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UNIVERSITY OF  
**LOUISVILLE**

**Board of Trustees**

Finance Committee  
Budget Workshop

May 14, 2009

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**2009-2010 OPERATING BUDGET**



# Finance Committee Budget Workshop

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# BUDGET OVERVIEW



## **BUDGET OVERVIEW**

*“Kentucky is facing a projected \$470 million revenue shortfall for the current fiscal year. Our government officials are working hard to address the problem, but we all know there is no easy solution and we all must do our part. So here at the University of Louisville we are preparing for another round of budget cuts that will require us to be more innovative and more efficient than ever before.”*

*President James R. Ramsey  
Accountability and Sustainability Report, March 2009*

President Ramsey and his Leadership Team submit for your consideration a proposed FY 2009-10 general fund operating budget totalling \$436.3 million. This is an increase of approximately \$11.6 million, or 2.7%, over last year. The recommended FY 2009-10 Operating Budget is balanced; the proposed revenue budget equals the proposed expenditure budget.

According to President Ramsey, “Since 2002, when again there was an economic downturn in the state that caused budget cuts, we at the University of Louisville—in order to continue moving forward and meet our goals—have had to operate very differently than we have in the past. We’ll continue to have to operate differently. We have adopted a seven-point strategy to move forward in a tough fiscal environment.”

1. **Be More Efficient:** UofL continues to examine all our operations and look for efficiencies. For example, last year UofL and Siemens Building Technologies announced a forward-looking energy audit that could save the university \$50 million over the next 12 years.
2. **Improve Balance Sheet Management:** Try to take underperforming assets and make them more fully performing—things like the Shelby Campus and the Reynolds Metals Building.
3. **Practice Medicine:** UofL is working hard to increase clinical income from its physician practices to support education and research. Efforts have resulted in the new UofL Health Care Outpatient center in downtown Louisville, single point contracting and other synergies.
4. **Increase Fundraising:** UofL fundraising hit an all-time record in 2007-08 at \$86.5 million. The goal for 2008-09 is \$95 million.
5. **Collaborate:** UofL develops partnerships to help the University do things it can’t do on its own—like expanding the off-campus housing and food services. The new food services contract with leading food service provider Sodexo resulted in an \$11 million capital investment that we couldn’t have otherwise done on our own.
6. **Build Research:** UofL tries to further research and contract research programs to generate income. UofL will also continue to expand commercialization opportunities.

7. **Be Creative:** UofL strives to be as innovative and creative as possible. For example, the \$1.3 billion Tax Increment Financing (TIF) district, on and adjacent to the Health Sciences Campus, may return as much as \$350 million in incremental tax revenue to pay for public and campus infrastructure improvements in downtown Louisville.

“So we’ve had to operate very differently,” continued President Ramsey, “and we’ve had to change some things about how we’ve operated in the past. It’s changed us in a way that has allowed us to keep moving forward to meet the goals that were given to the University by the state of Kentucky.”

As a result of this leadership environment, over the past year UofL has achieved a number of notable highlights:

- In the Fall of 2009, UofL welcomed its largest freshman and most academically gifted class - 2,600 freshmen with an average ACT score of 24.4. That’s a tick above last year’s ACT average of 24.3, and substantially higher than the national average of 21.1 and state average of 20.9.
- Six University of Louisville seniors and one recent alumnus will teach and conduct research as 2009 Fulbright scholars. Since 2003, UofL students and alumni have won 34 Fulbright awards, more than any other Kentucky university.
- UofL placed at the top in seven categories of the “Great Colleges to Work For” survey by *The Chronicle of Higher Education* in 2008. UofL ranked among the top five schools of its size in the internal communication category of the survey, which led to a related feature story in the Washington, D.C.-based weekly national newspaper, describing the University’s efforts to keep faculty, staff and students informed.
- Advancing the development of under-performing University-owned assets, such as the Haymarket property and Shelby Campus.
- The James Graham Brown Cancer Center received \$10.1 million from the National Institutes of Health (NIH) to explore new ways to treat and prevent cancer. Between 1999 and 2008, the Center’s research funding has increased from \$338, 571 to more than \$50 million annually.
- The James Graham Brown Cancer Center faculty licensed a new cancer vaccine against the human papillomavirus.
- A \$3 million gift to the College of Business will expand the University’s nationally ranked entrepreneurship program. The gift, made by Corbin entrepreneurs Terry and Marion Forcht, is among the largest gifts the college ever has received.
- The Institute of Molecular Cardiology received \$11.6 million from the National Institutes of

Health (NIH) to establish a center of excellence in diabetes and obesity research.

- The American Heart Association named Professor of Medicine Roberto Bolli a winner of the 2008 Distinguished Scientist Award at its 2008 Scientific Sessions.
- The Carnegie Foundation for the Advancement of Teaching awarded the University of Louisville its distinctive rating in the area of community engagement. On December 18, the foundation named UofL as a community engagement institution, a classification it developed in 2006 to recognize colleges and universities that are deeply engaged with their communities.
- The University of Louisville will operate Kentucky's Center for Renewable Energy Research and Environmental Stewardship. UofL engineering and business alumnus Henry Conn and his wife, Rebecca, have pledged more than \$20 million to the J.B. Speed School of Engineering for that purpose.
- The world's first phase-one FDA-approved clinical trial, using adult cardiac stem cells to treat heart disease, will be conducted by a team of University of Louisville doctors at Jewish Hospital.
- Last year we attracted \$20.5 million for the College of Education and Human Development to provide critical training to vocational educators.
- UofL Women's Basketball team finished the best season in school history at 34-5: second in Big East tourney and second in Big East regular season final standings; advanced to the Final Four of the NCAA Tournament and competed for the first time in school history in the National Championship game.
- UofL Men's Basketball won their first ever outright Big East Conference championship. The Cardinals earned the NCAA tourney's No. 1 overall seed by virtue of winning both the Big East Conference regular season crown and the conference tournament.
- UofL Women's Track & Field won three event titles, picked up seven medals, set three school records and earned two NCAA provisional qualifying marks at the 2009 Big East Indoor Championships.

The University's FY 2009-10 operating budget was developed under a difficult fiscal environment and constraints. This is the second consecutive year of significant reductions in funding appropriated by the Commonwealth of Kentucky. In fact, since 2001, UofL has been mandated by the state to cut its budget nine times for a cumulative reduction of more than \$100 million in both one-time and recurring funds, as shown in the following chart:

**BUDGET OVERVIEW**  
2009-10 Operating Budget



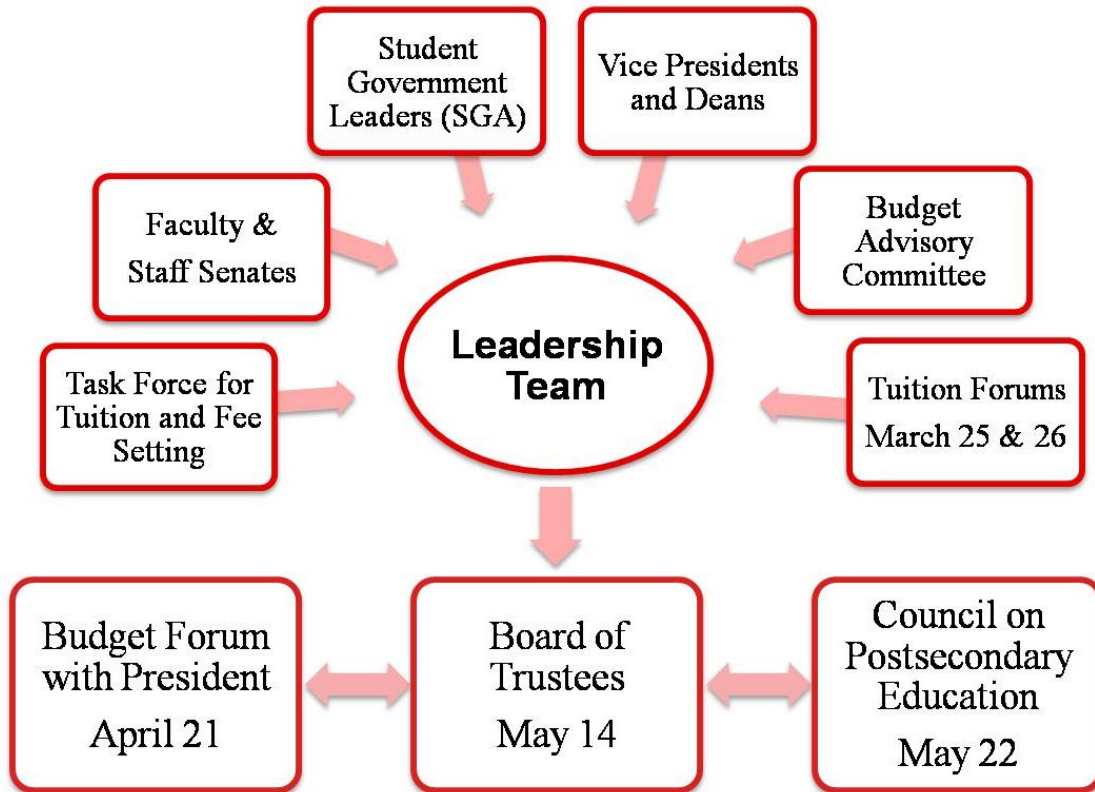
<b>State Mandated Budget Reductions</b>										
<b>FY 2001-02 through FY 2009-10</b>										
	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>Cumulative Total</u>
Recurring FY 2002	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$27.0)
Nonrecurring FY 2002	(\$3.9)									(\$3.9)
Recurring FY 2003		(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$3.0)	(\$24.0)
Recurring FY 2004			(\$3.1)	(\$3.1)	\$0.0 <sup>1</sup>	\$0.0	\$0.0	\$0.0	\$0.0	(\$5.2)
Nonrecurring FY 2004			(\$7.9)							(\$7.9)
Nonrecurring FY 2008							(\$5.1)			(\$5.1)
Recurring FY 2009								(\$10.0)	(\$10.0)	(\$20.0)
Nonrecurring FY 2009 @ 2%								(\$3.2)		(\$3.2)
<i>Probable Recurring FY 2010 @ 2%</i>									(\$3.2) <sup>2</sup>	(\$3.2)
<i>Probable Recurring FY 2010 @ 2.7%</i>									(\$4.2) <sup>3</sup>	(\$4.2)
	<u>(\$6.9)</u>	<u>(\$6.0)</u>	<u>(\$17.0)</u>	<u>(\$9.1)</u>	<u>(\$6.0)</u>	<u>(\$6.0)</u>	<u>(\$11.1)</u>	<u>(\$19.2)</u>	<u>(\$23.4)</u>	<u>(\$104.6)</u>

Footnotes:  
 1. The Recurring Reduction from FY 2004-05 was restored in FY 2005-06.  
 2. Anticipating the Nonrecurring for FY 2009 to become recurring in FY 2010.  
 3. The projected FY 2009-10 Recurring Reduction is predicated on 2% of the FY 2009-10 Budget of the Commonwealth as enacted and signed into law.

Given the challenges for development of UofL’s FY 2009-10 operating budget, the President’s Leadership Team made several key assumptions to guide its decisions:

- The preliminary budget includes an initial 2% reduction in state appropriation. The University received a FY 2008-09 mid-year budget reduction of 2% in this major source of revenue. Given the state’s projected difficult fiscal environment, this \$3.2 million cut is assumed to be recurring for FY 2009-10.
- Additionally, another 2.7% reduction (\$4.2 million) is anticipated for FY 2009-10. Kentucky is expected to benefit financially from the American Recovery and Reinvestment Act of 2009 (ARRA). For Kentucky to participate in ARRA’s State Fiscal Stabilization Fund, the Commonwealth is required to maintain support for public institutions of higher education at least at the level of such support in FY 2005-06. This maintenance of effort calculation allows no more than an additional 2.7% reduction in state appropriations.
- The increases in fixed costs of the institution’s operations are covered first from available funds—utilities, employee health insurance, and partial funding for maintenance and operations for new facilities coming on line.
- During this very tight budget year, no funds are allocated for faculty and staff salary and wage increases.
- Tuition rates are projected to increase at 5% for undergraduate resident students, the maximum allowed by the Council on Postsecondary Education for FY 2009-10.
- A modified meal plan is recommended for students living off campus.

Planning for the University’s 2009-10 operating budget began in early Fall 2008. Again this year, the Leadership Team employed a strategic five-year budget projection model and pursued a broad process of consultation and input from the many groups of University stakeholders. The schematic below visually shows the interactions of this process.



This consensus building approach to budget development is intended to be open and transparent. All campus constituencies were briefed throughout the budget development cycle as successive iterations of the proposed budget were developed.

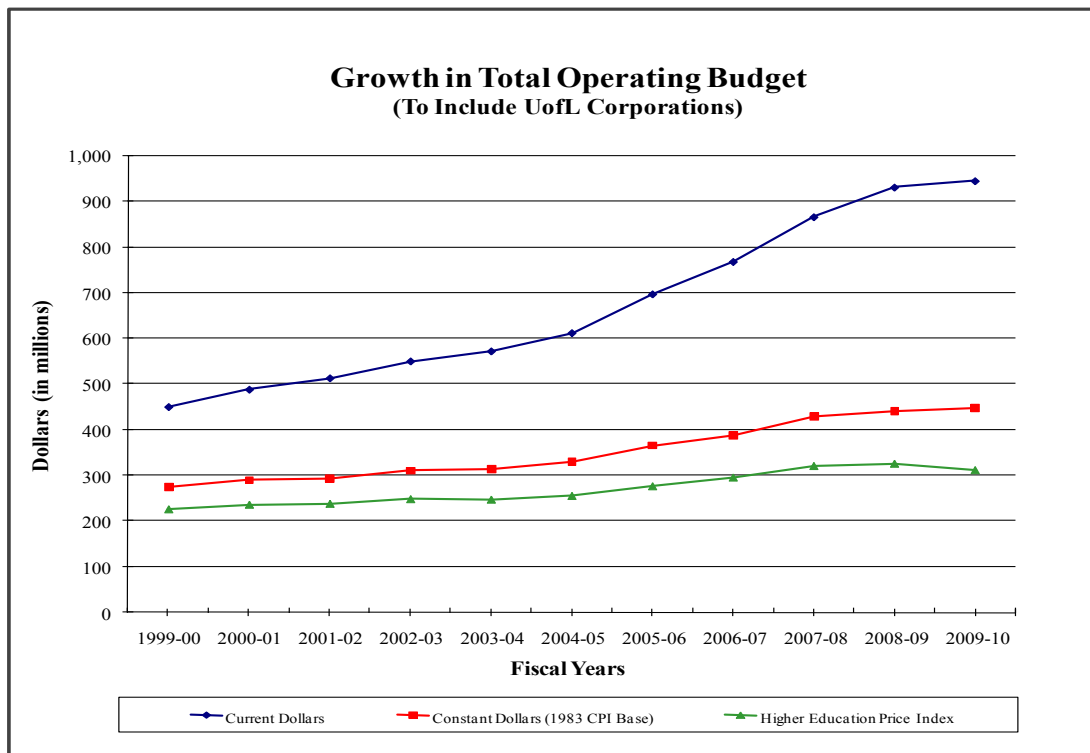
Throughout the process the Leadership Team remained committed to its strategic priorities delineated in *The 2020 Plan—Making It Happen* - a “roadmap” specifying goals and quantifiable benchmarks to ensure progress is made in achieving the University’s long-term strategic goals.

