

# FCR 8

Office of the President  
April 22, 2008

Members, Board of Trustees:

## 2007-08 Budget Revisions

Recommendation: that the Board of Trustees authorize and approve the following revisions to the University of Kentucky's 2007-08 budget. The budget revisions outlined below will decrease the University's total budget by \$5,716,900 – from \$2,095,257,300 to \$2,089,540,400.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>A. <u>GENERAL FUND</u></b>			
1. Income Estimates			
State Appropriations Operating	\$335,071,000	\$325,018,900	\$(10,052,100)
Tuition and Fees	242,933,900	237,033,900	(5,900,000)
Transfers	44,098,000	47,098,000	<u>3,000,000</u>
			\$(12,952,100)
2. Expenditures			
University Wide			
Family Education Program	\$ 2,743,400	\$ 1,243,400	\$ (1,500,000)
General Operating and Capital Projects	87,623,400	82,223,400	(5,400,000)
General University Reserve	6,618,100	566,000	<u>(6,052,100)</u>
			\$(12,952,100)
3. Comments –In response to a budget shortfall, Governor Beshear issued an executive order in December 2007 reducing the state appropriations of each public university and the Kentucky Community and Technical College System by three percent. The budget reduction for the University of Kentucky is \$10,052,100. In addition, student enrollment in 2007-2008 is lower than expected, resulting in an anticipated tuition shortfall of \$5,900,000. The enrollment shortfall is primarily due to a decline in the number of transfer students and a smaller than expected number of first-time freshmen. The loss in revenue will be offset with accumulated fund balances, excess budgeted funds for the Family Education Program, and a one-time transfer of \$3,000,000 from UK HealthCare.			

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>B. <u>RESTRICTED FUND</u></b>			
1. Income Estimates			
Federal Governmental Appropriations			
Agricultural Experiment Station	\$ 5,233,100	\$ 8,793,600	\$3,560,500
2. Expenditures			
Provost			
Agricultural Experiment Station			
Director	\$ 291,900	\$ 994,700	\$ 702,800
Agricultural Economics	580,000	629,900	49,900
Animal and Food Sciences	1,508,000	1,618,700	110,700
Associate Director	294,000	299,000	5,000
Biosystems and Agricultural Engineering	521,100	785,400	264,300
Entomology	1,110,500	1,165,500	55,000
Horticulture	662,500	1,109,700	447,200
Livestock Disease Diagnostic Center	0	610,000	610,000
Plant and Soil Sciences	1,918,000	2,870,100	952,100
Plant Pathology	546,200	868,700	322,500
Veterinary Science	6,160,500	6,201,500	<u>41,000</u>
			\$3,560,500
3. <u>Comments</u> – The federal government has appropriated additional funds for the Multi-State and Hatch research programs at the Agricultural Experiment Station. The funds must be expended by the end of the federal fiscal year, September 30, 2008.			

**C. AFFILIATED COPRORATIONS**

1. Income Estimates			
Athletics Association	\$62,725,300	\$66,400,000	\$3,674,700
2. Expenditures			
Athletics Association	\$62,725,300	\$66,400,000	\$3,674,700
3. <u>Comments</u> – The University of Kentucky Athletics Association (UKAA) revenue is expected to increase due to the SEC participant allowance, the Music City Bowl, and other sources. The increased revenues will be used to support expenses for the football and men’s basketball programs, facilities and operations costs, and other administrative responsibilities.			

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_