

# UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Eric N. Monday, Executive Vice President for Finance and Administration; Co-Executive Vice President for Health Affairs



## WHAT WE WILL COVER

### What we will cover

- Letter of Credit (LOC)
- UK's budget growth over the years
- UK's budget: 2024-25
- Update: CR 1 Work Group 3 – More Partnerships



# UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

## Letter of Credit



University of Kentucky  
Office of the EVPPA  
107 Main Building  
Lexington, KY 40506-0032  
P: 859-257-1841  
F: 859-323-5650  
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June 13, 2024

Ms. Kimberly Scott McCann, Finance Committee Chair  
University of Kentucky Board of Trustees  
101 Main Building  
Lexington, KY 40506-0032

Trustee McCann,

In accordance with FCR 5 approved at the June 19, 2015 Board of Trustees meeting, below is a list of active Letters of Credit as of June 30, 2024.

LOC Amount	Insurer	Initial Date
\$759,938	Old Republic	October 29, 2015
\$237,200	Old Republic	September 14, 2016
\$350,000	Old Republic	September 11, 2017

These Letters of Credit are necessary to obtain Workers' Compensation insurance coverage for Eastern State Hospital employees, who are employed by Central Kentucky Management Services as part of the management contract between UK Healthcare and the Kentucky Department of Behavioral Health, Developmental and Intellectual Disabilities. The Kentucky Department of Workers' Claims views Eastern State Hospital employees as "leased employees" and required insurance be purchased pursuant to the requirements described in KRS 342.615(4).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Eric N. Monday'.

Eric N. Monday  
Executive Vice President for Finance and Administration

## UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

### Budget growth

- In 2011, UK's budget was **\$2.7 billion**
- Last year, you approved a **\$6.8 billion** FY 2023-24 budget (increased to **\$6.9 billion** mid-year, 2023); for FY 2024-25 — nearly **\$8.4 billion**.
- Budget drivers: expansion of the university's academic health system, our commitment to the strategic development of the student body, a research enterprise focused on Kentucky and increased investment by policymakers.



## UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

### Putting Students First

- UK's enrollment has grown in the past decade from about 30,000 students to **nearly 35,000 projected students this fall.**
- In fall 2010, first-year enrollment was a little more than 4,300. **This fall, nearly 6,500 first-year students are projected to be enrolled.**
- This year's proposed budget includes a \$175 million investment of undesignated General Funds in scholarships and financial aid — an increase of more than **\$70 million** in the last decade.



