

# FCR 8

Office of the President  
March 16, 2015

Members, Board of Trustees:

## 2014-15 BUDGET REVISIONS

Recommendation: that the Board of Trustees authorize and approve the following revisions to the 2014-15 budget. The budget revisions outlined below will increase the University of Kentucky's total budget by \$3,833,200 – from \$3,012,831,900 to \$3,016,665,100.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>A. <u>GENERAL FUND</u></b>			
<b>1. Income Estimates</b>			
Student Tuition and Fees			
Fees			
Mandatory Registration Fees			
Technology Fee	\$ 4,750,000	\$ 4,930,000	\$ 180,000
Other Student Fees	18,941,100	19,081,100	140,000
Sales and Services			
Departmental Sales and Services			
Other	18,920,400	18,907,200	(13,200)
Appropriated Fund Balances	175,770,800	195,875,200	20,104,400
Net Transfers	11,700,100	11,918,100	<u>218,000</u>
			\$ 20,629,200
<b>2. Expenditures</b>			
Provost			
College of Agriculture, Food and Environment			
Food Connection	\$ -	\$ 250,000	\$ 250,000
Student Aid – Central			
Other Student Aid	4,763,700	4,731,700	(32,000)
University of Kentucky			
Analytics and Technologies			
Administration	417,200	404,000	(13,200)
Distance Learning	838,900	978,900	140,000
Enterprise Computing Services	16,215,100	16,395,100	180,000
University – Wide			
Operating and Capital Projects	133,382,600	153,487,000	<u>20,104,400</u>
			\$ 20,629,200

A. GENERAL FUND (continued).

3. Comments – The student tuition and fees budget will increase by \$320,000 from recognizing an additional \$180,000 from the mandatory fees (technology fee) and \$140,000 from other student fees (distance learning fee). These budget revisions are due to increased enrollment. Funds will be used to support programs in enterprise computing services and distance learning.

Departmental sales and services will decrease by \$13,200 due to a reduction in the Kentucky Virtual Learning hosting fees contract with the Council on Postsecondary Education. Program expenses will be reduced accordingly.

The fiscal year 2014-15 Operating Budget approved by the Board on June 10, 2014 included a projected General Fund fund balance of \$154,665,600. The actual fund balance as of June 30, 2014 was \$20,104,400 more than expected. These non-recurring funds were generated or saved over multiple years and are available for expenditure. The funds have been committed for various program expenses and capital projects including expenses encumbered in the prior year but not yet paid. Additional expenditure authority is requested to fully recognize these available funds. The majority of the funds will be returned to the colleges and departments in accordance with previously approved expenditure plans.

The \$218,000 increase in net transfers is due to a combination of:

- \$250,000 from Aramark Holdings Corporation (Aramark) will be used to support the Food Connection program. This new and unique university-private-community partnership program will be administered by the College of Agriculture, Food and Environment. The program will support the University's land grant mission through interdisciplinary and innovative instruction, high-impact service and outreach, and cutting edge research on foods and food systems.
- A decrease of \$32,000 related to the establishment of the University's public-private partnership for dining and catering operations. Since these funds supported student financial aid, other funds were redirected to cover the program expenses.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>B. <u>AUXILIARY FUND</u></b>			
1. Income Estimates			
Sales and Services			
Departmental Sales and Services			
Dining Operations	\$ 24,537,700	\$ 5,415,500	\$ (19,122,200)
Housing Operations	21,781,100	25,837,800	4,056,700
Other	9,284,900	7,684,100	(1,600,800)
Appropriated Fund Balances	6,009,000	6,070,600	61,600
Net Transfers	21,505,000	21,313,700	<u>(191,300)</u>
			\$ (16,796,000)

2. Expenditures			
Provost			
Student Affairs			
Administration	\$ 3,600	\$ 546,600	\$ 543,000
Dining Services-Catering	1,539,200	0	(1,539,200)
Dining Services – Operations	24,095,400	275,000	(23,820,400)
Executive Vice President for Finance and Administration			
Auxiliary Services			
Housing Operations	11,818,700	15,875,400	4,056,700
Food Service Operations	0	3,963,900	<u>3,963,900</u>
			\$ (16,796,000)

3. Comments – The budgets for Departmental Sales and Services for Dining Operations, Other Operations, Appropriated Fund Balances, and Net Transfers will decrease by \$20,852,700, reflecting the implementation of the University’s public-private partnership for dining and catering operations.

The additional \$4,056,700 of housing operations revenue is due to rental income from the University Trails apartments and lease income from the University’s public-private partnership for housing. These funds will be used to support the University’s housing operations.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_