

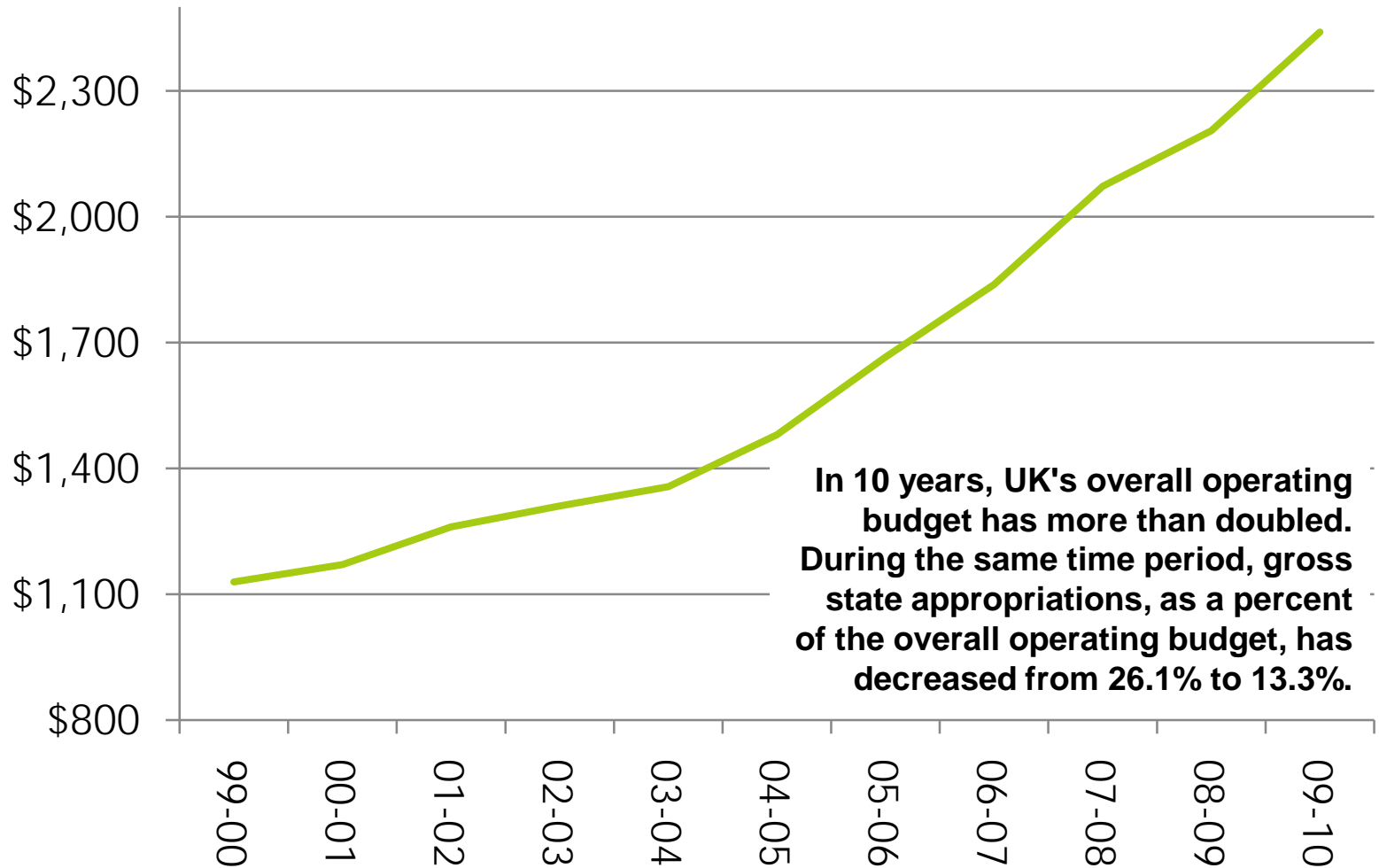


Operating & Capital Budget

2009–2010

UK's Original Operating Budget

in millions



Where does the money come from and where does it go?

