Schedule for August 25, 2016

Board of Trustees

Location: Mary Bingham Room, University Club

12:00 – 12:45 p.m.  Budget Workshop (lunch provided)

Location: Ballroom B, University Club

1:00 p.m.  Finance Committee
            Butt, Blue, Campbell, Feldhoff, [Vacancy], [Vacancy]

1:15 p.m.  Personnel Committee
            Bingham, Armstrong, Abrams, Blue, Greenberg, Hall, Prather

1:30 p.m.  Board of Trustees

Trustees are invited to attend all meetings
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES
BUDGET WORKSHOP

12:00 p.m., August 25, 2016

Mary Bingham Room, University Club

Agenda

I. Information Items: Pinto/Howarth
   • 2016-17 Budget Workshop
     • Tuition
     • Fees
     • Housing
     • Meal Plan
     • Operating Budget
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING TUITION INCREASES AND RELATED CHANGES FOR
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve tuition increases per the attached schedules for Academic Year (AY) 2016-17. The recommendation is the result of much deliberation and consultation with the various constituency groups across campus and is consistent with the tuition rate increase parameters established by the Council on Postsecondary Education.

TUITION RATE INCREASES:

The Proposed Tuition Schedule below lists the recommended tuition rate changes for AY 2016-17.

For AY 2016-17 the proposed resident undergraduate tuition rate will increase by five percent and is consistent with Council on Postsecondary Education (CPE) guidelines promulgated in April 2016. Those guidelines allow research universities to raise resident undergraduate tuition by no more than five percent for the 2016-17 fiscal year.

CPE approved a significant change in its guideline for setting non-resident undergraduate tuition rates. Instead of requiring institutions to charge at least twice the resident undergraduate rate, CPE will now require universities to charge a tuition rate that covers the direct costs of instruction for non-resident students. UofL’s non-resident rate structure is currently set at a level that generates sufficient revenue to be in compliance with this guideline.
<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Semester Rates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$5,271</td>
<td>$5,534</td>
<td>$263</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,424</td>
<td>13,045</td>
<td>621</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>5,832</td>
<td>6,123</td>
<td>291</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,137</td>
<td>12,743</td>
<td>606</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Law (Full-time Program)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>10,046</td>
<td>10,548</td>
<td>502</td>
</tr>
<tr>
<td>Nonresident</td>
<td>18,716</td>
<td>19,651</td>
<td>935</td>
</tr>
<tr>
<td><strong>Annual Rates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$36,464</td>
<td>$38,286</td>
<td>$1,822</td>
</tr>
<tr>
<td>Nonresident</td>
<td>55,426</td>
<td>58,196</td>
<td>2,770</td>
</tr>
<tr>
<td><strong>Dentistry</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>30,870</td>
<td>32,412</td>
<td>1,542</td>
</tr>
<tr>
<td>Nonresident</td>
<td>64,348</td>
<td>67,564</td>
<td>3,216</td>
</tr>
</tbody>
</table>

* per credit hour
<table>
<thead>
<tr>
<th>Program</th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Change Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intensive English as a Second Language</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time Day Program</td>
<td>5,090</td>
<td>5,090</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Urban Planning and Public Admin. Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>6,563</td>
<td>7,023</td>
<td>460</td>
<td>7.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,684</td>
<td>13,643</td>
<td>959</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Online Education (per credit hour)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>497</td>
<td>497</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Graduate</td>
<td>714</td>
<td>714</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Graduate - Urban Planning &amp; Public Admin</td>
<td>855</td>
<td>855</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Law, full-time</td>
<td>1,098</td>
<td>1,098</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Law, part-time</td>
<td>914</td>
<td>914</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Professional MBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Full-time MBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>IMBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Masters in Accountancy Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Ed.D. Practitioner</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Certificate Program in Accountancy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>M.S. in Human Resources and Organization Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Active Duty Military (per credit hour)</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

* Excludes Master's of Engineering in Engineering Management Online fixed price program
The Executive Vice President and University Provost joins the President in making this recommendation.