The long-term impacts of decisions were kept in the forefront of all budget considerations. The Leadership Team also worked to protect core academic programs. Every decision was made in the context of positioning the University for future success.

Details of the projected general fund revenue and expenditure operating budgets are presented in subsequent sections of this document.

Also included in this document are references to budgets for the affiliated and non-affiliated University of Louisville corporations. In total the non-general funds of these corporations are budgeted at \$510 million for FY 2009-10, the same amount budgeted for FY 2008-09. Clinical activity and grants and sponsored programs are projected to grow slightly during FY 2009-10, but the adverse financial market conditions of the past year severely reduced funds available for endowments. This reduction will most likely offset the growth in the other UofL corporations.

The graph below shows the growth in the University’s total operating budget since FY 1999-2000.



This budget proposal being recommended is preliminary and represents a snapshot as of May 7, 2009. It may change slightly before the Board of Trustees meets in June 2009 to give its final approval of the FY 2009-10 budget.

# **GENERAL FUND REVENUE BUDGET**



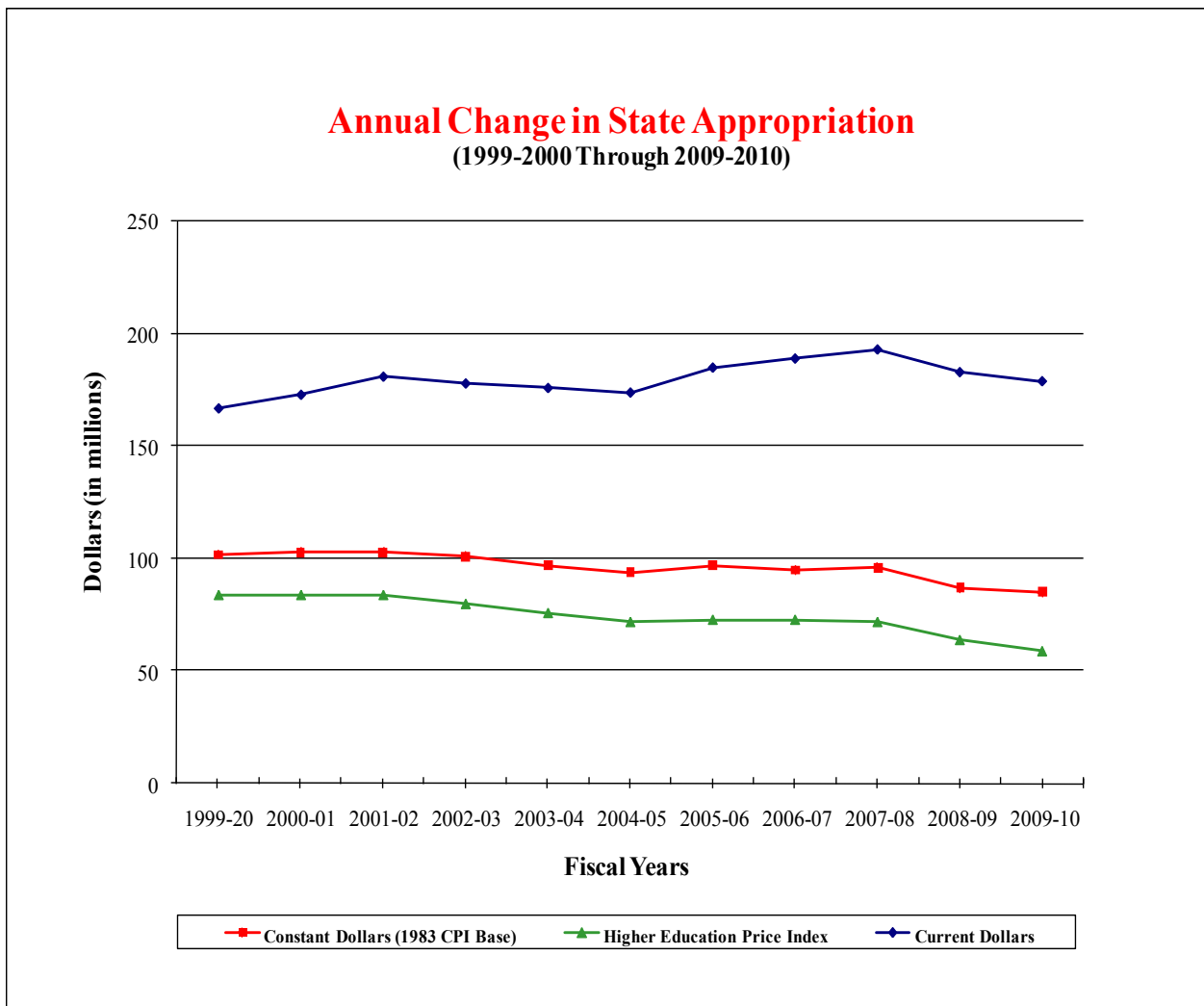
## **Revenue Assumptions**

1. State appropriation is budgeted at a significantly reduced level from FY 2008-09.
  - The appropriation approved by the General Assembly during the 2008 legislative session was reduced by 2% (\$3.2 million) in a Governor's Executive Order. This reduction is being carried forward in the new fiscal year as a recurring adjustment to the University's base.
  - Budgeted state appropriation is further reduced by another 2.7% (\$4.2 million) expected to be effected by the state during FY 2009-10.
  - Total budgeted appropriation is \$7.5 million less than that of FY 2008-09.
2. Tuition and Fees:
  - Except for the items addressed below, the proposed budget assumes no change of enrollment across all categories of students.
  - Tuition revenue is projected using the new tuition rates recommended by the President and to be considered by the Board of Trustees at its May 2009 meeting.
  - To keep the non-resident medical tuition rate at the 2007-08 level, the School of Medicine will admit an additional six non-resident medical students.
  - An increase in tuition revenue is budgeted for some specific academic areas based on changes in enrollment for those programs (Nursing, Public Health, Dentistry, Speech Pathology, Audiology, Social Work, and Workforce Completer Degree).
3. Revenue projections for Auxiliaries, Service Centers, University Housing operations, and other program budgeted activities are realistic estimates of anticipated activity for FY 2009-10.

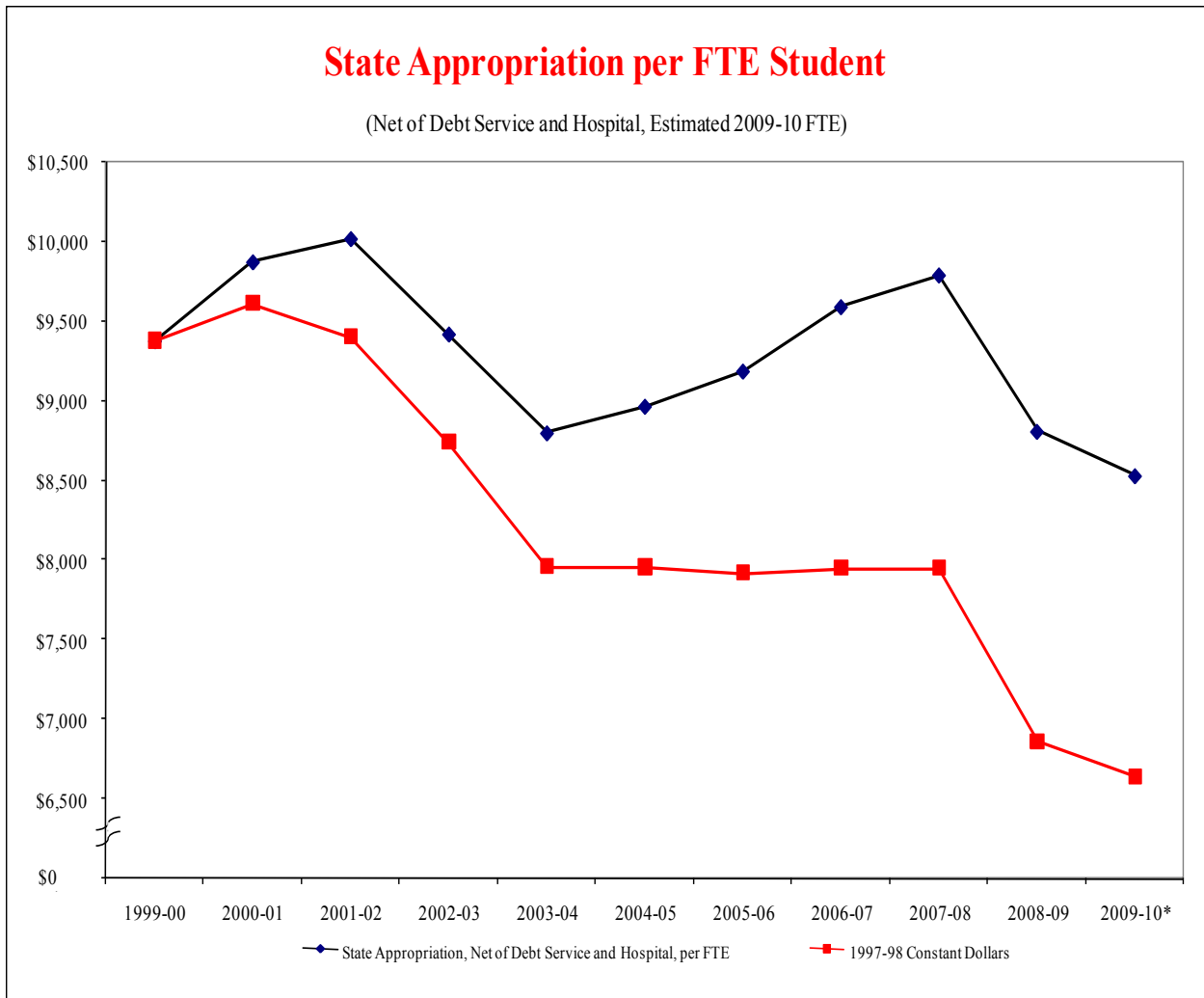
## REVENUE HIGHLIGHTS

The two largest components of the University’s revenue are tuition and fees and state appropriation.

As a percent of UofL’s general fund operating budget, state appropriation has declined over the past decade, from 61.5% in FY 1998-99 to 41% for FY 2009-10. The chart below shows that in constant dollars UofL’s state appropriation has steadily declined over the past decade, with an even more noticeable decline in the past two fiscal years.



Even more apparent in the graph below is how the University's state appropriation per Full Time Equivalent (FTE) student, in constant dollars, has declined six of the past ten fiscal years, and the FY 2009-10 state appropriation per FTE is at its lowest point since 1999.



The consistent trend in the reduction of state funding as a percentage of the total University revenue budget has caused tuition rate increases to steadily climb over that same period. Decisions to increase tuition rates are made carefully and deliberately after much analysis, consideration and consultation. Still, the decline of state funding as a percentage of the total University revenue budget has largely been replaced by an increase of tuition and fees revenue as a percentage of the total revenue budget.

The University's Leadership Team met regularly and frequently during the budget development cycle to determine the best possible allocation of scarce resources. UofL projects a general fund

**REVENUE HIGHLIGHTS**  
**2009-10 Operating Budget**



revenue budget of \$436,272,700 for FY 2009-10. The increase in the revenue budget is approximately \$11.6 million, or 2.7%, over the original FY 2008-09 budget.

The proposed revenue budget is categorized into the following ten major funding sources, and each category is discussed in more detail on the following pages.

<b>PROJECTED GENERAL FUND REVENUE BY SOURCE</b>	
State Appropriation and Other State Funds	\$178,951,700
Tuition and Fees	199,319,100
Transfers from UofL Corporations	15,878,500
Sales and Services of Educational Activities	819,000
Organized Activities Related to Instruction	721,500
Other Non-Educational Revenue	12,860,600
Auxiliary Enterprises	4,946,400
University Housing	6,993,000
Service Centers	1,516,700
Hospital-Related Revenue	<u>14,266,200</u>
<b>Total Projected General Fund Revenue</b>	<b><u>\$436,272,700</u></b>

1. **State Appropriation and Other State Funds** total \$179 million for FY 2009-10. With the projected \$7.5 million reduction, or 4.1%, in state appropriation, State Appropriation and Other State Funds is the University’s second largest source of revenue, falling behind Tuition and Fees for the second consecutive year.

The base appropriation includes a \$42,500 decrease in funding for the Quality and Charity Care Trust (QCCT) cost escalator and a \$151,800 reduction in debt service funding. The QCCT reduction is the amount included in the state’s 2008-10 Biennial Budget. The actual amount of appropriation will be determined by the specified funding formula by which each year’s amount is calculated. The reduction in debt service funding results from pay down of the debt principal. Moreover, as bonds are issued on new campus buildings the debt service for that financing is now held by the State centrally and not appropriated to the University.

The University also receives other pass-through state funds for support of designated programs at UofL. No revenue changes are projected for these programs for FY 2009-10.

Budgeted amounts for State Appropriation and Other State Funds are summarized below:

<b>State Appropriation &amp; Other State Funds</b>	
<b>I. 2008-2009 State Base Appropriation</b>	<b>185,423,000</b>
<b>Additions / (Reductions):</b>	
2% Reduction on Base Appropriation	(3,153,500)
2.7% Additional State Budget Reduction	(4,192,400)
QCCT Escalator	(42,500)
Debt Service	<u>(151,800)</u>
<b>Total Adjustments</b>	<u>(7,540,200)</u>
<b>Projected 2009-2010 Base Appropriation</b>	<b><u>177,882,800</u></b>
<b>II. Other State Funds</b>	<b><u>1,068,900</u></b>
<b>III. Total Projected 2009-2010 State Appropriation &amp; Other State Funds</b>	<b><u><u>178,951,700</u></u></b>

2. **Tuition and Fees** represent the largest component of the University’s general fund revenue budget at \$199.3 million for FY 2009-10. A 5% tuition rate increase for FY 2009-10 is being proposed to the Board of Trustees for all categories except graduate and professional enrollment groups. The non-resident Medical School rate will not be increased from the FY 2008-09 level. The tuition rate increases by enrollment category are listed in the following table:

<b>Tuition Category</b>	<b>Percent Increase</b>	
	<b>Resident</b>	<b>Non-Resident</b>
Undergraduate	5.0 %	5.0 %
Graduate	5.0 %	2.3 %
MBA*	5.0 %	2.2 %
Law	5.0 %	2.4 %
Dentistry	5.0 %	2.1 %
Medicine	5.0 %	0.0 %

\* The traditional MBA program; restructured MBA cohort program is addressed later.