General Funds: Undesignated

Money comes from:

State appropriations
Tuition
Investment income
Service assessments

Pays for:

Teaching
Public service
Administrative support
Scholarships

General Funds: Designated

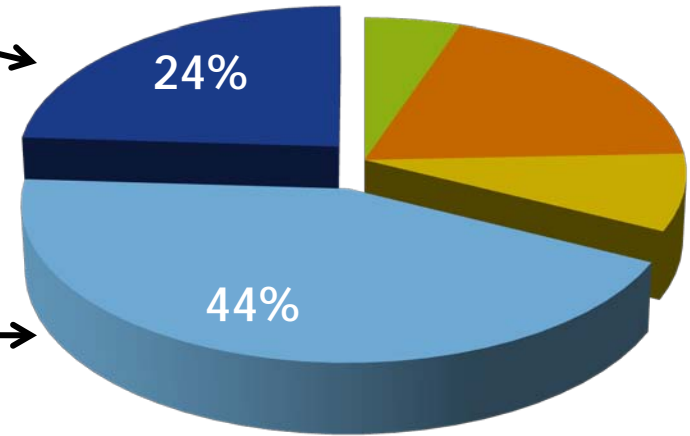
Money comes from:

UK HealthCare
Student fees
KMSF transfers

Pays for:

Student services
Public service

2009-10



Where does the money come from and where does it go?

Auxiliary Funds

Money comes from:

UK Athletics
Housing
Dining
Parking

Pays for:

Self-supporting auxiliary units pay all their expenses and receive no taxpayer or tuition support

Restricted Funds

Money comes from:

Research grants and contracts
Endowment income
Gifts
Federal and state funds

Pays for:

Research
Student financial aid
Public service

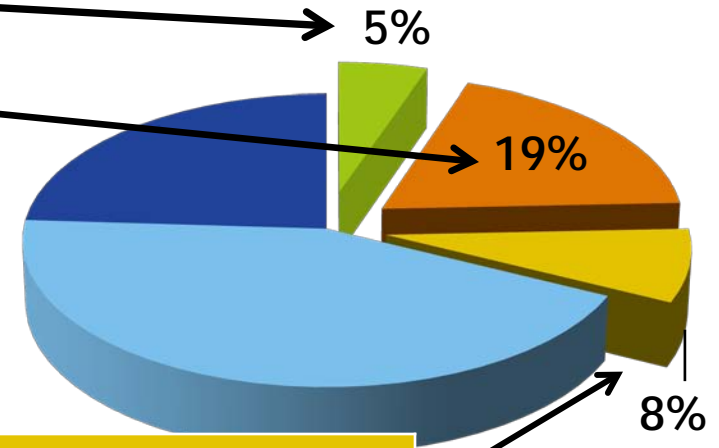
Fund Balance

Money comes from:

Savings from prior years

Pays for:

