Members, Board of Trustees:

2008-09 Budget Revisions

Recommendation: that the Board of Trustees authorize and approve the following revisions to the 2008-09 budget. The budget revisions outlined below will increase the University of Kentucky’s total budget by $22,333,500 – from $2,205,613,700 to $2,227,947,200.

<table>
<thead>
<tr>
<th>Approved Budget</th>
<th>Revised Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Estimates</td>
<td>$20,178,700</td>
<td>$20,192,200</td>
</tr>
<tr>
<td>Fund Balances</td>
<td>81,155,400</td>
<td>103,227,900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$22,086,000</td>
</tr>
</tbody>
</table>

A. GENERAL FUND

1. Income Estimates
   Departmental Sales and Services $20,178,700 $20,192,200 $13,500
   Fund Balances 81,155,400 103,227,900 22,072,500 $22,086,000

2. Expenditures
   Provost Center for Clinical Translational Sciences $ 558,200 $ 571,700 $13,500
   University Wide General Operating and Capital Projects 79,331,600 101,404,100 22,072,500 $22,086,000

3. Comments – The 2008-09 Operating Budget approved by the Board of Trustees included a projected fund balance of $81,155,400. The actual fund balance was higher as a result of unspent funds in various reserve accounts and other excess revenues in many areas of the university. Additional expenditure authority of $22,072,500 is requested to fully recognize the funds available.

Departmental Sales and Services are estimated to increase by $13,500 for professional laboratory testing services provided by the General Clinical Research Center. The Center acts as a conduit for clinical research services provided to other centers across the United States.
B. RESTRICTED FUND

1. Income Estimates
   Endowment and Investment
   Income $23,805,700 $23,807,300 $1,600
   Gifts, Grants and Contracts – Other 92,351,400 92,493,500 142,100 $143,700

2. Expenditures
   President
   Development $92,800 $214,800 $122,000
   Provost
   Kentucky Tobacco Research and Development Center 3,007,700 3,027,800 20,100
   Institutional Diversity
   Office of the Vice President 20,700 22,300 1,600 $143,700

3. Comments – Gifts, grants and contracts are expected to increase by $142,100 to support fundraising activities coordinated by the Development Office and to support research activities related to tobacco research and development.
   Additional endowment and investment income budget authority of $1,600 is requested from the establishment of the Risner Family Endowment to support scholarships.

C. AUXILIARY FUND

1. Income Estimates
   Departmental Sales and Services $55,816,300 $55,834,300 $18,000 $18,000

2. Expenditures
   Provost
   College of Engineering
   Engineering Electron Microscopy $31,300 $11,400 $(19,900)
   College of Medicine
   Neurology 0 37,900 37,900 $18,000
3. **Comments** – Departmental Sales and Services are expected to increase by a net $18,000 from increased research programs in the Department of Neurology and a decrease in income to the Engineering Electron Microscopy Facility program. A major customer of the facility purchased equipment previously provided by the program.

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<tr>
<th>Approved Budget</th>
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<td>$9,998,500</td>
<td>$10,084,300</td>
<td>$85,800</td>
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</table>

D. **AFFILIATED CORPORATIONS**

1. **Income Estimates**
   - The Fund for Advancement of Education and Research
     - Approved: $9,998,500
     - Revised: $10,084,300
     - Change: $85,800

2. **Expenditures**
   - The Fund for Advancement of Education and Research
     - Approved: $9,998,500
     - Revised: $10,084,300
     - Change: $85,800

5. **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.

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Action taken:  ☑ Approved  ☐ Disapproved  ☐ Other __________________________