The recommended tuition rate increase of 5% came after considerable deliberation and consultation with various constituency groups across campus and the recommendation of the Provost’s Task Force on Tuition and Fee Setting. The proposal is also aligned with the maximum 5% tuition cap for resident undergraduate students set by the Council on Postsecondary Education for FY 2009-10. The University’s Leadership Team is very sensitive to recommend tuition rates to balance affordability for students with the need for increased programmatic funding in light of the significant reduction in state appropriation.

The exceptions for non-resident graduate, medical, and dental students address the competitive nature of attracting non-resident students to UofL’s graduate and professional programs. These rate limitations are based on input from Deans of the colleges and schools and the University’s admissions staff and are designed to keep rates for non-resident students competitive with other competitor schools in the same recruiting markets.

The proposed unit and course-based fee changes for FY 2009-10 are listed below:

<b>Unit and Course-based Fees</b>			
<u>Changes to Existing Fees</u>	<u>Unit</u>	<u>Incremental Change</u>	<u>2009-10 Rate</u>
Sports/Activities Course Fee for Non-HSS Majors	Education	(\$25)	\$50 per course
School of Public Health and Information Sciences Technology Fee	Public Health	(\$275)	\$100 per semester

The FY 2009-10 Proposed Tuition Schedule shows the recommended new rates by category and residency status:

<b>University of Louisville Proposed Tuition Schedule</b>				
	<b>Semester Rates</b>			
	2008-09	2009-10	Change	
			Amount	Percent
<b>Undergraduate</b>				
Resident	3,782	<b>3,972</b>	190	5.0%
Nonresident	9,177	<b>9,636</b>	459	5.0%
Distance Education (per credit hour)	410.80	<b>430.30</b>	19.50	4.7%
Active Duty Military (per credit hour, includes on-line courses)	0	<b>250</b>	250	n/a
<b>Intensive English as a Second Language (IESL)</b>				
Full-time Day Program	3,902	<b>4,012</b>	110.00	2.8%
<b>Graduate</b>				
Resident	4,103	<b>4,311</b>	208	5.0%
Nonresident	9,045	<b>9,252</b>	207	2.3%
Distance Education (per credit hour)	592.80	<b>622.70</b>	29.90	5.0%
Active Duty Military (per credit hour, includes on-line courses)	0	<b>250</b>	250	n/a
<b>Traditional MBA &amp; IMBA Programs (Being Phased Out)</b>				
Resident	5,483	<b>5,760</b>	277	5.0%
Nonresident	12,716	<b>12,996</b>	280	2.2%
<b>Law (Full-time Program)</b>				
Resident	6,872	<b>7,220</b>	348	5.0%
Nonresident	14,146	<b>14,490</b>	344	2.4%
	<b>Annual Rates</b>			
	2008-09	2009-10	Change	
			Amount	Percent
<b>Medicine</b>				
Resident	24,498	<b>25,724</b>	1,226	5.0%
Nonresident	42,820	<b>42,820</b>	0	0.0%
<b>Dentistry</b>				
Resident	20,548	<b>21,576</b>	1,028	5.0%
Nonresident	48,072	<b>49,100</b>	1,028	2.1%
	<b>Fixed Price Programs</b>			
	2008-09	2009-10	Change	
			Amount	Percent
<b>MBA Cohort Program</b>				
Resident	30,000	<b>31,000</b>	1,000	3.3%
Nonresident	30,000	<b>31,000</b>	1,000	3.3%
<b>IMBA Cohort Program (Effective May 2008)</b>				
Resident	27,000	<b>30,000</b>	3,000	11.1%
Nonresident	27,000	<b>30,000</b>	3,000	11.1%
<b>Ed.D. Practitioner (new students)</b>				
Resident	15,000	<b>15,750</b>	750	5.0%
Nonresident	15,000	<b>15,750</b>	750	5.0%
<b>Ed.D. Practitioner (advanced placement)</b>				
Resident	10,000	<b>10,500</b>	500	5.0%
Nonresident	10,000	<b>10,500</b>	500	5.0%

Included in this proposed budget are new tuition rates for the MBA programs in the College of Business.

- **Professional MBA Program, Business - A fixed price of \$31,000**  
The Professional MBA-Evening and Professional MBA-Saturday programs began in Fall 2007. These cohort-based programs span two years in 14 six-week terms with two course modules taken each term. The programs equate to 48 credit hours and also include an international learning experience. Each student in the 2007 cohort was charged a flat rate of \$28,000. The 2008 cohort paid a higher \$30,000. The program fee for the student cohort starting in FY 2009-10 will increase to \$31,000, billed in six equal increments over two years.
- **IMBA-The MBA for Entrepreneurial Thinking, Business - A fixed price of \$30,000**  
IMBA-The MBA for Entrepreneurial Thinking remains a cohort-based program as it has since inception, retaining the same program content and delivery as before. The program was converted during 2007-08 to charging a flat program fee of \$25,000 per student. The fee for the student cohort beginning in FY 2008-09 rose to \$27,000. The program initially did not include an international learning experience, but that feature has been added for the cohort beginning FY 2009-10, and the fee will accordingly rise to \$30,000, billed in six equal increments over two years.

Other factors in several colleges and schools also affect the tuition revenue budget. These increases are offset by like increases on the expenditure side of the budget.

- The School of Dentistry has, for the past several years, planned its major building/clinical facilities renovation. The project will modernize the School's clinic teaching facilities and expand the capacity for instruction by 40 additional students. Also, the School previously raised its non-resident professional dentistry tuition rate and es-crowded the incremental funds received for the planned renovation. This year an additional \$250,000 is permanently added to the tuition revenue budget to reflect that action.
- The Speech Pathology program in the School of Medicine is focused on increasing its intake of graduate students to ten each year. To provide the instructional support needed for this program, the Graduate Medicine tuition revenue budget was increased \$215,000 based on the revenue to be generated by those new students.

- Enrollment in the Master of Public Health program continues to grow. The tuition revenue for the School of Public Health and Information Sciences was over-realized in excess of \$400,000 during FY 2008-09. Accordingly, \$375,000 of this increase is permanently added to the School's tuition revenue budget for FY 2009-10 to offset planned expenditures.
- Similarly, the School of Nursing has continued to experience growing enrollment in its pre-nursing major. The tuition revenue for the School was over-realized almost \$1 million during FY 2008-09. Accordingly, \$300,000 of this increase is permanently added to the School's tuition revenue budget for FY 2009-10.
- UofL's School of Medicine continues to change its student residency mix. Holding the non-resident professional tuition rate at the FY 2007-08 level, the School hopes to attract and admit an additional six non-resident, first-year medical students. These additional students are projected to generate \$243,100 in new tuition revenue.
- The Kent School of Social Work began a Bachelor of Social Work (BSW) degree program in 2007. The FY 2008-09 proposed budget included \$105,000 in additional tuition revenue. For FY 2009-10 an additional \$131,400 is expected to be generated by new students enrolling in this program. A like amount is budgeted in the Kent School for instructional expenses associated with expanding this program.
- The School of Medicine's Ph.D. Program in Audiology developed a four-year plan to increase its enrollment by 20 new students. As the enrollment increases, the program will receive 75% of the incremental tuition revenue and the University's general fund will benefit from the other 25%. For FY 2009-10, \$29,900 is being added to the Graduate Medical tuition revenue under the terms of this agreement.
- In an effort to reach out to the community in its "citizen university" role, UofL implemented a Workforce Completer Degree during FY 2007-08. The program is designed for persons in the workforce who have previously accumulated a number of college credits but for a variety of reasons did not continue to graduation. The College of Education and Human Development assesses the previous academic accomplishments and the work experience of interested individuals to develop a realistic and attainable plan to complete their degrees. Tuition revenue of \$357,400 is budgeted for this program, and a like amount is budgeted for the associated instructional and administrative expenses.

At its April 23, 2001 meeting, the University of Louisville Board of Trustees approved consolidating, or “bundling,” tuition and mandatory student fees into a single tuition rate. The single “bundled” tuition rate allows the University to convey tuition and fee costs with greater clarity to current students, prospective applicants, parents and the public. For FY 2009-10, the Student Health Fees revenue budget is being increased \$486,800. This is not an increase of the Student Health Fee but rather is an adjustment to the Student Health Services budget based on actual fee revenue received the past two years. The original FY 2006-07 revenue budget for the Student Health Fee was a fairly conservative estimate based on a projection of enrolled hours per student. The higher level of revenue is expected to continue on a recurring annual basis.

Based on the proposed tuition rates, budgeting past enrollment changes, and new fee revenue described above, the University projects approximately \$199.3 million in tuition and fee revenue from all instructional sources. This is an increase of \$12.2 million, or about 6.5% over last year. Approximately \$8.3 million of that amount is attributable to the tuition rate increases and fee revenue. An additional \$1.9 million is budgeted for the changes in student enrollment levels identified above. The remaining \$2 million increase is attributable to the special academic programs and fees described below.

Revenue generated from non-credit **Continuing Education Programs** is projected to increase approximately \$343,500 in FY 2009-10. The increase is primarily from greater participation in executive and professional development courses along with greater use of the conference and facilities options of the Delphi Center for Teaching and Learning. The expense side of these program budgets will be increased by like amounts.

Demand for **Distance Education** learning at UofL continues to exhibit strong growth. Almost all academic units offering on-line courses have over-realized their FY 2008-09 revenue budgets. Tuition rates for courses offered on-line carry a 30% surcharge over the respective undergraduate or graduate resident rate. This proposed budget adds \$355,800 to the distance education revenue budgets of the Delphi Center for Teaching and Learning.

Also included in the tuition revenue budget are specific items for **Special Programs**—academic overseas programs, Intensive English as a Second Language, equine management programs, and the like. Typically, tuition revenue dollars generated from these unique programs directly offset expenditure budgets of an equal amount. For FY 2009-10, the revenue budgets in several of these programs are projected to increase approximately \$564,000 in the aggregate. Two new programs are the College of Business German MBA Program (\$175,000) and the J.B. Speed School of Engineering German Ph.D. Program (\$270,000).

Also, the Ed.D. Practitioner Doctorate program budget will increase \$95,400 to support increased enrollment.

**Unit and Course-based Fees** are projected to increase \$7,500:

- FY 2009-10 is the second year of a \$1,000 per student increase in the **Dental Instrument Rental and Technology Fee**. The fee increased from \$5,000 to \$6,000 to be implemented in a four-year phased approach that began with the Fall 2008 School of Dentistry freshman class. A projected \$171,000 in additional revenue is added to this budget for the instrument and technology fee increases.
- The Board approved the **Public Health Student Technology Fee** at its May 13, 2004 meeting. In part, the fee provides discipline-specific software for students' computers. Effective Fall 2009, the School is implementing a requirement for students to have laptops with minimum required software specifications which were previously provided as part of this technology fee. The fee will be reduced to \$100 per semester, and the budget for this fee is accordingly being reduced \$18,500. The reduced fee will provide student access to specialized software in the School's computer lab and make loaner laptops available when personal computers need maintenance.
- The \$145,000 budget for the **MBA Program Fee** was eliminated for FY 2008-09. With the College of Business transition to fixed-fee, annual-cohort MBA classes, this individual MBA course-based fee is no longer required. While the fee was actually eliminated for the 2008-09 academic year, the decision to eliminate was made after the budget development cycle was complete.

Budgets for **Miscellaneous Fees** will increase by approximately \$802,500.

- Dentists participating in one of the School of Dentistry's four graduate residency programs pay a \$5,000 per semester fee in addition to graduate tuition. This fee revenue, which was not budgeted in past years, adds \$168,000 to the Miscellaneous Fees revenue category.
- Actual revenue from Doctoral Candidacy and Dental Application fees has been well above the budgeted amounts for the past few years. Hence, the revenue budgets for these fees is being increased \$250,000 and \$90,000, respectively.
- The Undergraduate Application Fee was increased by \$10 (from \$30 to \$40) last year. Because the full impact of the increase took effect over two years, a \$40,000 increase in fee revenue was budgeted last year, and a \$45,000 increase is being budgeted for FY 2009-10.

