

FCR 5

Office of the President
December 11, 2007

Members, Board of Trustees:

2007-08 BUDGET REVISIONS

Recommendation: that the Board of Trustees authorize and approve the following revisions to the 2007-08 budget. The budget revisions outlined below will increase the University of Kentucky's total budget by \$23,069,500 – from \$2,072,187,800 to \$2,095,257,300.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
State Appropriations	\$334,271,000	\$336,271,000	\$2,000,000
Mandatory Registration Fees	6,927,900	6,867,900	(60,000)
County Appropriations	14,452,800	14,376,600	(76,200)
Gifts, Grants, and Contracts – Other	10,537,100	10,787,100	250,000
Departmental Sales and Services	20,068,800	20,067,000	(1,800)
Transfers – UKAA	1,000,000	1,120,000	120,000
Fund Balances	66,927,700	87,426,100	<u>20,498,400</u>
			\$22,730,400
2. Expenditures			
Provost			
Agricultural Cooperative Extension Service			
Field Programs	\$34,971,900	\$34,895,700	\$(76,200)
Student Affairs			
Campus Recreation	2,081,800	2,021,800	(60,000)
Student Financial Aid			
Commonwealth Scholarships	2,000,000	2,120,000	120,000
UK Libraries	20,795,700	20,793,900	(1,800)

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
Research			
Center for Applied Energy Research	\$5,242,800	\$7,242,800	\$2,000,000
Kentucky Geological Survey	4,254,100	4,504,100	250,000
University Wide			
General Operating and Capital Projects	67,125,000	87,623,400	<u>20,498,400</u> \$22,730,400

3. Comments – The Kentucky General Assembly approved a \$2 million increase in state appropriations during the special session for the Center for Applied Energy Research to increase the Center’s research capabilities.

Anticipated revenue from the Seaton Center Mandatory Fee was overestimated during the development of the 2007-08 budget. The 2007-08 budget is adjusted to reflect actual enrollment.

County memoranda agreements for labor expenses for the county secretaries and assistants in the College of Agriculture Cooperative Extension Service Field Programs have now been established. The 2007-08 budget is adjusted to reflect these agreements.

Gifts, Grants, and Contracts will increase \$250,000 as a result of a transfer of funds from the Local Government Economic Development Fund to support the Kentucky Geological Survey.

The University of Kentucky Athletic Association (UKAA) will transfer \$120,000 to support the Singletary Scholars Program. UKAA has agreed to support the program until the year 2015.

The 2007-08 Operating Budget approved by the Board of Trustees included a projected fund balance of \$66,927,700. The actual fund balance was higher as a result of unspent funds in various reserve accounts, actual tuition revenue in excess of budget and other over realized revenues in many areas of the University. Additional expenditure authority of \$20,498,400 is requested to fully recognize the funds available.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>RESTRICTED FUND</u>			
1. Income Estimates			
Endowment and Investment			
Income	\$19,613,800	\$19,589,600	\$(24,200)
Gifts, Grants and Contracts – Other	93,664,200	93,581,000	<u>(83,200)</u>
			\$(107,400)
2. Expenditures			
Provost			
College of Engineering			
Mechanical Engineering	\$471,300	\$440,700	\$(30,600)
College of Medicine			
Office of Academic Affairs	16,000	33,000	17,000
Center for Excellence in			
Rural Health	194,600	113,300	(81,300)
College of Pharmacy			
Dean’s Office	168,300	169,100	800
Student Financial Aid – Other	15,020,000	15,006,700	<u>(13,300)</u>
			\$(107,400)
3. <u>Comments</u> – Anticipated revenue expected from a few endowment income and gift accounts were over estimated during the development of the 2007-08 budget. Expenditure plans have adjusted accordingly. In addition, \$17,000 of gift proceeds will be used to support medical students.			

C. AFFILIATED CORPORATIONS

1. Income Estimates			
The Fund for Advancement of			
Education and Research	\$9,543,500	\$9,990,000	\$446,500
2. Expenditures			
The Fund for Advancement of			
Education and Research	\$9,543,500	\$9,990,000	\$446,500
3. <u>Comments</u> – Prior year fund balance from the Dean of the College of Medicine’s Academic Enhancement Fund will be used for faculty recruitment and retention efforts.			

Action taken: Approved Disapproved Other _____