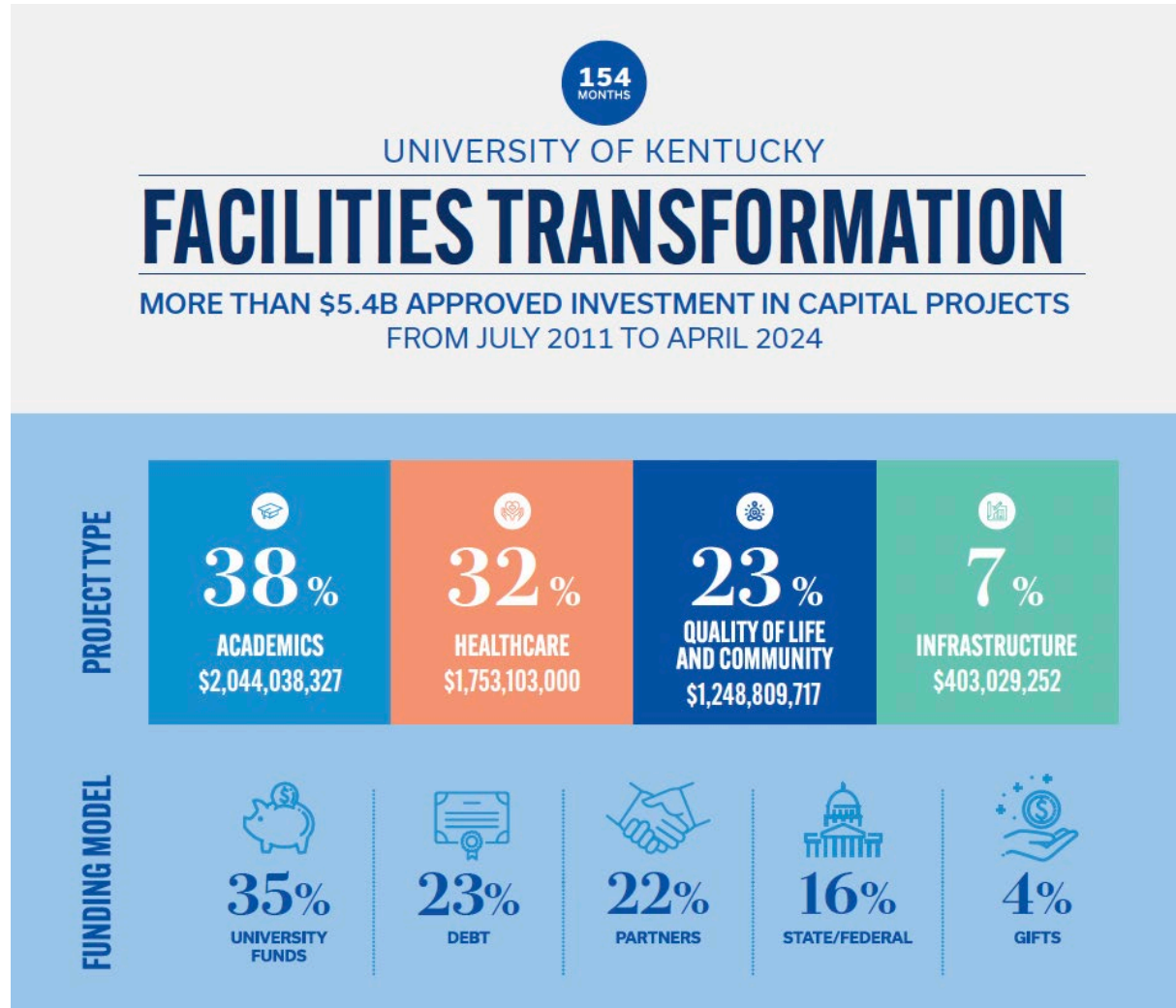
## UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

### Campus transformation

- Since July 2011, UK has approved more than **\$5.4 billion** for capital projects.
- **259 total projects** have transformed our campus in the areas of academics, quality of life and community, health care and infrastructure.