- The College of Education and Human Development implemented a \$75 Health and Sports Science Activity Fee in FY 2008-09 to help offset some of the costs of providing these instructional activities. Based on the activity experienced during the first year of implementation, the fee is being reduced to \$50. Projected revenue of approximately \$121,800 is being budgeted for this fee in FY 2009-10.
  - The remainder of this revenue category is comprised of budget changes in existing fees such as the Orientation Fee, Career Center Fee, and the Music School Fee to bring them to more reasonable projections based on actual fee collection experience. With FY 2009-10 being the first full year that the newly revamped Career Center is up and running, the Vice President for Student Affairs is projecting an increase in fee revenue. While the Music School Fee was approved by the Board in May 2008, the FY 2009-10 budget contains a full year's projection of fee collection.
3. **Transfers from UofL Corporations** will rise \$1,910,900 for FY 2009-10:
- Approximately \$1.2 million represents transfers from the UofL Research Foundation for debt service for the Clinical and Translational Research Building on the Health Sciences Campus and the BioSafety Lab on the Shelby Campus.
  - Another \$750,000 is an increase in the transfer of funds realized from the Facilities and Administrative Cost Recovery (F&A) on grants and sponsored programs. The increase is based on expenditures on research grants carried forward from past years.
4. The **Sales and Services of Educational Activities** revenue category is projected to increase \$235,500 from its currently budgeted level of \$583,500 to \$819,000. Revenue for the International Service Learning program is projected to rise \$93,600 as a result of more students participating in additional trips abroad. The increase is partially offset by a decrease in vocational rehabilitation revenue for Disabled Student Services due to the graduation of two students and lower projected demand for the Music School's non-credit dance program. A technical adjustment in the classification of four programs accounts for the remainder of the change.
5. Projected revenue in the **Organized Activities Related to Instruction** component will decrease \$7,100 from \$728,600 to \$721,500. This is the net result of small changes in the 20th Century Literature Conference, Brandeis Law Journal, and Theatre Arts Projects.
6. The category of **Other Non-Educational Revenue** will increase approximately \$5.2 million from last year:

- Most of this increase, or \$5.1 million, is internal funds transferred by the School of Dentistry and the University Parking Office for debt service on the dental clinic renovation and the new HSC parking garage respectively.
  - Another \$240,000 increase in revenue is a transfer of funds from Campus Health Services program into the new Health Education program budget. The new program is an expansion of Campus Health Services into more in-depth, targeted activities aimed at health maintenance and disease prevention.
  - The remaining changes in this category are adjustments in the projected revenue of several miscellaneous revenue programs and program budgets (**Procurement Card, Student Activities Project Fund, Delphi General and Administrative Operations, etc.**) and a technical adjustment in the classification of four programs.
7. **Auxiliary Enterprise Revenue** is projected to increase approximately \$133,700. These proposed revenue changes are offset by similar changes in the respective program expenditure budgets:
- A \$136,000 increase is projected in revenue to the iTech Xpress Store, a new auxiliary enterprise which began operations last year in the Miller Information Technology Center. Students, faculty and staff can purchase computer hardware and software through University vendors with an educational discount applied. The FY 2009-10 revenue increase is based primarily on additional sales of tablet PCs to J.B. Speed School of Engineering students.
  - The remaining revenue changes are to the Bookstore Operations, Parking, SJA Dormitory, and Food Service program budgets to more closely align budgeted revenue with current year actual receipts.
8. **University Housing Revenue** for FY 2009-10 is projected to decrease approximately \$364,000 to \$6,993,000. The decrease is a result of lower expected occupancy rates in University residence halls. Greater occupant capacity will occur as new residential communities are built, on a contractual basis, contiguous to the Belknap Campus. The Province, the first of these affiliated housing communities, will open Fall 2009 with 800 new beds.
9. **Service Centers** are selected University support activities, which are self-supporting and function like stand-alone businesses, their expenditure budgets are based entirely on internal charges to other University departments for services rendered or on externally generated

## REVENUE HIGHLIGHTS

### 2009-10 Operating Budget



service income. The FY 2009-10 aggregate service center revenue is projected to decrease \$253,200 from \$1,769,900 to \$1,516,700. The Mass Spectrometry Service Center was new last year, and based on first year operations the projected revenue budget is being reduced \$105,800. Communications Services revenue in Information Technology is also projected to decrease by about \$211,300. Smaller changes in projected revenue of several other existing service centers account for the remaining net change in this revenue category.

10. **Hospital-Related Revenue** is projected to remain at \$14.3 million. The majority of this revenue is payments from the UofL Hospital to the School of Medicine and the QCCT for facility rent. These revenues provide vital support to the schools of Medicine, Dentistry, Nursing, and Public Health and Information Sciences.

All revenue budget changes and the proposed FY 2009-10 revenue budget are summarized by source of revenue on the next page.



**SUMMARY OF CHANGES IN BUDGETED REVENUE**  
**Fiscal Year 2009-10**

	FY 2008-09 Original Budget	Adjustments			FY 2009-10 Proposed Budget	Change from FY 2008-09	
		State Appropriation	Tuition and Fees	Program Budgets		Other Revenue	Amount
<b>EDUCATIONAL AND GENERAL REVENUE</b>							
Tuition Revenue							
Summer School Tuition	12,913,500	0	1,007,400	0	0	1,007,400	7.8%
Fall and Spring Tuition	151,906,300	0	8,670,300	0	0	8,670,300	5.7%
Student Fees	8,219,100	0	486,800	0	0	486,800	5.9%
Subtotal Tuition Revenue	173,038,900	0	10,164,500	0	0	10,164,500	5.9%
Fee Revenue							
Continuing Education Fees	2,725,200	0	343,500	0	0	343,500	12.6%
Distance Education Fees	4,924,300	0	355,800	0	0	355,800	7.2%
Special Program Fees	1,282,500	0	559,000	0	0	559,000	43.6%
Unit-based and Course Fees	2,759,100	0	7,500	0	0	7,500	0.3%
Miscellaneous Fees	2,356,300	0	802,500	0	0	802,500	34.1%
Subtotal Fee Revenue	14,047,400	0	2,068,300	0	0	2,068,300	14.7%
Total Tuition and Fee Revenue	187,086,300	0	12,232,800	0	0	12,232,800	6.5%
State Appropriation							
University Base	157,675,900	(7,345,900)	0	0	0	(7,345,900)	-4.7%
Hospital Quality Care and Charity Trust (QCCT)	20,246,500	(42,500)	0	0	0	(42,500)	-0.2%
Debt Service	7,500,600	(151,800)	0	0	0	(151,800)	-2.0%
Total State Appropriations	185,423,000	(7,540,200)	0	0	0	(7,540,200)	-4.1%
Other State Funds	1,068,900	0	0	0	0	0	0.0%
Total Appropriation, CPE and Other State Funds	186,491,900	(7,540,200)	0	0	0	(7,540,200)	-4.0%
Transfers from UofL Corporations	13,967,600	0	0	0	1,910,900	1,910,900	13.7%
Sales and Services of Educational Activities	583,500	0	0	235,500	0	235,500	40.4%
Organized Activities Related to Instruction	728,600	0	0	(7,100)	0	(7,100)	-1.0%
Other Non-Educational Revenue	7,615,500	0	0	247,900	4,997,200	5,245,100	68.9%
Hospital Related Revenue	14,266,200	0	0	0	0	0	0.0%
<b>Total Education &amp; General Revenue</b>	410,739,600	(7,540,200)	12,232,800	476,300	6,908,100	12,077,000	2.9%
<b>AUXILIARY ENTERPRISES REVENUE</b>							
Auxiliaries	4,812,700	0	0	133,700	0	133,700	2.8%
University Housing	7,357,000	0	0	(364,000)	0	(364,000)	-4.9%
Service Centers	1,769,900	0	0	(253,200)	0	(253,200)	-14.3%
<b>Total Auxiliary Enterprises Revenue</b>	13,939,600	0	0	(483,500)	0	(483,500)	-3.5%
<b>TOTAL GENERAL FUND REVENUE</b>	424,679,200	(7,540,200)	12,232,800	(7,200)	6,908,100	11,593,500	2.7%
UofL Corporations Revenue	510,000,000	0	0	0	0	0	0.0%
<b>TOTAL UNIVERSITY REVENUE</b>	934,679,200	(7,540,200)	12,232,800	(7,200)	6,908,100	11,593,500	1.2%

**GENERAL FUND  
EXPENDITURE  
BUDGET**



## **EXPENDITURE ASSUMPTIONS**

1. The proposed expenditure budget is based on total general funds available from a carefully-developed projection of revenue. Currently, the University of Louisville employs several methods of budgeting such as traditional “incremental” budgeting, program budgeting, formula budgeting and a few elements of Responsibility Center Budgeting (RCB).
2. In total the University’s “fixed costs” are scheduled to increase approximately \$11 million. Most of the increase is a result of increased utilities and costs of maintenance and operation (M&O) for new research facilities coming on-line during FY 2009-10. These increases in fixed-cost items are typically covered first from new discretionary dollars before other program considerations and strategic initiatives are funded.
3. Because of the extremely tight budget environment, this budget proposal includes no funds for faculty and staff salary increases. However, the budget does include funding for faculty promotions and staff reclassifications initiatives.
4. Health insurance is also a high-priority component of total employee compensation. The proposed budget includes funds to cover the projected increases in health insurance premium costs for the fiscal year. Costs for the University’s self-funded health insurance program are expected to remain constant from June through December of 2009; therefore, there was no premium increase in calendar year 2009. This budget assumes a 3% increase in employer paid premiums effective January 1, 2010. This increase may have to be adjusted once updated actuarial information is known.
5. The proposed budget includes other policy initiatives totaling approximately \$3.2 million. While funds available for such initiatives were limited, the Leadership Team applied those available funds toward initiatives that both directly benefit students and continue to make progress during the difficult fiscal environment.
6. During FY 2008-09 the University’s Human Resources function was reorganized from a department in Business Affairs to a separate Vice President for Human Resources entity. This budget reflects the new reorganized structure.

**EXPENDITURE HIGHLIGHTS**

1. The largest component of the University of Louisville's expenditure budget is faculty and staff compensation—salaries, wages, and fringe benefits. Combined, they comprise approximately 65% of the general fund budget. The President and his Leadership Team continue to place faculty and staff compensation high on the list of University strategic priorities. However, given the significant reduction in state appropriation for FY 2009-10 and the need to cap tuition rate increases at 5%, there are not enough discretionary funds to cover a cost-of-living salary adjustment for employees in FY 2009-10. Still, this budget proposal does include \$417,600 for the Faculty Promotion Fund and \$150,000 for the Staff Reclassification and Promotion Fund. These amounts are distributed to departments during the year on an "as needed" basis. The increases are slightly higher than in past years to ensure that these centrally-administered funds, coupled with matching unit funds, are sufficient to cover requested promotions and reclassifications during the fiscal year.
2. Based on discussions with Aon, (the University's Human Resources consulting firm) during the 2008-09 budget development cycle, health care costs were projected to moderate substantially for calendar year 2009. Because of this, employer paid health care premiums were budgeted to increase only 5% in 2009. Since premiums did not increase in reality, the lower projection allowed the University to capture \$671,100 in savings from the FY 2008-09 health insurance budget. The University's FY 2008-09 operating budget also included, as a reasonable precaution, a health insurance reserve fund of \$575,800 to cover unanticipated increases above the 5% projection. That reserve was not needed in FY 2008-09. The University applied the savings totaling \$1,246,900 to the FY 2009-10 budget.

Employee-paid health insurance premiums for calendar year 2009 are currently \$538 per month per employee, which pays the cost for single coverage on UofL's basic health plan. Employees may opt for other health care coverages but must pay the additional cost of the more expensive plans. The proposed budget includes an additional \$287,000 to cover a projected 3% premium increase for calendar year 2010. This brings the new rate to \$554 per month per employee, effective January 1, 2010. An additional \$16,000 is also included in the budget for a 3% increase in Graduate Assistant health insurance premiums.

3. Fixed costs are projected to increase substantially for FY 2009-10. In addition to the employee benefits discussed above, this budget includes approximately \$12 million for increases in other budgetary items that are classified as fixed costs. To provide for basic operating needs of a fixed nature, these increases routinely must come "off the top" of available general funds before other discretionary increases may be funded.

Changes in this category include:

- **Employer-paid Social Security Taxes**—\$356,900 to cover the projected increased cost of funding the taxes on a higher FICA salary maximum for the January–June 2010 time period.
- **Audit Fees**—Because the cost of the annual external financial audit by BKD, LLP is partially based on the increase in the University’s total budget, UofL’s audit fees are projected to increase slightly in FY 2009-10. The proposed budget includes an additional \$23,900 for this increase.
- **Employee Retirement Program**—When new employees are added to the University payroll and as more existing employees enroll in the University’s retirement program, the cost of this benefit increases. Included in this budget is \$297,600 to cover these projected increases.
- **Long-Term Disability and Unemployment Insurance**—Both are projected to increase slightly for FY 2009-10. An additional \$26,800 is budgeted to cover the increases in these premiums.
- **Worker’s Compensation**—This insurance premium is based on worker’s compensation classifications, historical claims experience and the insurance market. These three factors, applied to the University’s payroll, determine the cost. Due to an increase in worker’s compensation claims and market changes over the previous few years, this budget is projected to increase slightly, \$57,100 for FY 2009-10.
- **Insurance**—As the cost of general insurance for the University continues to rise, this proposed budget includes \$87,600 to fund premium increases.
- **Retiree Health Insurance**—UofL continues to provide health insurance benefits for its retirees until they are Medicare eligible at age 65. As more employees reach retirement age, this cost increases. Included in this proposed budget is \$148,300 to cover the projected increased cost associated with this benefit.
- **Bad Debt Expense**—In the current economic climate, some students are unable to pay their bills. Additionally, because of a change in University policy to not financially disenroll each semester those students who have not paid their bills, a larger number of current year bills go uncollected. This budget includes a \$100,000 increase to cover the incremental amount of Bad Debt Expense incurred by the University.
- **Higher One Student Refund Processing**—The University contracts with Higher One, a financial services company specializing in student refund payment services, to electronically process student refunds. At the request of students, the service provides additional options and more timely receipt of student refunds. Because

## EXPENDITURE HIGHLIGHTS

### 2009-10 Operating Budget



expenses of the service have been slightly higher than budget for the past two years, the FY 2009-10 budget is increased by \$15,000.

- **Debt Service**—In total, the University’s Debt Service payments are projected to increase approximately \$6,324,900 for FY 2009-10. Most of these changes, detailed below, are directly offset by revenue transferred from other UofL Corporations.

Series A General Receipts Bonds	6,462,425
Consol Educ Bldg Rev Bonds (Series M)	(100,337)
Consol Educ Bldg Rev Bonds (Series N)	112
Consol Educ Bldg Rev Bonds (Series O)	(30,813)
Consol Educ Bldg Rev Bonds (Series P)	(250)
Revenue Refunding Bonds (Series E)-Housing	(29,609)
Revenue Refunding Bonds (Series F)-Housing	23,381
Total Change in Debt Service	<u>6,324,909</u>

- **Utilities**—Based upon preliminary consultations with the various providers, utility budgets for existing University facilities are projected to increase approximately 5% for FY 2009-10. \$781,300 is included in this budget to cover the projected utilities cost increases. An additional \$1,169,000 is included in the budget to cover the FY 2007-08 shortfall in the utilities budget.
- **Maintenance and Operations**—Also included in the proposed budget is funding totaling \$2.5 million for Maintenance and Operations (M&O) costs associated both with new facilities that have recently come online and new facilities projected to open in FY 2009-10.
  - ◇ **The Center for Predictive Medicine/Bio Safety Lab III (Shelby Campus)** – This new federally-funded facility is scheduled to open for operation in the Summer of 2009. Included in the budget is \$316,500 to cover the incremental increase in M&O expenses for the remainder of its full-year operation. \$431,761 was included in FY 2008-09 to cover six months of operation.
  - ◇ **Clinical and Translational Research Building (Health Sciences Campus)** – Because of the specialized bio-medical research performed in this building, it is an extremely expensive facility to operate and maintain. Included in this proposed budget is \$2,001,600 for M&O on this building during FY 2009-10.
  - ◇ **School of Public Health and Information Sciences (Health Sciences Campus)** – The renovation of this facility, formerly the Home of the Innocents building, was completed in December 2008. The School of Public Health and

Information Sciences relocated to the building. Approximately \$208,000 is earmarked in this budget to provide M&O for the structure.

