

FCR 6

Office of the President
May 9, 2014

Members, Board of Trustees:

2013-14 BUDGET REVISIONS

Recommendation: that the Board of Trustees authorize and approve the following revisions to the 2013-14 budget. The budget revisions outlined below will increase the University of Kentucky's total budget by \$44,616,600, or 1.6 percent from \$2,728,069,400 to \$2,772,686,000.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
Sales and Services			
Departmental Sales and Services	\$17,322,800	\$17,562,800	\$240,000
Hospital System	987,892,400	1,030,381,600	42,489,200
UK Affiliated Corporations			
The Fund for Advancement of Education and Research in the University of Kentucky Medical Center	17,094,600	16,832,900	<u>(261,700)</u>
			\$42,467,500
2. Expenditures			
Provost			
College of Nursing Instruction	\$7,411,400	\$7,201,900	\$(209,500)
Executive Vice President for Finance and Administration			
Human Resource Services	6,215,200	6,455,200	240,000
UK HealthCare			
Hospital System	978,907,400	1,021,396,600	42,489,200
UK Affiliated Corporations			
The Fund for Advancement of Education and Research in the University of Kentucky Medical Center	7,289,400	7,237,200	<u>(52,200)</u>
			\$42,467,500

A. GENERAL FUND (continued)

3. Comments – Departmental Sales and Services income will increase \$240,000 due to the refund of management fees paid to TIAA-CREF and Fidelity for the administration of University employees’ retirement plans. The funds will be used to support the University’s Benefit Office program expenses.

UK HealthCare has requested a budget increase of \$42,489,200 due to providing more patient care and, as a result, generating more operating revenue than originally expected. These funds will be used for related increases in direct costs and fit-up of the patient care facility.

The Fund for Advancement of Education and Research in the University of Kentucky Medical Center (The Fund) is considered to be an affiliated component unit of the University. The Fund operates clinical practice plans for several of the University’s medical center programs including but not limited to dental and nursing services. Due to the cancellation of the Polk Dalton Family Care Center contract, related program budgets in the College of Nursing (\$209,500) and The Fund (\$52,200) will be reduced.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>RESTRICTED FUNDS</u>			
1. Income Estimates			
Hospital System			
Operating Gifts	\$6,443,000	\$4,316,700	\$(2,126,300)
Appropriated Fund Balances	-0-	4,275,400	<u>4,275,400</u>
			<u>\$2,149,100</u>
2. Expenditures			
UK HealthCare			
Hospital System	\$ 6,443,500	\$ 8,592,600	\$2,149,100

3. Comments – Previously unbudgeted fund balance generated by the Hospital System will be used to fit-up the patient care facility. In addition, operating gifts were overestimated during the development of the FY 2013-14 operating budget and expenditure budgets will be adjusted accordingly. These actions will result in a \$2,149,100 net increase of restricted expenditure authority for UK HealthCare.

Action taken: Approved Disapproved Other _____