<table>
<thead>
<tr>
<th>Committee Action:</th>
<th>Board Action:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passed: _________</td>
<td>Passed: ________</td>
</tr>
<tr>
<td>Did not Pass: _____</td>
<td>Did not Pass: ____</td>
</tr>
<tr>
<td>Other: _________</td>
<td>Other: ________</td>
</tr>
<tr>
<td>Date: ___________</td>
<td>Date: __________</td>
</tr>
</tbody>
</table>

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF VARIOUS FEES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and adjustments to the existing fees listed below.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>College of Arts and Sciences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Science Lab Fee</td>
<td>$60</td>
<td>Cover costs of active learning simulations.</td>
</tr>
<tr>
<td>American Sign Language Course Fee</td>
<td>$50</td>
<td>Support videotaped and faculty prepared materials and consumables for the courses.</td>
</tr>
<tr>
<td><strong>School of Medicine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary Fee</td>
<td>$46</td>
<td>Fee provides disability insurance to medical school students as required by accreditation guidelines.</td>
</tr>
<tr>
<td>Department of Otolaryngology</td>
<td>$125</td>
<td>Course fee to cover cost associated with clinical practicum.</td>
</tr>
<tr>
<td>Department of Otolaryngology</td>
<td>$25</td>
<td>Course fee to cover cost associated with laboratory component.</td>
</tr>
<tr>
<td>Department of Anatomical Sciences and Neurobiology</td>
<td>$0</td>
<td>Request to rescind $150 microscope rental fee.</td>
</tr>
<tr>
<td><strong>School of Music</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instrumental supply and maintenance</td>
<td>$10</td>
<td>Cover costs of the school maintaining supplies for musical instrument maintenance such as reeds, key oil, and strings.</td>
</tr>
<tr>
<td>Instrumental supply and maintenance</td>
<td>$25</td>
<td>Cover costs of the school maintaining items for musical instrument maintenance for double reed instruments.</td>
</tr>
</tbody>
</table>
## School of Nursing

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Didactic credit hour fee for Doctor of Nursing Practice</td>
<td>$50</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS 740.</td>
</tr>
<tr>
<td>Clinical credit hour fee for the Doctor of Nursing Practice</td>
<td>$100</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS 789.</td>
</tr>
</tbody>
</table>

### School of Public Health and Information Sciences

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification Exam Fee</td>
<td>$0</td>
<td>Request to rescind $5 certification exam fee.</td>
</tr>
</tbody>
</table>

### Speed School of Engineering

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-op fee</td>
<td>$300</td>
<td>Fee to help support co-op placement activities.</td>
</tr>
</tbody>
</table>

The Executive Vice President and University Provost joins the President in making this recommendation.

### Committee Action:  
**Passed:** ________  
**Did not Pass:** ________  
**Other:** ________  
**Date:** __________

### Board Action:  
**Passed:** ________  
**Did not Pass:** ________  
**Other:** ________  
**Date:** __________

__________________________  
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF HOUSING RATES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new housing rates as requested below.

<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional Halls (Miller, Threlkeld, Unitas)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unitas Triple</td>
<td>$1,900</td>
<td>$1,938</td>
<td>$38</td>
<td>2.0%</td>
</tr>
<tr>
<td>Double</td>
<td>2,466</td>
<td>2,515</td>
<td>49</td>
<td>2.0%</td>
</tr>
<tr>
<td>Single</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Resident Assistant, All Halls</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live-in Rate</td>
<td>2,000</td>
<td>2,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Louisville Hall Suites</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6th Floor double with Bath</td>
<td>2,615</td>
<td>2,667</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor single room</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor double room</td>
<td>2,515</td>
<td>2,565</td>
<td>50</td>
<td>2.0%</td>
</tr>
<tr>
<td>3 bedroom suite</td>
<td>2,565</td>
<td>2,616</td>
<td>51</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 bedroom suite</td>
<td>2,605</td>
<td>2,657</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>UTA Undergrad Apartments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom, single</td>
<td>3,005</td>
<td>3,065</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 Bedroom, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom, double</td>
<td>2,675</td>
<td>2,728</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large Studio, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard Studio, double</td>
<td>2,640</td>
<td>2,692</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>UTA Family Apts and Medical-Dental Apts.</strong></td>
<td>Monthly Rates, per unit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$945</td>
<td>$963</td>
<td>$18</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>835</td>
<td>852</td>
<td>17</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large Studio</td>
<td>770</td>
<td>785</td>
<td>15</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard Studio</td>
<td>740</td>
<td>754</td>
<td>14</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

The Executive Vice President and University Provost joins the President in making this recommendation.
<table>
<thead>
<tr>
<th>Committee Action:</th>
<th>Board Action:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passed: ________</td>
<td>Passed: ________</td>
</tr>
<tr>
<td>Did not Pass: ____</td>
<td>Did not Pass: ____</td>
</tr>
<tr>
<td>Other: __________</td>
<td>Other: __________</td>
</tr>
<tr>
<td>Date: __________</td>
<td>Date: __________</td>
</tr>
</tbody>
</table>

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF STUDENT MEAL PLAN RATES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and adjustments to the existing fees listed below.