4. In addition to the aforementioned fixed costs, the Leadership Team approved a few mid-year budget adjustments that have recurring fiscal impact. These items total approximately \$863,200. Under the current leadership, budget adjustments with a permanent impact are held to a minimum.
5. Beyond the items mentioned above, this proposed budget includes an additional \$3.2 million for investment in initiatives that will help the University to make strides forward even during these difficult budget circumstances.

**Student Initiatives:** Actions focused on assisting students who wish to excel in the classroom and in life — learning, maturing and engaging. The initiatives are earmarked to assist in increasing graduation and retention rates, as well as the overall college campus experience, for students attending the University of Louisville.

**Financial Aid** — To aid in the recruitment and retention of quality students, this proposed budget designates an additional \$1.5 million for the student financial aid budget.

- Most of this amount offsets the projected 5% tuition rate increase and maintains undergraduate financial aid budgets at roughly the same relative program expenditure levels as in FY 2008-09. Ten financial aid programs fall within this category and will receive a total of \$1.06 million.
- All other unit-based general funds financial aid budgets will remain budgeted at the July 1, 2008 level. Units with unused endowed financial aid funds are expected to spend the endowment funds first and then, if required, request general funds through the Provost.
- An additional \$250,000 is added to the “Cardinal Covenant Program” budget. This allocation will cover the costs associated with the third year. This innovative program was implemented in FY 2007-08 to make college affordable and attainable for a number of Kentucky families living at or below 150% of the federal poverty level. UofL was the first public university in Kentucky to implement a covenant, or promise, program. It essentially fills the gap between federal, state, and other need-based financial aid programs so that students falling into this category will graduate from UofL “debt free.” The \$250,000 provides continued funding and enhancements

## EXPENDITURE HIGHLIGHTS

### 2009-10 Operating Budget



for awards to students enrolled in FY 2008-09 and extends the covenant program to new students in FY 2009-10. The total amount budgeted for the Cardinal Covenant Program is now over \$1.5 million.

- For FY 2009-10, the Leadership Team added another \$200,000 for need-based financial aid to the budget. These funds are intended primarily for continuing students, who have a financial need, when their aid packages are not sufficient to cover tuition rate increases and other costs. The Financial Aid Office will administer these funds to financially needy students. The FY 2009-10 budget for need-based aid will total over \$1.9 million.
- The University is also increasing the amount needed for federal financial aid matching funds. An additional \$24,100 is budgeted in FY 2009-10. Matching funds allow the University to leverage its financial aid program by drawing upon additional aid dollars available at the federal government level.

**Quality Enhancement Plan (QEP)** — Every institution applying for accreditation by the Southern Association of Colleges and Schools (SACS) is required to develop a Quality Enhancement Plan to improve the quality of student learning. UofL's QEP, *Ideas to Action: Using Critical Thinking to Foster Student Learning and Community Engagement*, is designed to improve the critical thinking skills of UofL undergraduate students. To ensure adequate program funding, over \$112,600 is allocated for the QEP in FY 2009-10. These funds, in addition to the \$260,000 allocated for FY 2008-09, will be used for implementation and assessment of the plan, new personnel costs, faculty development and incentive programs, and the establishment of culminating experiences.

**Ekstrom Library 24-Hour Operation** — At the request of the Student Government Association, the University made a portion of the new Ekstrom Library expansion available for student use on a twenty-four hour basis. The costs also involved some one-time expenses associated with the physical layout of the facility and locks to secure the remainder of the Library during its non-operational hours. Included in this budget is the permanent allocation of funds totaling \$75,500 for additional security personnel on a twenty-four basis.

**Informacast Expanded Notification System** — The notification system is used to inform students, faculty and staff of impending hazardous weather or emergency situations that are happening on or around the campuses. As a continuing step in expanding the Informacast Emergency Notification System, funds were allocated from the University's FY 2007-08 year-end surplus to install phones in campus classrooms, where cell phones are typically turned off. In addition to the one time expenses of

installing the phones, there is also a continuing annual support cost of \$28,000. The expansion of the system should significantly improve how quickly students and faculty in classrooms are informed of critical situations.

**Army and Air Force ROTC Stipends** — The University supports the community, state, and nation by hosting Army and Air Force Reserve Officer Training Corps (ROTC) leadership programs on campus. These programs provide military leadership instruction and training for students who are pursuing college educations at the same time they are committing to serve in the military at the state or federal level. The federal government provides tuition scholarships to selected high-potential students participating in these ROTC programs. This budget provides \$150,000 in University stipends to help offset the cost of housing and meals for recipients of national ROTC scholarships. The University stipend is a recruiting tool, intended to help attract to UofL the ROTC scholarship recipients who may apply their scholarships at any of over 300 universities across the country. The \$150,000 is the first-year increment of a planned three-year allocation.

**Additional Campus Police Officers** — To expand the capability of providing timely and accessible security for students across campus, \$157,700 is budgeted for the hiring of three additional police officers. The expanded staffing will allow greater flexibility in responding to security needs, especially during evening hours, as well as reducing the more expensive over-time costs to achieve a similar level of coverage.

**Research Initiatives:** Actions focused on providing energy and resources to enhance faculty scholarship and research in the quest to become a nationally-recognized premier metropolitan research institution.

**Center for Predictive Medicine/Bio Safety Lab** — A Level 3 Regional Bio Safety Lab, one of 13 such labs being built throughout the United States, is scheduled to be opened for operation in the Summer of 2009 on a 4.2-acre site at the northeast corner of UofL's 240-acre Shelby Campus. Funding for the lab's construction costs was provided by the National Institutes of Health's National Institute of Allergy and Infectious Diseases. The lab will house UofL's Center for Predictive Medicine, a combination of researchers and technicians who will work to develop vaccines and other countermeasures to detect, prevent and treat emerging infectious diseases and prepare for bio-warfare attacks or natural epidemics. This budget contains \$474,600 as the second year of operational funding for the lab's Scientific Director, research faculty,

## EXPENDITURE HIGHLIGHTS

2009-10 Operating Budget



supporting software and research technicians, facility operations and maintenance personnel, and 24-hour security. Subsequent funding, projected in a three year start-up plan, will be requested in the FY 2010-11 budget year.

**Audit Services** — As the university’s research enterprise continues to grow and with continuing emphasis on compliance with federal and state regulations and reducing potential risk exposure, the University’s internal audit function takes on greater visibility and importance. This budget provides \$138,800 for the salary and fringe benefits of two additional staff auditor positions in University Audit Services. The additional staff in this operation should provide the resources required to perform more in-depth internal audits.

**Faculty and Staff Initiatives:** Actions focused to improve the effectiveness and good stewardship of University programs and services.

**Faculty Promotion Fund** — This budget proposal includes \$417,600 for the Faculty Promotion Fund. Because academic rank and tenure decisions are based on performance factors independent of unit budgets, this central pool funds salary increases for faculty who receive academic promotions during the year. The increase is slightly higher than in past years to ensure that funds are sufficient to cover all approved promotions.

**Staff Promotion and Reclassification Fund** — This budget proposal includes \$150,000 for the Staff Reclassification and Promotion Fund. This amount is parceled out to departments during the year “as needed” on a matching basis. As a result of expanded duties in a position, promotion to a higher level of duties, or an administrative determination that duties are incorrectly classified, positions may be upgraded to a higher pay grade. This central fund assists units in funding such equity reclassifications and promotions. The budget increases are slightly higher than in past years to ensure that these funds are sufficient to cover requested personnel actions during the fiscal year.

Investment in Policy Initiatives	
Description	Amount
<b>Student Initiatives</b>	
Financial Aid Programs	
- Cardinal Covenant Program (3 <sup>rd</sup> year)	250,000
- Additional Need-based Aid	200,000
- Financial Aid Escalator @ 5% (central scholarships only)	1,084,058
Ideas to Action (QEP)	112,625
Library - 24 Hour Operation	75,537
Informacast - (Notification System in Classrooms)	28,000
Army and Air Force ROTC Stipends - 1st of 3 years	150,000
Additional Campus Police Officers (3)	157,735
<b>Total Student Initiatives</b>	<b>2,057,955</b>
<b>Faculty &amp; Staff Initiatives</b>	
Salary and Wage Increases	
- Faculty and Staff Salary Adjustment Pool @ 0%	0
- Faculty Promotions	417,628
- Staff Reclassification / Promotion Fund	150,000
<b>Total Faculty &amp; Staff Initiatives</b>	<b>567,628</b>
<b>Research Initiatives</b>	
Bio Safety Lab / Center for Predictive Medicine	474,594
Audit Services - Additional Auditor Positions	138,780
<b>Total Research Initiatives</b>	<b>613,374</b>
<b>Total Policy Initiatives</b>	<b>3,238,957</b>

6. Because of the significant reduction in the University's state appropriation, this budget also includes unit-based budget reductions as a one-time bridging strategy and a University-wide revenue enhancement totaling approximately \$6.6 million. For more complete details on the University's overall budget reduction strategies for the FY 2009-10 operating budget, please refer to the **Budget Reduction One-Time Bridging Strategy** in a later section of this document.
  
7. The proposed expenditure budget is increased by approximately \$3.9 million for items **directly offset by revenue**. Programs included in this category have a one-to-one relationship between a specific revenue item and its corresponding expenditure budget.

## EXPENDITURE HIGHLIGHTS

### 2009-10 Operating Budget



Included in this category are:

- The School of Public Health and Information Sciences will receive an additional \$375,000 budget allocation to support its instructional and operational functions. New incremental tuition revenue generated by additional enrollment in the School's programs will support this expense allocation. As enrollment in the M.P.H. program has continued to increase, the School's tuition revenue has grown proportionately.
- The School of Dentistry will receive an additional \$250,000 budget allocation to support its modernization of the School's clinic teaching facilities and expand the capacity for instruction by 40 additional students. This increase is funded by a like increase in professional dental tuition revenue. The School has, for the past several years, raised its non-resident professional dentistry tuition rate above the budgeted rate and annually escrowed the incremental funds received. This year an additional \$250,000 is added to the expense budget to permanently reflect that action for the duration of the 20-year bond indenture term.
- The Speech Pathology program in the School of Medicine is focused on increasing its intake of graduate students to ten each year. To provide the instructional support needed for this program, the Graduate Medicine tuition revenue was increased \$215,000 based on the revenue to be generated by those new students. The program's expense budget for faculty salaries and operating expenses is raised by a like amount.
- Similarly, the School of Nursing has experienced continued high enrollment, especially in the pre-nursing program. The tuition revenue for the School was over-realized almost \$1 million during FY 2008-09. Accordingly, \$300,000 of this increase is permanently added to the School's tuition revenue budget for FY 2009-10 and the same amount is added to the expense budget to support instructional salaries and operating expenses.
- The Kent School of Social Work began a Bachelor of Social Work (BSW) degree program in FY 2007-08. The FY 2008-09 proposed budget included \$105,000 in additional tuition revenue and expense budgets. For FY 2009-10, an additional \$131,400 is expected to be generated by new students enrolling in this program, and a like amount is budgeted in the School for instructional expenses associated with expanding this program.
- The School of Medicine's Ph.D. Program in Audiology developed a four-year plan to increase its enrollment by 20 new students. As the enrollment increases, the program will receive 75% of the incremental tuition revenue and the University will benefit from the other 25%. For FY 2009-10, \$29,900 was added to the program's expense budget to support faculty salaries. The same amount was added to the Graduate Medical tuition revenue under the terms of this agreement.

- In an effort to reach out to the community in its “citizen university” role, UofL implemented a Workforce Completer Degree during FY 2007-08. The program is designed for persons in the workforce who have previously accumulated a number of college credits but, for a variety of reasons, did not continue to graduation. The College of Education and Human Development assesses the previous academic accomplishments and the work experience of interested individuals to develop a realistic and attainable plan to complete their degrees. Tuition revenue of \$357,400 is budgeted for this program; and 80% of the revenue, or \$286,100, is budgeted for the associated administrative expenses.
- The budget for the Campus Health Services is projected to increase \$486,800 in FY 2009-10. As the health services program for the University has expanded over the past couple of years, the budget is being adjusted to more accurately align the revenue and expenses of this key activity.
- Overall, Continuing and Distance Education programs show a proposed net increase of approximately \$820,700. Most of this increase is a direct result of the demand for increased Distance Education and Professional Development offerings by the Delphi Center for Teaching and Learning.
- The category of Special Programs is projected to increase \$542,600 for FY 2009-10. Three new academic programs account for the majority of this increase. The J.B. Speed School of Engineering is offering an Industrial Engineering Ph.D. program in Germany (\$270,000), and the College of Business is initiating a German MBA program (\$175,000). Additionally, the College of Education and Human Development has re-focused its Ed.D. Practitioner Doctorate program (\$95,400) and increased enrollment in coordination with the Jefferson County Public School System and the Ohio Valley Educational Center. Several other smaller changes in various programs round out this category.
- Unit and course-based fee budgets are projected to increase \$7,500. The Dental Instrument Rental expense budget is increased \$171,000 to include additional salaries and operating expenses to the program. The Public Health Student Technology Fee budget is decreasing \$18,500; the School is implementing a requirement for students to have laptops with minimum required software specifications which were previously provided as part of this fee. The fee is being reduced from \$375 to \$100 per semester and will provide student access to specialized software in the School’s computer lab and make loaner laptops available when personal computers need maintenance. Finally, the MBA Program Fee is being eliminated with the College’s transition to its new fixed-price MBA cohort programs.
- The budgets for the Miscellaneous Fees category will increase slightly by \$9,000.

## EXPENDITURE HIGHLIGHTS

### 2009-10 Operating Budget



The Microscope Rental expense budget will decrease by \$10,000 based on an administrative adjustment to the program budget; the actual expense budget will remain at the \$12,100 level which has existed for several years. The Student Orientation program budget will increase \$19,000 to accommodate a larger number of expected participants.

