Office of the President  
April 30, 2002  

Members, Board of Trustees:  

2001-02 Budget Revisions  

Recommendation: that the following revisions to the 2001-02 budget be authorized and approved.

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

A. GENERAL FUND

1. Income Estimates

   State Appropriation
   Regular Appropriation $322,210,600 $303,913,200 $(18,297,400)

   Student Fees
   Regular-Lexington Community College 10,027,300 10,427,300 400,000
   Self-Supporting Noncredit Fees 8,472,600 8,318,700 (153,900)
   Other Fees 2,193,800 2,209,300 15,500

   Gifts, Grants, Contracts
   The Fund for Advancement Of Education and Research in The Medical Center 6,543,200 13,273,200 6,730,000
   Gifts Donations, Pledges 15,171,100 15,396,400 225,300

   Sales and Services
   Departmental Sales and Services 29,146,200 26,274,400 (2,871,800)
   Fund Balances 20,560,900 26,569,300 6,008,400
   Hospital 315,824,000 333,361,000 17,537,000

   $ 9,593,100

2. Expenditures

   College of Dentistry
   Office of Administrative Affairs $1,367,300 $1,382,800 $15,500

   College of Medicine
   Emergency Medicine 1,727,500 1,567,500 (160,000)
   Internal Medicine 13,323,500 13,328,500 5,000
   Off-Site Clinics 6,977,200 4,186,500 (2,790,700)
   Office of Academic Affairs 803,500 808,500 5,000

   Administrative and Support Services
   Chancellor/Other Support Services
   Performance Improvement 335,700 255,700 (80,000)
   Academic Support
   Medical Center Library 3,081,100 3,076,100 (5,000)
A. GENERAL FUND (continued)

2. Expenditures (continued)

<table>
<thead>
<tr>
<th>Provost</th>
<th>Approved Budget</th>
<th>Revised Budget</th>
<th>Change</th>
</tr>
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<tbody>
<tr>
<td>College of Engineering Administration</td>
<td>$1,818,700</td>
<td>$1,844,000</td>
<td>$25,300</td>
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<tr>
<td>Civil Engineering</td>
<td>2,378,300</td>
<td>2,478,300</td>
<td>100,000</td>
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<tr>
<td>Mechanical Engineering</td>
<td>2,345,400</td>
<td>2,445,400</td>
<td>100,000</td>
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<tr>
<td>Lexington Community College College-Wide Administration</td>
<td>2,337,700</td>
<td>2,286,400</td>
<td>(51,300)</td>
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<tr>
<td>General Instruction</td>
<td>11,252,800</td>
<td>11,652,800</td>
<td>400,000</td>
</tr>
<tr>
<td>University-Wide</td>
<td>22,900,700</td>
<td>17,393,000</td>
<td>(5,507,700)</td>
</tr>
<tr>
<td>Hospital</td>
<td>314,480,900</td>
<td>332,017,900</td>
<td>17,537,000</td>
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<td></td>
<td></td>
<td></td>
<td>$9,593,100</td>
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</tbody>
</table>

3. Comments – The University of Kentucky state appropriation is being reduced in the current year as described below:

a. A reduction in State Appropriation in the amount of $6,008,400 (University System) is being handled in the current year by utilization of prior year balances. The amount of $51,300 (Lexington Community College) is being addressed through a reduction in the college reserves for general instruction.

b. The amount of $2,507,700 is funding that was originally appropriated for facilities planned to come on line in 2001-02. Since the facilities are opening later than expected, the funds are not needed for that purpose during the current year.

c. A reduction in State Appropriation in the amount of $9,730,000 is being offset in part by an intergovernmental transfer (IGT). The State of Kentucky has obtained approval from the Federal government for additional funding for increased costs associated with providing medical services to Medicaid recipients in a teaching setting. The amount of $6,730,000 increase in gifts, grants and contracts from the Medical Center Fund will provide the offset for the reduction in state funds. The remaining $3,000,000 will require a reduction in University-wide reserves.

The increase in regular student fees is due to enrollment growth in Spring 2002 in Lexington Community College and will support general instruction. The decrease in noncredit fees reflects the closing of the Emergency Medical Service Center, and an unanticipated reduction in The Medical Center Expectations Training Program. The increase in other fees will support programs in the College of Dentistry.

The increase in gifts, grants, and contracts reflects the IGT offset for the reduction in state funds ($6,730,000) and will also support the joint engineering programs between the University of Kentucky and Western Kentucky University.

Programs to be supported by increased departmental sales and services include new contract agreements in the College of Medicine. Decreases in departmental sales and services are due to the dissolution of the Health Associates of Kentucky; decreased demand for Medical Center Inter-Library loan services and the closing of the Emergency Medical Service Education Center.

The increase in the hospital will support hospital operations and facility renovations.
B. RESTRICTED FUNDS

1. Income Estimates
   - Approved: $99,167,900
   - Revised: $100,258,400
   - Change: $1,090,500

2. Expenditures
   - Senior Vice President - Administration
     - Fiscal Affairs and Information Technology
     - Human Resource Services: -0- $120,000 $120,000
   - Medical Center
   - College of Dentistry
     - College-Wide: 397,300 442,300 45,000
   - College of Pharmacy
     - College-Wide: 589,200 709,200 120,000
   - Provost
   - Libraries: 3,326,100 4,131,600 805,500

3. Comments
   - Income restricted for the purposes indicated above will fund the proposed additional program activities.

C. AUXILIARY FUND

1. Income Estimate
   - Approved: $41,133,600
   - Revised: $41,161,900
   - Change: $28,300

2. Expenditures
   - Medical Center
     - College of Dentistry
     - Dental Clinics: 559,500 587,800 28,300

3. Comments
   - The increase in auxiliary enterprises will support programs in the College of Dentistry.

D. AFFILIATED CORPORATIONS

1. Income Estimates
   - Approved: $207,709,900
   - Revised: $213,069,500
   - Change: $5,359,600

2. Expenditures
   - Athletics Association: 40,515,000 42,386,000 1,871,000
   - Equine Research Foundation: 16,700 3,505,300 3,488,600

3. Comments
   - The increase in the Athletics Association is due to additional balances from the Blue/While fund and more ticket sales and will support capital projects and general operations in the University of Kentucky Athletics Association. The increase in Equine Research Foundation is due to two quasi-endowments and a gift and will support the renovation of the Gluck Equine Building.

Action taken: ☑ Approved  ☐ Disapproved  ☐ Other ___________