

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Eric N. Monday, Executive Vice President for Finance and Administration and
Co-Executive Vice President for Health Affairs



AN EQUAL OPPORTUNITY UNIVERSITY

EVPFA REPORT

What we will cover

- Letter of Credit (LOC)
- FCRs Overview
- UK's Budget: 2025-26



Letters of Credit



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June 13, 2025

Mr. Todd Case, Finance Committee Chair
University of Kentucky Board of Trustees
101 Main Building
Lexington, KY 40506-0032

Trustee Case,

In accordance with FCR 5 approved at the June 19, 2015 Board of Trustees meeting, below is a list of active Letters of Credit as of June 30, 2025.

LOC Amount	Insurer	Initial Date
\$759,938	Old Republic	October 29, 2015
\$237,200	Old Republic	September 14, 2016
\$350,000	Old Republic	September 11, 2017

These Letters of Credit were initially necessary to obtain Workers’ Compensation insurance coverage for Eastern State Hospital employees, who are employed by Central Kentucky Management Services as part of the management contract between UK Healthcare and the Kentucky Department of Behavioral Health, Developmental and Intellectual Disabilities. The Kentucky Department of Workers’ Claims viewed Eastern State Hospital employees as “leased employees” and required insurance be purchased pursuant to the requirements described in KRS 342.615(4). However, this statute was repealed in 2022 by the General Assembly and the workers’ compensation insurance was moved to UK’s self-insured program beginning August 1, 2024. These Letters of Credit remain active for the tail claim runout period.

Sincerely,

Eric N. Monday
Executive Vice President for Finance and Administration

FCRs Overview: Investments in UK, Kentucky's Future

- Gifts to enhance student experience, advance cancer research and care
- Capital projects to enhance student experience and support growth for UK HealthCare, UK Athletics
- Internal loans to maximize revenue growth through Champions Blue



UK's 2025-26 Budget: Taking Care of Our People

- UK has more than **28,000** total employees, up from more than **20,000** employees more than a decade ago.
- This year's proposed budget is the **12th time in 13 years** that UK has been able to offer increases in compensation for employees.



The University of Kentucky Budget for **FY 2025-26**

- Vice President for Financial Planning and Chief Budget Officer **Angie Martin**

