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 decrease the University of Kentucky’s total budget by $5,170,500 – from $2,227,947,200 to $2,222,776,700.

<table>
<thead>
<tr>
<th>Approved Budget</th>
<th>Revised Budget</th>
<th>Change</th>
</tr>
</thead>
</table>

A. GENERAL FUND

1. Income Estimates

   - State Appropriations Operating: $316,853,500 $310,521,400 $(6,332,100)
   - Tuition and Fees
     - Fall and Spring Tuition: 215,715,100 216,685,900 970,800
     - Noncredit: 10,785,800 10,745,500 (40,300)
   - County Appropriations: 15,248,200 15,250,900 2,700
   - Gifts, Grants and Contracts
     - Non-Governmental Grants and Contracts: 111,036,600 111,068,300 31,700
     - Departmental Sales and Services: 20,192,200 20,088,900 (103,300)
   - Transfers
     - Other: 9,541,000 9,841,000 300,000

   Subtotal: $(5,170,500)

2. Expenditures

   - Finance and Administration
     - Facilities Management
       - Auxiliary Services Operations: $ 1,287,900 $ 1,157,900 $(130,000)
       - Human Resource Services: 4,819,100 4,834,100 15,000
2. Expenditures (continued)

<table>
<thead>
<tr>
<th>Provost</th>
<th>Approved Budget</th>
<th>Revised Budget</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Agriculture Cooperative Extension Service Field Programs</td>
<td>$34,727,800</td>
<td>$34,730,500</td>
<td>$2,700</td>
</tr>
<tr>
<td>College of Medicine Anatomy and Neurobiology</td>
<td>2,225,100</td>
<td>2,236,800</td>
<td>11,700</td>
</tr>
<tr>
<td>Sanders-Brown Center on Aging</td>
<td>2,108,400</td>
<td>2,140,100</td>
<td>31,700</td>
</tr>
<tr>
<td>College of Nursing Administration</td>
<td>1,760,300</td>
<td>1,720,000</td>
<td>(40,300)</td>
</tr>
<tr>
<td>University Wide General Operating and Capital Projects</td>
<td>101,404,100</td>
<td>99,548,100</td>
<td>(1,856,000)</td>
</tr>
<tr>
<td>General University Reserve</td>
<td>6,489,500</td>
<td>3,284,200</td>
<td>(3,205,300)</td>
</tr>
</tbody>
</table>

$(5,170,500)

3. Comments – In response to a budget shortfall, Governor Steve Beshear issued an executive order March 27, 2009 reducing state appropriations of each Kentucky public university and the Kentucky Community and Technical College System by two percent for FY 2008-09. The budget reduction for the University of Kentucky is $6,332,100. The budget cut will be absorbed centrally using excess tuition revenue, bookstore contract revenue, the operating contingency reserve, and other reallocations. The reduction is expected to be recurring.

Noncredit Fees from the College of Nursing’s continuing education program are projected to be $40,300 less than budget.

County Appropriations will increase $2,700 to support field programs in the Agricultural Cooperative Extension Service.

Non-Governmental Grants and Contracts revenue will increase $31,700 due to a new Veteran’s Administration Interpersonal Services Agreement with the Sanders-Brown Center on Aging.

Departmental Sales and Services is anticipated to decrease in total by $103,300 primarily due to a $130,000 revenue shortfall from the sale of surplus property operation. Additional revenue is expected from professional testing services provided by the Center for Technology Electrodes and a Kentucky Higher Education Assistance Authority (KHEAA) Work Study Program grant.

Action taken: ☑ Approved   ☐ Disapproved   ☐ Other ________________