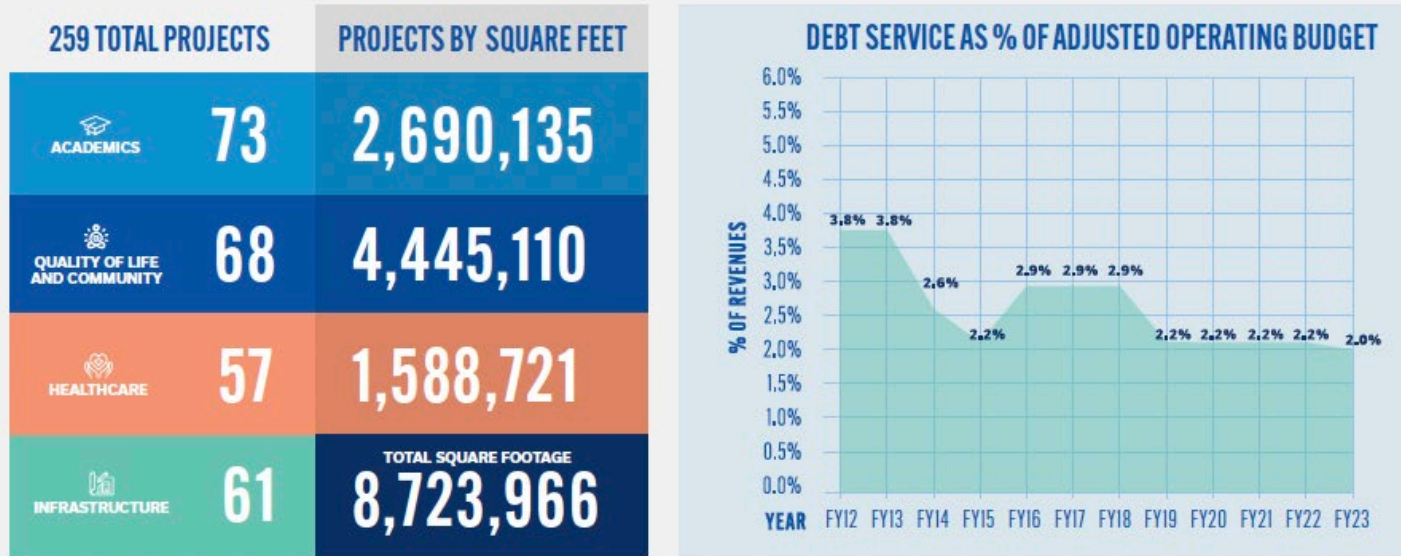


# Campus transformation



# UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

## Campus transformation



# \$5,448,980,296

is over \$35M per month or over \$1M per day  
is 1/4 of the value of UK's total physical plant



5/13/24



## Investments, partnerships to expand care for Kentuckians

- In 2014-15, UK HealthCare represented almost **40%** of the university's operating budget, or **\$1.2 billion**.
- This year, UK HealthCare represents about **60%** of the consolidated budget, at about **\$5 billion**.
- In the past decade, the number of UK HealthCare patients treated and discharged increased from around **35,000** to **45,000** this past year.



## UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

### Working to solve challenges facing the commonwealth

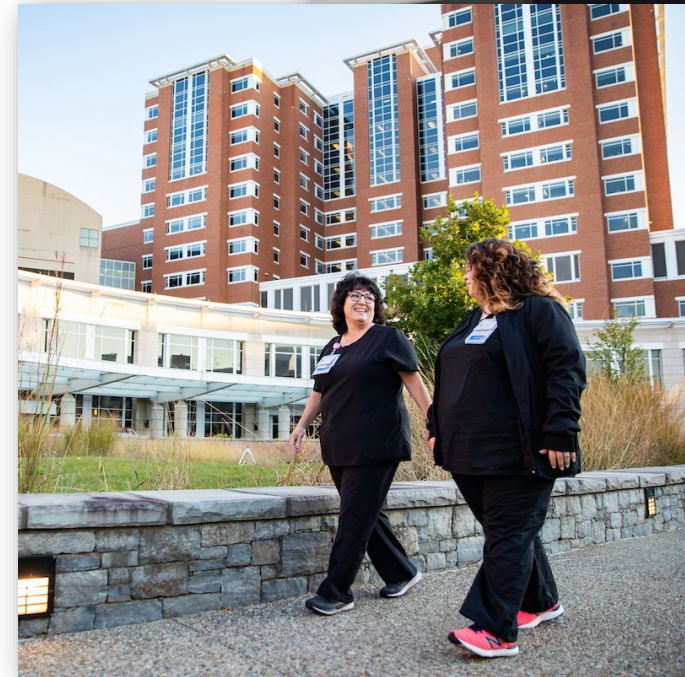
- **\$479.3** million in external grants and contracts were awarded in FY 2023, representing a **68% growth** since 2015's **\$285 million** total.
- In FY 2023, UK Research generated **\$925 million** in economic activity across Kentucky, up from **\$511 million** in FY 2016.



## UK BUDGET OVER THE YEARS: ADVANCING KENTUCKY

### Investing in Our People

- UK has more than **26,000** total employees, up from more than **20,000** employees a decade ago.
- This year's proposed budget is the **11<sup>th</sup> time in 12 years** that UK has been able to offer increases in compensation for employees.



## WHAT WE WILL COVER NEXT

- The University of Kentucky's Budget for **FY 2024-25**
- Vice President for Financial Planning and Chief Budget Officer **Angie Martin**



# **UNIVERSITY OF KENTUCKY BUDGET FY2024-25**

Angie Martin, Vice President for Financial Planning and Chief  
Budget Officer