Capital projects
Faculty start-up packages
Pilot programs



Operating Budget Summary

in millions

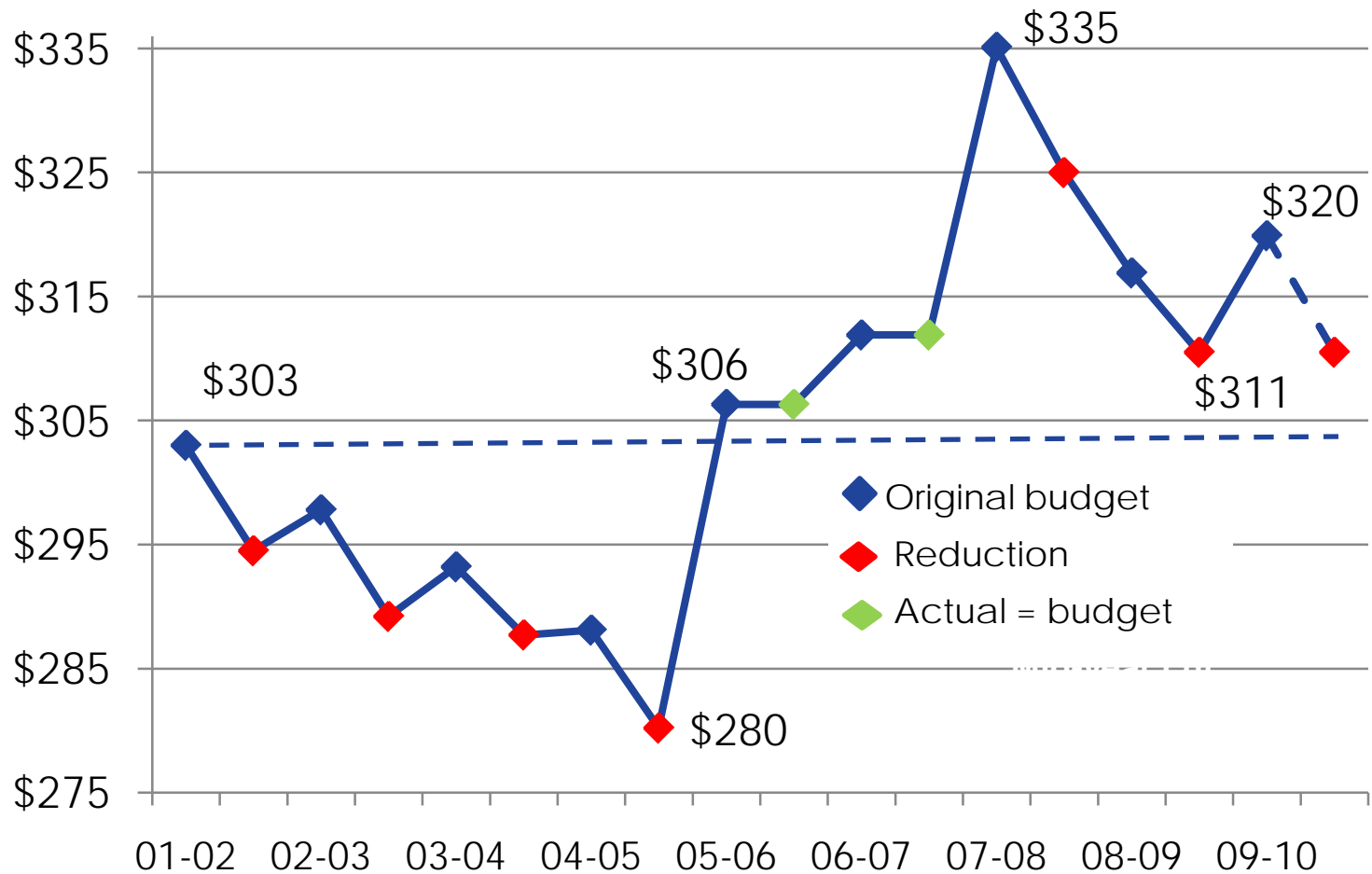
Current Funds	2008-09	2009-10	Change
General Funds Undesignated	\$ 568.7	\$ 586.5	\$ 17.8
General Funds Designated	993.8	1,063.8	70.0
Restricted Funds	433.3	465.9	32.6
Auxiliary Funds	127.9	127.7	-.2
Fund Balance:			
University	103.2	95.7	-7.5
Hospital System	0.0	100.0	100.0
Total	\$2,226.9	\$2,439.7	\$212.7