- In aggregate, program budgets in the Sales and Services of Educational Activities will increase \$53,100. International Service Learning will expand to include a second trip to Belize-Gales Point in December and adding a trip to Asia in January. The expense budget will increase by \$93,600. University Career Services budget will increase \$51,000. This revamped service has been in operation for almost a year and is expanding its operations to serve students, alumni, faculty, advisors, and employers. A \$66,500 decrease in Disabled Student Services results from the graduation of two students who have used the services. Small decreases in the budgets of two other programs round out this area.
- The category of Organized Activities Related to Instruction will experience an overall budget reduction of \$7,100. This is from small budget changes in the Brandeis Law Journal, Theatre Arts Projects, and the 20th Century Literature Conference.
- Expense budgets offset by other non-educational revenue will increase approximately \$142,900. This change results from revisions to a number of “program budgets” across the University. The Health Education Program will increase \$240,000 and represents the largest change in the category. This new program budget in the Campus Health Services Office is being staffed to offer health education and promotion services to the student population. The Student Government Association program budget is increasing \$39,800 to offer selected new programming activities throughout the year. Changes in the Delphi Center’s administrative operating budget rounds out this area.
- State funding for the Quality and Charity Care Trust (QCCT) will decrease \$42,500 in FY 2009-10. This is the amount projected in the Commonwealth’s 2008-10 Biennial Budget; however, the actual amount will be determined later in the year based on a specified formula for this unique medical services arrangement between the state, the City of Louisville and UofL.
- A number of other small adjustments to various programs round out this category of Expenditure Changes Offset by Specific Revenue.

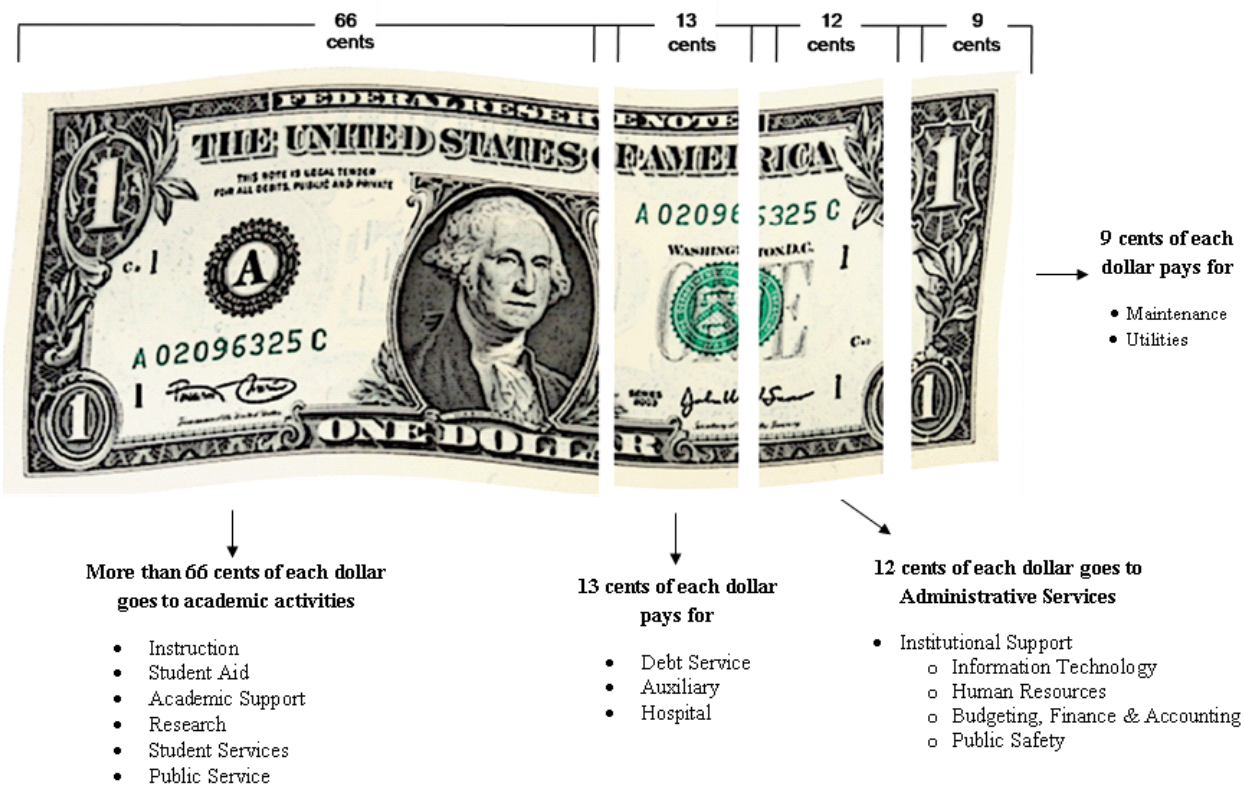
9. The expenditure budget for the University's **Auxiliary Enterprises** decreased approximately \$300,300 for FY 2009-10. Changes in this category include:
- **University Parking's** budget is projected to increase approximately \$58,500.
  - **The iTech Xpress Store** began operations last year as a new auxiliary enterprise located in the Miller Information Technology Center. Students, faculty and staff can purchase computer hardware and software through University vendors with the educational discount applied. The budget will increase \$136,000 for FY 2009-10 primarily based on anticipated additional sales of tablet PCs to Speed School students.
  - Smaller changes to the University's food service contract, bookstore operations, and the School of Justice Administration's Shelby Campus dormitory complete this category.
10. The **Student Housing** budget is projected to decrease about \$274,300 for FY 2009-10. The decrease in expense budget is primarily a result of student occupancy shifting from University dormitories to new residential communities, built on a contractual basis, contiguous to the Belknap campus.
11. The expenditure budgets for the University's **Service Centers** are 100% self-supporting and function as stand-alone business enterprises. That is, their respective expenditure budgets are based entirely on internal charges to other University departments for services rendered or externally-produced service income. In total, these budgets will decrease approximately \$253,200 for FY 2009-10. Most of this decrease (\$211,300) is accounted for in Communications Services where the budget is being more closely aligned with FY 2008-09 performance. Several other service center budgets are being adjusted by smaller amounts based on revised projections of expected demand.

# EXPENDITURE HIGHLIGHTS

## 2009-10 Operating Budget



The following graphic shows how the projected expense budget supports the operation of the University.



**Summary of Changes in Budgeted Expenditures  
Fiscal Year 2009-10**

2008-09 Original Budget	Administrative Reorganization	Revised Budget	New Funds	Significant Transfers	Offset by Revenue	Fixed Costs	One-time Bridging Strategy	2009-10 Central Strategies	Policy Initiatives	Changes in Fringe Benefits	2009-10 Proposed Budget	Proposed Change from Revised	Percent Change
<b>Academic Units</b>													
Academic Support Programs	0	3,944,111	0	(859,044)	(10,000)	0	0	0	311,284	(191,260)	3,195,091	(749,020)	-19.0%
Arts and Sciences	0	51,290,776	0	367,862	(1,000)	0	(1,030,300)	0	0	293,172	50,921,410	(369,366)	-0.7%
Business	0	16,762,225	0	4,709	33,000	0	(324,600)	0	0	39,634	16,514,968	(247,257)	-1.5%
Dentistry	0	15,788,065	0	66,537	611,600	0	(282,600)	0	0	(26,142)	16,157,460	369,395	2.3%
Education & Human Dev.	0	14,043,711	0	122,658	540,211	0	(279,600)	0	0	(191,321)	14,407,848	364,137	2.6%
Graduate School	0	3,901,303	0	(49,671)	0	0	(80,100)	0	0	(12,013)	3,759,519	(141,784)	-3.6%
Kent School of Social Work	0	3,465,275	26,411	19,000	102,227	0	(71,500)	0	0	54,201	3,595,614	130,339	3.8%
Brandeis School of Law	0	5,601,297	77,821	98,739	(17,000)	0	(167,700)	0	0	(3,900)	5,589,257	(12,040)	-0.2%
Libraries	17,600,866	0	17,600,866	12,434	(43,291)	0	(311,500)	0	0	(105,847)	17,152,662	(448,204)	-2.5%
Medicine	48,850,873	(895,463)	47,955,410	864	(223,224)	218,374	(817,200)	0	49,925	(51,233)	47,132,916	(822,494)	-1.7%
Metropolitan College (UofL)	334,321	0	334,321	(59,534)	0	0	(5,500)	0	0	(5,173)	264,114	(70,207)	-21.0%
Music	5,425,358	0	5,425,358	72,000	27,660	0	(107,000)	0	0	(13,055)	5,421,236	(4,122)	-0.1%
Nursing	4,394,495	0	4,394,495	104,296	233,462	0	(88,100)	0	0	80,849	4,725,002	330,507	7.5%
Other Academic Programs	5,014,140	0	5,014,140	(134,075)	621,700	0	0	0	112,625	2,452	5,616,842	602,702	12.0%
Public Health	4,145,955	0	4,145,955	53,828	(19,122)	259,107	(70,900)	0	0	96,918	4,465,786	319,831	7.7%
J. B. Speed School	17,926,774	0	17,926,774	337,620	270,000	0	(361,800)	0	0	100,505	18,273,099	346,325	1.9%
Undergraduate Affairs	4,127,021	0	4,127,021	(40,216)	8,443	0	(84,400)	0	0	(11,796)	3,999,052	(127,969)	-3.1%
<b>Total Academic Units</b>	<b>(895,463)</b>	<b>221,721,103</b>	<b>187,631</b>	<b>(234,756)</b>	<b>2,898,684</b>	<b>0</b>	<b>(4,082,800)</b>	<b>0</b>	<b>473,834</b>	<b>228,180</b>	<b>221,191,876</b>	<b>(529,227)</b>	<b>-0.2%</b>
<b>Support Units</b>													
General Institutional Expenses	0	4,605,633	434,000	9,873	0	211,450	0	(750,000)	0	9,282	4,520,238	(85,395)	-1.9%
E. V. P. Health Affairs	6,466,069	895,463	7,361,532	773,576	726,800	0	(25,500)	0	70,900	63,149	8,970,457	1,608,925	21.9%
<b>Institutional Support:</b>													
President	0	1,184,448	0	6,542	0	0	(26,300)	0	0	(3,688)	1,161,002	(23,446)	-2.0%
Provost	4,905,211	0	4,905,211	3,700	(3,700)	0	(160,800)	0	0	(16,142)	5,097,712	192,501	3.9%
V.P. Business Affairs	9,842,718	(2,164,797)	7,677,921	282,541	13,100	0	(629,900)	0	258,703	(533,579)	7,068,786	(609,135)	-7.9%
V.P. Info Technology	10,127,430	0	10,127,430	897,241	0	0	(223,300)	0	28,000	93,478	10,922,849	795,419	7.9%
V.P. Advancement	2,640,368	0	2,640,368	15,420	0	0	(52,300)	0	0	(245)	2,603,243	(37,125)	-1.4%
V.P. Community Engagement	757,078	0	757,078	0	0	0	(15,800)	0	0	7,328	748,606	(8,472)	-1.1%
V.P. Finance	5,239,680	0	5,239,680	4,979	0	15,000	(108,300)	0	108,000	(4,497)	5,274,862	35,182	0.7%
V.P. Human Resources	0	2,164,797	2,164,797	60,000	0	0	(54,200)	0	0	571,527	2,742,124	577,327	26.7%
Physical Plant	35,478,406	0	35,478,406	(70,465)	0	4,476,386	0	0	0	(27,509)	39,856,818	4,378,412	12.3%
E. V. P. Research	10,803,326	0	10,803,326	(973,475)	0	0	(224,900)	0	188,648	(110,414)	9,703,185	(1,100,141)	-10.2%
Reserves	10,845,245	0	10,845,245	(362,686)	0	0	0	0	116,732	117,522	10,716,813	(128,432)	-1.2%
Student Affairs	5,081,074	0	5,081,074	(4,668)	73,100	0	(93,800)	0	0	(14,195)	5,041,511	(39,563)	-0.8%
Student Financial Aid	39,959,935	0	39,959,935	(295,268)	0	0	(39,800)	0	1,684,058	0	41,308,925	1,348,990	3.4%
Student Government Assoc	436,200	0	436,200	0	39,800	0	0	0	0	(196)	475,804	39,604	9.1%
Enrollment Management	5,953,833	0	5,953,833	(185,524)	19,000	0	(111,500)	0	0	(75,226)	5,600,583	(353,250)	-5.9%
Debt Service/Transfers	15,798,197	0	15,798,197	0	0	6,324,909	0	0	0	0	22,123,106	6,324,909	40.0%
<b>Total Support Units</b>	<b>895,463</b>	<b>171,020,314</b>	<b>534,000</b>	<b>471,229</b>	<b>868,100</b>	<b>11,027,745</b>	<b>(1,766,400)</b>	<b>(750,000)</b>	<b>2,455,041</b>	<b>76,595</b>	<b>183,936,624</b>	<b>12,916,310</b>	<b>7.6%</b>
<b>Auxiliary Enterprises</b>													
Auxiliary Enterprises	0	3,396,600	0	0	(270,666)	0	0	0	0	(29,634)	3,096,300	(300,300)	-8.8%
Service Centers	1,245,900	0	1,245,900	0	(73,938)	0	0	0	0	(179,262)	992,700	(253,200)	-20.3%
University Housing	6,125,483	0	6,125,483	(3,265,538)	0	0	0	0	0	52,275	5,851,200	(274,283)	-4.5%
<b>Total Auxiliary Enterprises</b>	<b>0</b>	<b>10,767,983</b>	<b>0</b>	<b>0</b>	<b>(671,162)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(156,621)</b>	<b>9,940,200</b>	<b>(827,783)</b>	<b>-7.7%</b>
University Hospital Allocation	21,169,800	0	21,169,800	76,700	0	(42,500)	0	0	0	0	21,204,000	34,200	0.2%
<b>Total General Funds</b>	<b>424,679,200</b>	<b>0</b>	<b>424,679,200</b>	<b>798,331</b>	<b>3,095,622</b>	<b>10,985,245</b>	<b>(5,849,200)</b>	<b>(750,000)</b>	<b>2,928,875</b>	<b>148,154</b>	<b>436,272,700</b>	<b>11,593,500</b>	<b>2.7%</b>
UofL Corporations	510,000,000	0	510,000,000	0	0	0	0	0	0	0	510,000,000	0	0.0%
<b>TOTAL UNIVERSITY</b>	<b>934,679,200</b>	<b>0</b>	<b>934,679,200</b>	<b>798,331</b>	<b>3,095,622</b>	<b>10,985,245</b>	<b>(5,849,200)</b>	<b>(750,000)</b>	<b>2,928,875</b>	<b>148,154</b>	<b>946,272,700</b>	<b>11,593,500</b>	<b>1.2%</b>

