

FCR 2

Office of the President
December 13, 2022

Members, Board of Trustees:

FY 2022-23 BUDGET REVISIONS

Recommendation: that the Board of Trustees authorize and approve the following revisions to the FY 2022-23 budget. The budget revisions outlined below will increase the University of Kentucky's current funds budget by \$623,771,900 from \$5,611,692,500 to \$6,235,464,400.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>GENERAL FUND</u>			
1. Income Estimates			
Hospital Services			
Royal Blue Health LLC	\$0	\$565,573,600	\$565,573,600
Appropriated Fund Balances	288,920,400	346,101,200	<u>57,180,800</u>
			<u>\$622,754,400</u>
2. Expenditures			
Affiliated Corporations			
Royal Blue Health LLC	\$0	\$565,573,600	\$565,573,600
University Wide			
Operating and Capital Projects	153,183,600	210,364,400	<u>57,180,800</u>
			<u>\$622,754,400</u>

- 3 Comments – The increase in Hospital Services is due to the acquisition of Royal Blue Health LLC and all its subsidiary corporations. On April 21, 2021, the university and King's Daughters Health System, Inc. established a joint venture using the university's affiliated corporation, Beyond Blue Corporation, and King's Daughter Health System, Inc. forming Royal Blue Health LLC. On October 27, 2022, the Board of Trustees designated all wholly owned subsidiaries of Royal Blue Health LLC to be affiliated corporations of the university to assist in carrying out its programs, missions or other functions effective December 1, 2022.

Fund balances are generated or saved over multiple years. The FY 2022-23 Operating Budget, approved by the Board of Trustees on June 17, 2022, included expenditures supported with projected General Fund, fund balances of \$288,920,400. Based on actual General Fund, fund balances as of June 30, 2022 committed for capital projects and various strategic initiatives, the budget for General Fund, fund balances will increase by \$57,180,800.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>AUXILIARY FUND</u>			
1. Income Estimates			
Sales and Services			
Departmental Sales and Services			
Other	\$8,051,300	\$7,987,700	(\$63,600)
Appropriated Fund Balances	9,439,700	10,520,800	<u>1,081,100</u>
			\$1,017,500
2. Expenditures			
Finance and Administration			
Auxiliary and Administrative			
Services			
Environmental Health and Safety	\$0	\$959,100	\$959,100
Information Technology Services			
Enterprise Computing Services	67,300	136,900	69,600
Support Services	501,000	553,400	52,400
University Police	95,200	31,600	<u>(63,600)</u>
			\$1,017,500

3. Comments – The \$63,600 decrease in the Sales and Services budget is due to less than expected sales in the Wildcat ID service center operation. The associated expenses were adjusted to accommodate this change.

The \$1,081,100 increase in Appropriated Fund Balances for several service centers reflects actual balances as of June 30, 2022. The funds will be used to support operations in the associated service centers.

Action taken: Approved Disapproved Other _____