FY 2009-10

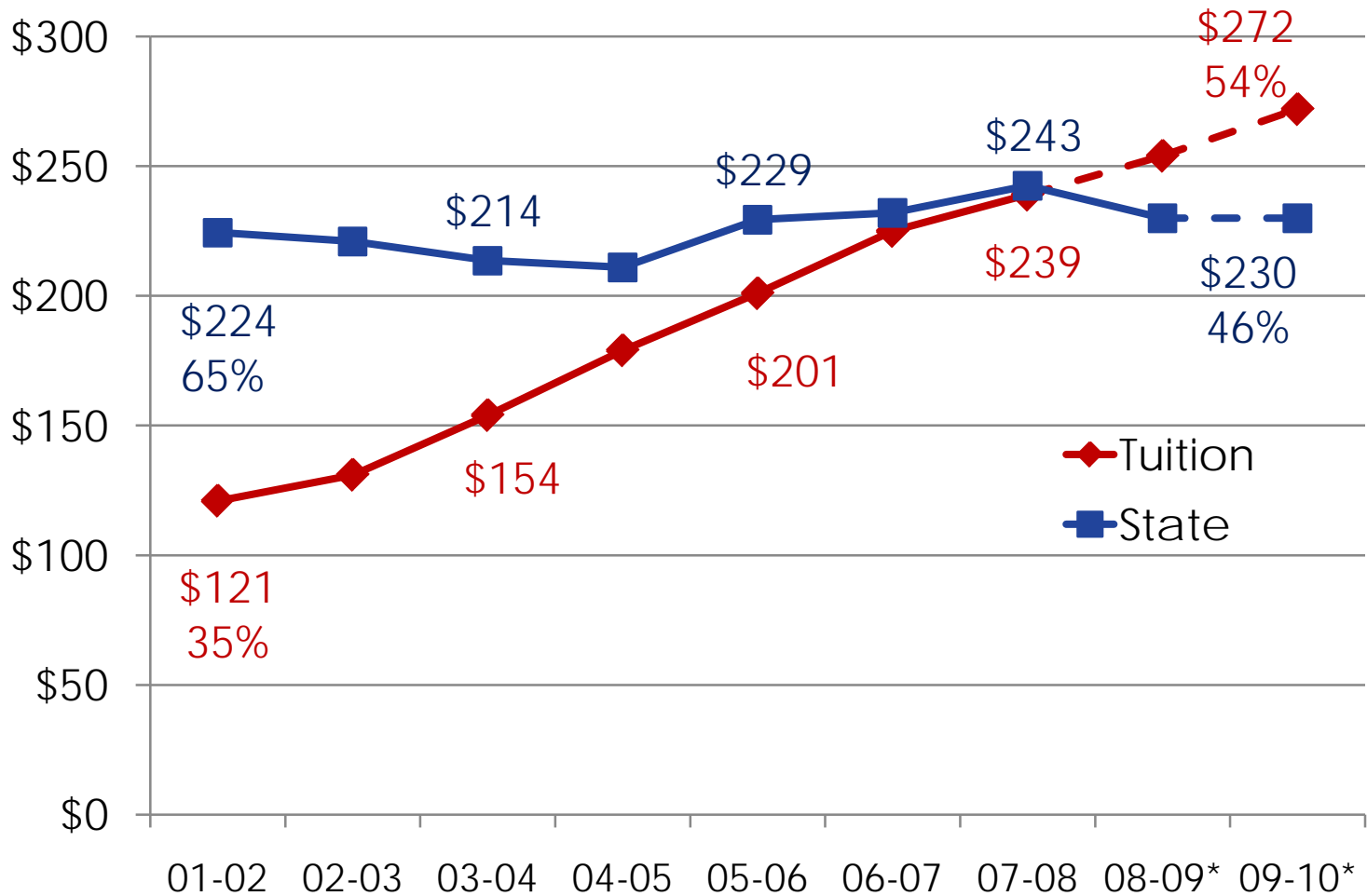
Undesignated General Funds Recurring Revenue

Tuition	\$17,430,500
State appropriations (HB 406)	3,080,600
Short-term investment income and endowment management fee	(6,461,700)
Service assessments to self-supporting units	<u>3,755,400</u>
Total	\$17,804,800
<i>Net increase in Undesignated General Funds Recurring Revenue</i>	<i>3.1%</i>

State support, net of debt service (in millions)



Tuition and Fees vs. Net State Funds (in millions)



State appropriations net of debt service and mandated programs.

*Projected (09-10 state funds held at 08-09 revised level)

FY 2009-10

Undesignated General Funds

Recurring Expenses

Fixed Costs:

Personnel	\$ 3,320,800
Utilities	4,122,800
Administrative Computing System	2,078,000
Other (e.g. 2008-09 shortfall, credit card fees)	<u>1,264,300</u>
	\$10,785,900
Scholarships	1,500,000
Academic program enhancements	6,018,400
Budget Cutback Reserve	<u>9,412,700</u>
Total	\$27,717,000
<i>Net increase in Undesignated General Funds</i>	<i>4.9%</i>
<i>Recurring Expenses</i>	

FY 2009-10 Undesignated General Funds Recurring Funding Gap

Revenues	\$17,804,800
Expenses	<u>27,717,000</u>
Recurring Funding Gap	\$(9,912,200)

Funding Gap Supported by:

Reduction Allocated to Colleges and Units	\$ 7,338,800
Reallocation from Central Sources	2,573,400

2009-10 Summary

- Original budget totals \$2.4 billion, an increase of \$212.7 million
 - The increase is primarily attributable to UK HealthCare (operations and the patient care facility)
- State appropriations, net of the cutback reserve, reflect the Governor's 2009-10 budget recommendation. State appropriations have been cut 8% since December 2007.
- Cut \$9.9 million of undesignated General Funds to cover fixed cost increases and a few strategic initiatives.
- But, there are exciting changes and opportunities on the horizon:
 - General Education reform
 - Research grants
 - Opening of the Pharmacy Building and the Patient Care Facility