**SUMMARY OF  
CHANGES IN  
REVENUE AND  
EXPENDITURES**



**Average Annualized Three Year Percent Change in General Funds**

	2008-09 Revised Budget	Recommended Changes	2009-10 Proposed Budget	Percent Change	Average 3-Year Percentage Change
<b>REVENUE BUDGET</b>					
State Appropriation and Other State Funds	186,491,900	(7,540,200)	178,951,700	-4.03%	-3.83%
Tuition and Fees	187,086,300	12,232,800	199,319,100	6.56%	8.20%
Other Revenue	51,101,000	6,900,900	58,001,900	13.50%	4.33%
<b>TOTAL REVENUE</b>	<b>424,679,200</b>	<b>11,593,500</b>	<b>436,272,700</b>	<b>2.73%</b>	<b>2.23%</b>
<b>EXPENDITURES</b>					
<b>Academic Units</b>					
Academic Support Programs	4,045,910	(748,019)	3,297,891	-18.49%	-6.82%
Arts and Sciences	51,290,776	(369,366)	50,921,410	-0.72%	0.36%
Business	16,762,225	(247,257)	16,514,968	-1.48%	-0.55%
Dentistry	15,830,065	369,395	16,199,460	2.33%	1.78%
Education & Human Development	14,043,711	364,137	14,407,848	2.59%	1.67%
Graduate School	3,901,303	(141,784)	3,759,519	-3.63%	3.31%
Kent School of Social Work	3,465,275	130,339	3,595,614	3.76%	2.76%
Brandeis School of Law	5,601,297	(12,040)	5,589,257	-0.21%	-1.17%
Libraries	17,600,866	(523,204)	17,077,662	-2.97%	-1.42%
Medicine	50,505,410	(72,494)	50,432,916	-0.14%	-6.07%
Metropolitan College	334,321	(70,207)	264,114	-21.00%	-53.96%
Music	5,425,358	(4,122)	5,421,236	-0.08%	0.27%
Nursing	4,394,495	330,507	4,725,002	7.52%	4.19%
Other Academic Programs	5,014,140	602,702	5,616,842	12.02%	16.66%
Public Health	4,145,955	319,831	4,465,786	7.71%	12.99%
J. B. Speed School	17,926,774	346,325	18,273,099	1.93%	1.10%
Undergraduate Affairs	4,127,021	(127,969)	3,999,052	-3.10%	1.31%
<b>Total Academic Units</b>	<b>224,414,902</b>	<b>146,774</b>	<b>224,561,676</b>	<b>0.07%</b>	<b>-1.19%</b>
<b>Executive Officers and Service Units</b>					
E. V. P. Health Affairs	7,361,532	1,608,925	8,970,457	21.86%	N/A
President	1,235,948	(23,446)	1,212,502	-1.90%	-0.80%
Provost	4,948,811	209,701	5,158,512	4.24%	-4.80%
V.P. Business Affairs	8,497,508	(5,162)	8,492,346	-0.06%	-10.09%
V.P. Info Technology	10,242,330	795,419	11,037,749	7.77%	5.36%
V.P. Advancement	2,678,640	(37,397)	2,641,243	-1.40%	-0.11%
V.P. Community Engagement	757,078	(8,472)	748,606	-1.12%	0.19%
V.P. Finance	5,414,680	35,182	5,449,862	0.65%	0.78%
V.P. Human Resources	2,164,797	768,827	2,933,624	35.51%	N/A
Physical Plant	25,689,965	2,428,080	28,118,045	9.45%	7.44%
E. V. P. Research	10,803,326	(1,100,141)	9,703,185	-10.18%	3.27%
Reserves	10,845,246	(128,433)	10,716,813	-1.18%	7.21%
Student Affairs	5,096,074	(39,563)	5,056,511	-0.78%	-0.72%
Student Government Association	436,200	39,604	475,804	9.08%	4.54%
Enrollment Management	5,953,833	(353,250)	5,600,583	-5.93%	1.33%
Debt Service/Transfers	15,798,197	6,324,909	22,123,106	40.04%	21.91%
Auxiliary Enterprises	3,617,800	(160,400)	3,457,400	-4.43%	21.50%
Service Centers	17,199,397	(1,111,787)	16,087,610	-6.46%	-6.67%
University Housing	6,125,483	(274,283)	5,851,200	-4.48%	2.75%
University Hospital Allocation	21,169,800	34,200	21,204,000	0.16%	2.60%
<b>Total Executive Officers and Service Units</b>	<b>166,036,645</b>	<b>9,002,513</b>	<b>175,039,158</b>	<b>5.42%</b>	<b>7.50%</b>
<b>University Items</b>					
General Institutional Expenses	4,139,385	143,055	4,282,440	3.46%	-6.37%
Student Financial Aid	39,959,935	1,348,990	41,308,925	3.38%	0.60%
Utilities	15,626,236	1,950,332	17,576,568	12.48%	10.22%
Insurance	1,395,000	87,550	1,482,550	6.28%	5.19%
Legal and Professional Fees	215,561	0	215,561	0.00%	0.00%
Departmental Credits	(27,108,464)	(1,085,714)	(28,194,178)	4.01%	2.85%
<b>Total University Items</b>	<b>34,227,653</b>	<b>2,444,213</b>	<b>36,671,866</b>	<b>7.14%</b>	<b>1.20%</b>
<b>TOTAL EXPENDITURES</b>	<b>424,679,200</b>	<b>11,593,500</b>	<b>436,272,700</b>	<b>2.73%</b>	<b>2.23%</b>

**SUMMARY OF BUDGET CHANGES**  
**2009-10 Operating Budget**



**Summary of Changes in Revenue and Expenditures**

**I. Educational and General Revenue Budget**

<b>A. 2008-09 E&amp;G Revenue Base Budget</b>		410,739,600
<b>B. 2009-10 Adjustments to State Appropriation</b>		
- Base Adjustments:		
FY09 Budget Reduction @ 2.0% - To Be Made Permanent	(3,153,500)	
Additional State Budget Reduction @ 2.7% - Expected	(4,192,400)	
Hospital Contract - QCCT Escalator	(42,500)	
E&G Debt Service Adjustment	(151,800)	
Sub-Total Base Adjustments	<u>(7,540,200)</u>	
Total Adjustments to State Appropriation		(7,540,200)
<b>C. Adjustments to Tuition and Fee Revenue</b>		
- Tuition:		
Projected Tuition Rate Increase (on budgeted enrollment):		
Summer Base (9% FY09 Rate Increase)	1,007,400	
Regular (Fall & Spring) Base (5% FY10 Rate Increase)	<u>6,768,500</u>	
		7,775,900
Bundled Components of Tuition:		
Campus Health Services	<u>486,800</u>	
		486,800
Unit Tuition Adjustments		
Regularize Approved Tuition Budget Adjustments	925,000	
Speech Pathology Program	215,000	
Additional Non-resident Medicine Professional Students	243,100	
Additional Audiology Students	29,903	
Kent BSW Program Enrollment	131,362	
Workforce Completer Degree Program	<u>357,400</u>	
		1,901,765
Sub-Total Adjustments to Tuition		10,164,465
- Fee Revenue:		
Continuing Education Fees	343,500	
Distance Education Fees	355,800	
Special Program Fees	559,000	
Unit and Course Based Fees	7,500	
Miscellaneous Fees	<u>802,471</u>	
Total Adjustments to Fee Revenue		2,068,271
Total Adjustments to Tuition and Fee Revenue		12,232,736
<b>D. Adjustments to Transfers from Affiliated Corporations</b>		
- UofL Athletic Association, Inc.	(28,615)	
- UofL Research Foundation, Inc.	<u>1,939,472</u>	
Total Adjustments to Transfers from Affiliated Corporations		1,910,900
<b>E. Adjustments to Sales and Services of Educational Activities</b>		235,500
<b>F. Adjustments to Revenue from Organized Activities Related to Instruction</b>		(7,100)
<b>G. Adjustments to Other Non-Educational Revenue</b>		
- Debt Service from Dental School for Renovation	2,905,921	
- Debt Service from Program Budgets	2,263,096	
- Faculty Office Building Rent	112,000	
- Miscellaneous Revenue	(50,000)	
- Interest Subsidy Grant Revenue	(35,400)	
- Unclaimed Property Revenue	35,000	
- International Service Learning - technical move to Sales and Services	(89,400)	
- Music Non-Credit Dance Program - technical move to Sales and Services	(120,000)	
- Belknap Library Services - technical move to Sales and Services	(3,000)	
- Photographic Archives - technical move to Sales and Services	(21,000)	
- Program Budgets	<u>247,900</u>	
Total Adjustments to Other Non-Education Revenue		5,245,117
<b>Total Projected Educational &amp; General Revenue</b>		<u><u>422,816,600</u></u>

**Summary of Changes in Revenue and Expenditures (cont.)**

**II. Auxiliary Enterprises, Service Centers, and Housing Revenue Budgets**

A. Auxiliary Enterprises Base Budget		4,812,700
- Food Service Contract	(60,800)	
- Bookstore Operations	50,000	
- SJA Dormitory	(50,000)	
- University Parking	58,500	
- iTech Express	136,000	
- Other Adjustments to Auxiliary Enterprise Budgets	0	133,700
<b>Subtotal Auxiliary Enterprises</b>		<b>4,946,400</b>
B. Service Centers Base Budget		1,769,900
- Bioengineering Lab	(22,800)	
- Nuclear Magnetic Resonance Facility Maintenance	5,000	
- Dahlem Supercomputer Lab	(11,200)	
- Communications Services	(211,300)	
- Contract Instructional Support	(85,000)	
- Contract Tech Support Services	100,000	
- Design and Print Services	60,000	
- Institute for Advanced Materials and Renewable Energy	5,000	
- HSC Library Services	(17,500)	
- Central Stores Stockroom	30,400	
- Mass Spectrometry	(105,800)	
- Other Adjustments to Service Center Budgets	0	(253,200)
<b>Subtotal Service Centers</b>		<b>1,516,700</b>
C. Student Housing Base Budget		7,357,000
- Johnny Unitas Tower	65,200	
- Miller Hall	68,300	
- University Tower	(77,400)	
- Stevenson Hall	(705,500)	
- Threlkeld Hall	40,800	
- Med/Dent Apts and Dorms	36,700	
- The Complex	66,300	
- Louisville Hall	28,600	
- Housing Administration	113,000	
- Other Adjustments to Housing Budget	0	(364,000)
<b>Subtotal Student Housing</b>		<b>6,993,000</b>
<b>Total University Revenue</b>		<b>436,272,700</b>

**SUMMARY OF BUDGET CHANGES**  
**2009-10 Operating Budget**



**Summary of Changes in Revenue and Expenditures (cont.)**

**I. Educational and General Expenditure Budget**

<b>A. 2008-09 Expenditure Base Budget</b>		413,911,217
<b>B. Fixed Costs:</b>		
- Personal Services, Fringe Benefits		
Health Insurance Savings, June-December 2009	(1,246,881)	
Health Insurance Increase @ 3%, January-June 2010	286,962	
Health Insurance Increase for Graduate Assistants	15,986	
Employer Contribution for Increase FICA Maximum	356,913	
Long Term Disability Insurance	19,188	
Worker's Compensation Insurance	57,079	
Unemployment Insurance	7,641	
Employer's Retirement Contribution	297,571	
Retired Employee Health Insurance	148,300	
Total Adjustments to Personal Services	<u>(57,241)</u>	
- Current Expenses		
Insurance	87,550	
Audit Fees	23,900	
Bad Debt Expense	100,000	
Higher One Student Refund Processing Fee	15,000	
Total Adjustments to Current Expenses	<u>226,450</u>	
- Physical Facilities		
Utility budgets increase (estimated at a 5% average)	781,312	
Previous Year Utilities Deficit	1,169,020	
Maintenance & Operations Costs for New Facilities	2,526,054	
Change in Debt Service Requirements	6,324,909	
Total Adjustments to Physical Facilities	<u>10,801,295</u>	
Total Adjustments to Fixed Costs		10,970,500
<b>C. Other Expenditures:</b>		
- FY09 Budget Revisions with Permanent (C.A.R.) Effect	863,218	
Total Adjustments to Other Expenditures	<u>863,218</u>	863,200
<b>D. Investment in Policy Initiatives:</b>		
- Student Initiatives		
Student Financial Aid Escalator	1,059,958	
Increase AID Matching Funds for Stimulus Package	24,100	
Increase Need-based Financial Aid	200,000	
Cardinal Covenant - Third Year Enhancements	250,000	
Army & Air Force ROTC Stipends (First Year of Three Year Allocation)	150,000	
Library - 24 Hour Operation	75,537	
Quality Enhancement Plan - "Ideas to Action"	112,625	
Expand Emergency Notification System to Classrooms	28,000	
Additional Campus Police Officers	157,735	
Total Student Initiatives	<u>2,057,955</u>	
- Research Initiatives		
Bio Safety Lab / Center for Predictive Medicine (Second Year Allocation)	474,594	
Audit Services - Additional Professional Staff	138,780	
Total Research Initiatives	<u>613,374</u>	
- Faculty and Staff Initiatives		
Faculty Promotion Fund	417,628	
Staff Reclassification / Promotion Fund	150,000	
Total Faculty and Staff Initiatives	<u>567,628</u>	
Total Investment in Policy Initiatives		<u>3,239,000</u>

**Summary of Changes in Revenue and Expenditures (cont.)**

<b>E. Planned Programmatic Budget Reductions:</b>		
- Academic Units	(4,082,800)	
- Support Units	(1,766,400)	
Total Planned Programmatic Budget Reductions		(5,849,200)
<b>F. Revenue Enhancement / Cost Savings Strategies:</b>		
- Increase Program Budget, Service Center, and Auxiliay Overhead Charge from 2% to 5%	(750,000)	
Total Revenue Enhancement / Cost Savings Strategies		(750,000)
<b>G. Expenditure Changes Offset by Specific Revenue or Departmental Credits</b>		
- School of Public Health and Information Sciences	375,000	
- School of Nursing	300,000	
- School of Music	57,660	
- School of Medicine, Speech Pathology Program	215,000	
- School of Medicine, Audiology Program	29,903	
- Kent School, BSW Program	131,362	
- School of Dentistry, Graduate Residency Programs	168,000	
- School of Dentistry, D.M.D. Program	250,000	
- College of Education Health and Sports Science Program	121,811	
- Workforce Completer Degree Program	286,100	
- Bundled Components of Tuition		
Campus Health Services	486,800	
Total Bundled Components of Tuition		486,800
- Continuing Education	631,400	
- Distance Education	189,300	
- Special Programs	542,600	
- Unit and Course Based Fees	7,500	
- Miscellaneous Fees	9,000	
- Sales and Services of Educational Activities	53,100	
- Organized Activities Related to Instruction	(7,100)	
- Other Non-Educational Programs	142,900	
- Hospital Contract - QCCT	(42,500)	
Total Adjustments to E&G Expenditures Offset By Revenue		3,947,800
<b>Total Projected E&amp;G Expenditure Budget</b>		<b><u>426,332,500</u></b>

