

FCR 27

Office of the President
May 10, 2005

Members, Board of Trustees:

2004-05 BUDGET REVISIONS

Recommendation: that the following revisions to the 2004-05 budget be authorized and approved. The budget revisions outlined below will decrease the University of Kentucky's total budget by \$4,039,300, from \$1,487,018,600 to \$1,482,979,300.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
State Appropriations			
Operating	\$288,173,600	\$280,692,600	\$(7,481,000)
Tuition and Fees			
Noncredit	7,132,700	7,159,700	27,000
Other	5,001,500	5,082,200	80,700
Gifts, Grants, and Contracts			
Non-Governmental Grants and Contracts	89,538,400	89,788,400	250,000
Sales and Services of Educational Activities			
Departmental Sales and Services	18,772,200	19,637,200	865,000
Transfers	7,157,400	9,056,400	<u>1,899,000</u>
			\$(4,359,300)
2. Expenditures			
Academic Units			
College of Engineering			
Administration	\$1,288,000	\$1,538,000	\$250,000
Transportation Center	420,000	445,000	25,000
College of Fine Arts			
Singletary Center for the Arts	594,700	656,400	61,700

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
College of Medicine			
Dean's Office	2,851,500	2,848,500	(3,000)
Pathology and Laboratory			
Medicine	4,483,800	4,493,800	10,000
Pediatrics	9,171,400	9,173,400	2,000
Surgery and Divisions	21,346,600	21,414,200	67,600
Sanders Brown Center on Aging	2,072,200	2,119,900	47,700
Center for Rural Health	4,014,900	4,024,900	10,000
Research Units			
Coldstream Research Campus	475,000	1,125,000	650,000
Support Units			
Executive Vice President for			
Finance and Administration			
Real Property	343,500	364,500	21,000
University Extension			
Distance learning	2,216,000	2,296,700	80,700
Nonrecurring Funds			
Transfers	500,000	2,399,000	1,899,000
Other Programs	27,713,700	20,232,700	<u>(7,481,000)</u>
			\$(4,359,300)

3. Comments – State Appropriations have decreased by \$7,481,000 as a result of the actions of the 2005 General Assembly. The university anticipated a restricted funds reduction of \$16,723,200 in 2003-04. Pursuant to House Bill 267, the reduction became effective in 2004-2005 but approximately half of the anticipated cut was restored for specific purposes. The 2005 General Assembly provided additional funding of \$500,000 for the Louis B. Nunn Oral History Program and \$600,000 for the Reading Recovery Program. Noncredit Tuition and Fees increased \$27,000 because of additional courses offered by the Kentucky Transportation Center and a new workshop in the College of Medicine. Other Tuition and Fees increased \$80,700 because of additional on-line Distance Learning courses.

Gifts and grants increased \$250,000 to support faculty salaries and program expenses associated with the “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 create joint baccalaureate degree programs in civil, mechanical, and electrical engineering across the state and increase the number of engineers in Kentucky.

Departmental sales and services will increase by \$650,000 resulting from a lease agreement between the University of Kentucky Research Foundation and Lexel Imaging for the rental of space in the Coldstream Center. Other increases in Sales and Services will support a new service agreement between the Center on Aging and the Lexington Clinic to offer support for patients with Alzheimer’s disease. Increases in Sales and Services also will provide additional budget authority for the Singletary Center for the Arts from revenue collected from additional ticket sales.

Transfers increased \$1,899,000 as a result of internal loans of fund balance issued to Student Affairs and Parking and Transportation. The Student Affairs’ loan for \$399,000 will be used to renovate dining services in Blazer Hall. Parking and Transportation’s loan for \$1,500,000 will be used to partially fund the construction of two new parking structures. Repayment agreements for each of these auxiliary enterprises have been executed.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>AFFILIATED CORPORATIONS</u>			
1. Income Estimates	286,870,400	\$287,190,400	\$320,000
2. Expenditures			
Supporting Units			
Athletic Association			
Operating	\$45,860,900	\$46,180,100	\$320,000
3. Comments – The University of Kentucky Athletic Association revenue increased \$320,000 primarily from the Men’s Basketball Program and additional K-Fund gifts. The increase in revenue will be used to offset an increase in projected operating expenses.			

Action taken: Approved Disapproved Other _____