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.

<table>
<thead>
<tr>
<th>Approved Budget</th>
<th>Revised Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. GENERAL FUND</strong></td>
<td></td>
<td></td>
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<tr>
<td>1. Income Estimates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Appropriations</td>
<td>$334,271,000</td>
<td>$336,271,000</td>
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<tr>
<td>Mandatory Registration Fees</td>
<td>6,927,900</td>
<td>6,867,900</td>
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<tr>
<td>County Appropriations</td>
<td>14,452,800</td>
<td>14,376,600</td>
</tr>
<tr>
<td>Gifts, Grants, and Contracts – Other</td>
<td>10,537,100</td>
<td>10,787,100</td>
</tr>
<tr>
<td>Departmental Sales and Services</td>
<td>20,068,800</td>
<td>20,067,000</td>
</tr>
<tr>
<td>Transfers – UKAA</td>
<td>1,000,000</td>
<td>1,120,000</td>
</tr>
<tr>
<td>Fund Balances</td>
<td>66,927,700</td>
<td>87,426,100</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$22,730,400</strong></td>
<td><strong>$23,069,500</strong></td>
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<td><strong>2. Expenditures</strong></td>
<td></td>
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<tr>
<td>Provost</td>
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<tr>
<td>Agricultural Cooperative Extension Service</td>
<td></td>
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<tr>
<td>Field Programs</td>
<td>$34,971,900</td>
<td>$34,895,700</td>
</tr>
<tr>
<td>Student Affairs</td>
<td></td>
<td></td>
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<tr>
<td>Campus Recreation</td>
<td>2,081,800</td>
<td>2,021,800</td>
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<tr>
<td>Student Financial Aid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commonwealth Scholarships</td>
<td>2,000,000</td>
<td>2,120,000</td>
</tr>
<tr>
<td>UK Libraries</td>
<td>20,795,700</td>
<td>20,793,900</td>
</tr>
</tbody>
</table>
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.
B. RESTRICTED FUND

1. Income Estimates
   - Endowment and Investment Income
     Approved: $19,613,800
     Revised: $19,589,600
     Change: $(24,200)
   - Gifts, Grants and Contracts – Other
     Approved: 93,664,200
     Revised: 93,581,000
     Change: $(83,200)

2. Expenditures
   - Provost
     College of Engineering
       Mechanical Engineering
       Approved: $471,300
       Revised: $440,700
       Change: $(30,600)
   - College of Medicine
     Office of Academic Affairs
     Center for Excellence in Rural Health
     College of Pharmacy
     Dean’s Office
     Student Financial Aid – Other
     Approved: 15,020,000
     Revised: 15,006,700
     Change: $(13,300)
     Total Change: $(107,400)

3. Comments
   - 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
     Approved: $9,543,500
     Revised: $9,990,000
     Change: $446,500

2. Expenditures
   - The Fund for Advancement of Education and Research
     Approved: $9,543,500
     Revised: $9,990,000
     Change: $446,500

3. Comments
   - 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 _________________________