**SUMMARY OF BUDGET CHANGES**  
**2009-10 Operating Budget**



**Summary of Changes in Revenue and Expenditures (cont.)**

**II. Auxiliary Enterprises, Service Centers, and Housing Expense Budgets**

A. Auxiliary Enterprises Base Budget		3,396,600
- Food Service Contract	(60,800)	
- Bookstore Operations	(152,000)	
- SJA Dormitory	(50,000)	
- University Parking	58,500	
- iTech Express	136,000	
- Contract Vending	(232,000)	
- Other Adjustments to Auxiliary Enterprise Budgets	0	(300,300)
<b>Subtotal Auxiliary Enterprises</b>		<b>3,096,300</b>
B. Service Centers Base Budget		1,245,900
- Bioengineering Lab	(22,800)	
- Nuclear Magnetic Resonance Facility Maintenance	5,000	
- Dahlem Supercomputer Lab	(11,200)	
- Communications Services	(211,300)	
- Contract Instructional Support	(85,000)	
- Contract Tech Support Services	100,000	
- Design and Print	60,000	
- Institute for Advanced Materials and Renewable Energy	5,000	
- HSC Library Services	(17,500)	
- Central Stores Stockroom	30,400	
- Mass Spectrometry	(105,800)	
- Other Adjustments to Service Center Budgets	0	(253,200)
<b>Subtotal Service Centers</b>		<b>992,700</b>
C. Student Housing Base Budget		6,125,483
- Johnny Unitas Tower	69,500	
- Miller Hall	15,300	
- University Tower	(17,300)	
- Stevenson Hall	(313,000)	
- Threlkeld Hall	(8,300)	
- Med / Dent Apts and Dorms	(41,300)	
- The Complex	(5,300)	
- Louisville Hall	4,800	
- Dormitory Activities	1,870	
- Housing Administration	19,400	
- Other Adjustments to Housing Budget	0	(274,330)
<b>Subtotal Student Housing</b>		<b>5,851,200</b>
<b>Total University Expenditures</b>		<b>436,272,700</b>
<b>University Projected Surplus / (Deficit)</b>		<b>0</b>

**BUDGET  
REDUCTION  
AND COST SAVING  
STRATEGIES**



## BUDGET REDUCTION “ONE-TIME” BRIDGING STRATEGY

The President and his Leadership Team continue their commitment to strategically identifying areas within the University for revenue enhancements, greater efficiencies, and expenditure reduction opportunities. This year the Provost reconstituted a University-wide Budget Advisory Committee (BAC). This committee is composed of faculty, staff, and students from across all campuses of the University. The committee's charge is to comprehensively review the University's operations and recommend ways of achieving revenue enhancements and expenditure reductions. The Committee continues to deliberate with a number of sub-committees appointed to examine selected business practices and budgets of both academic and support units.

**Unit Strategy**—To allow time for the BAC to pursue its charge and to fully evaluate and “cost-out” various proposals before implementation, the Leadership Team will use a “one-time” budget reduction bridging strategy for FY 2009-10. Both academic and support units were instructed to reduce their FY 2008-09 spending by 2% and to reserve that amount in their unit Budget Reduction Reserve programs. This 2% FY 2008-09 “hold back” will be carried forward to FY 2009-10 and serve as one-time funds to effectively replace the aggregate unit budget reduction for FY 2009-10. This bridging strategy will allow units to continue to operate at their currently budgeted FY 2008-09 level until the full impact of the Committee's recommendations can be analyzed and implemented. It is anticipated that some central University savings or revenue generation strategies can be realized, and permanent unit budget reductions can then be less than the 2% level. Also, the additional time will allow deans and vice presidents to make better long term decisions on how and where to make the required permanent budget reductions.

The academic and support unit-based budget reductions for this bridging strategy total \$5.8 million; this equates to an approximately 2% reduction of their adjusted University 2008-09 general fund budgets. The schedule on the following page details the reduction targets by unit. The final budget reductions allocated to units during FY 2009-10, however, will not be assessed an across-the-board percentage; rather, after applying any central savings, the Leadership Team will target reductions to minimize the effects on strategic programs.

**Central Strategy**—There is a wide array of revenue-producing or “program budgeted” activities across the University. In the aggregate, these auxiliaries, service centers, and program budgets generate approximately \$45 million in revenue. In the past, the University provided direct and indirect support to these programs at no cost. Beginning in FY 2008-09, an administrative overhead charge of 2% was applied to the expenditures of all auxiliaries, service centers, and program budgets. For FY 2009-10, this administrative overhead charge will be increased to 5% and is expected to generate an additional \$750,000.

**One-time Bridging Strategy Targets**

	<b>Proposed Target</b>
<b><u>Academic Units:</u></b>	
College of Arts and Sciences	1,030,300
College of Business	324,600
School of Dentistry	282,600
College of Education / Human Development	279,600
Graduate School	80,100
Kent School of Social Work	71,500
Brandeis School of Law	167,700
University Libraries	311,500
School of Medicine	817,200
School of Music	107,000
School of Nursing	88,100
School of Public Health	70,900
J. B. Speed School of Engineering	361,800
Undergraduate Affairs	89,900
Total Academic Units	<u>4,082,800</u>
<b><u>Support Units:</u></b>	
President	26,300
Provost	160,800
Health Affairs	25,500
Research	224,900
Finance	108,300
Community Engagement	15,800
Business Affairs	629,900
Human Resources	54,200
Advancement	52,300
Information Technology	223,300
Student Affairs	93,800
Enrollment Management	111,500
Athletics	39,800
Total Support Units	<u>1,766,400</u>
<b>University Total</b>	<b><u>5,849,200</u></b>

# TREND DATA



**GENERAL FUND BUDGETED EXPENDITURES**  
Fiscal Years 2005 to 2010 (Dollars in Thousands)

**BUDGET TREND DATA**  
**2009-10 Operating Budget**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Five Year Change	
	Budget	Budget*	Budget	Budget*	Budget	Budget*	Amount	Percent
<b>Academic Units</b>								
Academic Support Programs	4,161	3,377	3,668	3,759	3,944	3,192	(969)	-23.3%
Arts and Sciences	38,898	43,478	47,147	50,564	51,291	50,895	11,997	30.8%
Business	13,321	13,021	14,794	16,698	16,763	16,491	3,170	23.8%
Dentistry	12,783	13,790	14,676	15,597	15,788	16,108	3,325	26.0%
Education and Human Development	11,796	11,643	12,705	13,939	14,044	14,408	2,612	22.1%
Graduate Programs	2,469	3,197	3,312	3,539	3,901	3,760	1,291	52.3%
Kent School of Social Work	2,746	2,888	3,127	3,405	3,465	3,595	849	30.9%
Brandeis School of Law	4,511	4,763	5,053	5,723	5,601	5,589	1,078	23.9%
University Libraries	15,078	15,814	16,708	17,579	17,601	17,152	2,074	13.8%
Medicine	45,918	47,466	50,747	49,107	48,851	47,126	1,208	2.6%
Metropolitan College (UofL)	670	619	632	565	334	264	(406)	-60.6%
Music	4,324	4,511	4,990	5,392	5,426	5,422	1,098	25.4%
Nursing	3,140	3,421	3,842	4,357	4,395	4,725	1,585	50.5%
Other Academic Programs	3,235	3,313	4,034	4,134	5,014	5,611	2,376	73.4%
Public Health and Information Sciences	2,216	2,776	3,252	3,505	4,146	4,530	2,314	104.4%
J. B. Speed School of Engineering	14,746	15,652	16,499	17,887	17,927	18,257	3,511	23.8%
Undergraduate Affairs	3,147	3,336	3,455	3,904	4,127	3,999	852	27.1%
<b>Total Academic Units</b>	<b>183,159</b>	<b>193,065</b>	<b>208,641</b>	<b>219,646</b>	<b>222,616</b>	<b>221,122</b>	<b>37,965</b>	<b>20.7%</b>
<b>Support Units</b>								
General Institutional Expense	6,234	6,045	6,122	6,495	4,606	5,270	(964)	-15.5%
E. V. P. Health Affairs	0	0	0	5,728	6,466	8,905	8,905	NA
Institutional Support	28,964	31,256	32,782	35,301	<b>34,697</b>	35,592	6,628	22.9%
Physical Plant	24,408	28,188	31,520	33,103	35,478	39,857	15,449	63.3%
E. V. P. Research	5,741	8,121	8,921	9,255	10,803	9,703	3,962	69.0%
University Reserves	7,793	7,683	8,036	9,379	10,845	10,809	3,016	38.7%
Student Activities and Student Government	8,808	5,096	5,208	5,551	5,517	5,502	(3,306)	-37.5%
Student Financial Aid	27,345	30,724	35,665	40,848	39,960	41,309	13,964	51.1%
Enrollment Management	0	4,683	4,992	5,483	5,954	5,592	5,592	NA
Debt Service/Transfers	17,350	17,668	17,384	15,222	15,798	22,123	4,773	27.5%
<b>Total Support Units</b>	<b>126,643</b>	<b>139,464</b>	<b>150,630</b>	<b>166,366</b>	<b>170,125</b>	<b>184,663</b>	<b>58,019</b>	<b>45.8%</b>
<b>Auxiliary Enterprises</b>								
Auxiliaries	2,244	2,077	2,059	2,323	3,397	3,000	756	33.7%
Service Centers	650	1,050	1,473	1,412	1,246	494	(156)	-24.0%
University Housing	5,109	5,136	5,152	5,570	5,570	5,790	681	13.3%
<b>Total Auxiliary Enterprises</b>	<b>8,003</b>	<b>8,263</b>	<b>8,684</b>	<b>9,304</b>	<b>10,768</b>	<b>9,284</b>	<b>1,281</b>	<b>16.0%</b>
University of Louisville Hospital (QCCT)	23,367	23,743	19,582	20,156	21,170	21,204	(2,163)	-9.3%
Metropolitan College	1,992	1,992	1,992	1,992	0	0	(1,992)	-100.0%
Total General Funds	343,164	366,527	389,529	417,465	424,679	436,273	93,110	27.1%
Total UofL Corporations	270,000	330,000	379,773	450,000	510,000	510,000	240,000	88.9%
<b>TOTAL UNIVERSITY</b>	<b>613,164</b>	<b>696,527</b>	<b>769,302</b>	<b>867,465</b>	<b>934,679</b>	<b>946,273</b>	<b>333,110</b>	<b>54.3%</b>

\* Includes reorganizations



**FIRST-TIME FRESHMEN AT KENTUCKY STATE INSTITUTIONS**  
Enrollment Market Share Analysis

INSTITUTION	Fall 2007		Fall 2008		Percent Change
	Students	Percent	Students	Percent	
Eastern Kentucky University	2,493	8.8	2,495	8.6	0.1%
Kentucky State University	678	2.4	687	2.4	1.3%
Morehead State University	1,409	5.0	1,338	4.6	-5.0%
Murray State University	1,332	4.7	1,461	5.0	9.7%
Northern Kentucky University	1,984	7.0	2,107	7.3	6.2%
University of Kentucky	3,666	13.0	3,915	13.5	6.8%
<b>University of Louisville</b>	<b>2,506</b>	<b>8.9</b>	<b>2,544</b>	<b>8.8</b>	<b>1.5%</b>
Western Kentucky University	3,064	10.8	3,187	11.0	4.0%
Total Kentucky Public Universities	17,132	60.6	17,734	61.0	3.5%
Kentucky Community Technical College System (KCTCS)	11,151	39.4	11,325	39.0	1.6%
<b>TOTAL FIRST-TIME FRESHMEN IN KENTUCKY</b>	<b>28,283</b>	<b>100</b>	<b>29,059</b>	<b>100</b>	<b>2.7%</b>

Source: The Fall data is from the Kentucky Council on Postsecondary Education Comprehensive Database via the UofL Office of Institutional Research and Planning.

# BUDGET CALENDAR



**SCHEDULE FOR DEVELOPING THE  
2009-2010 OPERATING BUDGET**

<b>ACTION</b>	<b>DATE</b>	<b>STATUS</b>
Preliminary Budget Planning, Modeling and Coordination	August — December 2008	Completed
Identification of Budget Issues	August — October 2008	Completed
FY 2009-10 Tuition Setting Process	October — April 2009	Completed
Budget Briefing with Vice Presidents	Tuesday, February 3, 2009	Completed
Budget Briefing with Deans	Tuesday, February 10, 2009	Completed
Final Meeting of Task Force on Tuition and Fee Setting	Monday, February 23, 2009	Completed
Task Force on Tuition and Fee Setting Recommendation to Provost	Wednesday, March 11, 2009	Completed

## SCHEDULE FOR DEVELOPING THE 2009-2010 OPERATING BUDGET

<b>ACTION</b>	<b>DATE</b>	<b>STATUS</b>
Tuition Forum Belknap — VP for Finance and VP for Student Affairs	Wednesday, March 25, 2009	Completed
Budget Briefing with Faculty Senate Executive Committee	Wednesday, March 25, 2009	Completed
Tuition Forum HSC	Thursday, March 26, 2009	Completed
Budget Briefing with Staff Senate Executive Committee	Monday, March 30, 2009	Completed
Budget Briefing with SGA Executive Committee	Monday, April 20, 2009	Completed
Leadership Team Meeting (Finalize the Macro Budget)	Wednesday, April 20, 2009	Completed
President's Budget Forum	Tuesday, April 21, 2009 10:00-Noon — Floyd Theater	Completed

**SCHEDULE FOR DEVELOPING THE  
2009-2010 OPERATING BUDGET**

<b>ACTION</b>	<b>DATE</b>	<b>STATUS</b>
Budget & Financial Planning Staff Prepares Material for the Board of Trustees Finance Committee Budget Workshop	Wednesday, April 15, 2009 — Thursday, May 7, 2009	Completed
Proposed Tuition Rates Presented to BOT for Approval	Thursday, May 14, 2009	Scheduled
2009-10 Finance Committee Budget Workshop	Thursday, May 14, 2009	Scheduled
CPE Meeting to Approve Institutional Tuition Rates	Friday, May 22, 2009	Scheduled
Operating Budget is Finalized and Budget Document is Sent to Print	Thursday, May 14, 2009 — Thursday, June 4, 2009	Scheduled
Mailing to Board Members	Thursday, June 4, 2009	Scheduled
President submits 2008-09 Budget to the Board of Trustees for Approval	Thursday, June 11, 2009	Scheduled