring tuition revenue is expected to exceed the original budgeted amounts by at least \$2,176,100 for the University and \$400,000 for the Lexington Community College. These revenue increases are due to enrollment growth and will be used to address the state appropriation reductions and provide additional general instruction support for the Lexington Community College.

The Medical Center Fund for Advancement of Education and Research is expected to generate an additional \$85,800 from the Dental Clinic. These funds will support personnel costs associated with the Dental program.

Department sales and services are expected to receive an additional \$2,726,200, primarily due to reimbursement of prior year health care costs from KCTCS and additional parking permit revenues that were not previously budgeted. The reimbursement funds will be used to help offset the University's state appropriation reductions and the parking revenues will be used for parking operating expenses.

The increase in budgeted hospital revenues is due to the realization of receipts from Medicaid and Medicare and the disproportionate share agreements (DSH). These funds will be used to support hospital operations and facility renovations.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
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B. RESTRICTED FUNDS

1. Income Estimates	\$113,065,900	\$113,058,800	\$ (7,100)
2. Expenditures			
Academic Units			
College of Agriculture			
Agricultural Experiment Station			
Veterinary Science	7,980,600	7,973,500	(7,100)
			\$ (7,100)

3. Comments - The decrease in restricted funds is a result of a mid-year reduction in the Federal appropriation for multi-state research in the department of Veterinary Science.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
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C. AUXILIARY FUND

1. Income Estimate	\$ 49,143,800	\$ 49,241,800	\$ 98,000
2. Expenditures			
President			
Boone Center	870,000	968,000	98,000

3. Comments - The \$98,000 estimated increase in auxiliary revenues is from the activities of the Boone Center. These funds will support the Center's operations.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
D. <u>AFFILIATED CORPORATIONS</u>			
1. Income Estimates	\$260,051,400	\$261,595,100	\$ 1,543,700
2. Expenditures			
Athletics Association	41,601,700	43,145,400	1,543,700
3. <u>Comments</u> - The \$1,543,700 increase for the University of Kentucky Athletics Association is primarily due to excess revenues from ticket sales, SEC distributions and television guarantees. These funds will be used to support the University's athletics program, including, but not limited to, security, scholarships, and team travel.			

Action taken: Approved Disapproved Other _____