1) $990/semester for residents living in halls with kitchens
2) $1,550/semester for residents living in halls without kitchens
3) $225/semester for commuter students

The Executive Vice President and University Provost joins the President in making this recommendation.

Committee Action: Board Action:
Passed: ________ Passed: ________
Did not Pass: ____ Did not Pass: ____
Other: ________ Other: ________
Date: __________ Date: __________

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE PROPOSED BUDGET FOR FISCAL YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the proposed University operating budget for Fiscal Year 2016-17, as attached.

BACKGROUND:

The proposed General Fund Operating Budget for the University of Louisville is $548,339,500 for the Fiscal Year 2016-17. This is an increase of $37,101,800, or 7.3%, including debt service and contractual obligations. The University’s net state appropriation for FY 2016-17 is reduced by $6,258,500.

UofL continues to embrace transparency, campus collaboration, and linkage with the strategic plan in developing a realistic budget. All campus constituencies were briefed throughout the budget development cycle as successive iterations of the proposed budget were developed and discussed.

There are four major themes in the FY 2017 Operating Budget. They served as touchstones for all major budget decisions.

1. Keeping college affordable for our students – additional $5.2 million budgeted in financial aid;
2. Continuing to reduce administrative overhead costs – $1.8 million in cost reductions;
3. Realizing cost savings from ongoing efficiency efforts – $1.0 million; and

To help thousands of undergraduate and graduate students meet the financial costs of obtaining a college degree, the FY 2017 budget increases overall financial aid by $5.2 million including an exciting new program that will return the entire FY 2017 tuition rate increase for some students. Called “Credit for Credits”, this program will award $526 per year to students in good standing who successfully complete at least 30 credit hours during the academic year. This award is the same amount as the resident, undergraduate tuition increase for FY 2017 which will effectively eliminate the tuition rate increase for a large number of students, while simultaneously
supporting student academic engagement to achieve key 2020 Plan goals. The program encourages students to graduate more quickly, potentially saving each of them tens of thousands of dollars in annual education and living expenses. Improved graduation rates could also positively impact the amount of state funding the university receives since a portion of the university’s FY 2018 state appropriation will be based on performance.

The table below details all strategic initiatives included in this budget.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid Escalator at 5%</td>
<td>$2,197,000</td>
</tr>
<tr>
<td>Strategic Tuition Discounting (Credit for Credits)</td>
<td>2,520,000</td>
</tr>
<tr>
<td>Need-Based Aid increase</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Student Initiatives</strong></td>
<td><strong>5,217,000</strong></td>
</tr>
<tr>
<td><strong>Faculty &amp; Staff Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Faculty and Staff Merit Salary Adjustments</td>
<td>3,515,000</td>
</tr>
<tr>
<td>Fringe Associated with Salary Adjustments</td>
<td>650,000</td>
</tr>
<tr>
<td>Faculty and Staff Equity Pool</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Fringe Associated with Equity Pool</td>
<td>370,000</td>
</tr>
<tr>
<td>Faculty Promotions</td>
<td>500,000</td>
</tr>
<tr>
<td>Staff Reclassifications and Promotions</td>
<td>250,000</td>
</tr>
<tr>
<td>Living Wage Increase</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total Faculty &amp; Staff Initiatives</strong></td>
<td><strong>7,385,000</strong></td>
</tr>
<tr>
<td><strong>Academic Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Investment in Strategic Academic Priorities</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Total Investment in Strategic Initiatives</strong></td>
<td><strong>$14,602,000</strong></td>
</tr>
</tbody>
</table>

**BUDGET BALANCING STRATEGIES:**

The FY 2016-17 budget contains multiple balancing strategies. The following table provides a summary of the balancing strategies that were employed to help balance the FY 2016-17 budget.
<table>
<thead>
<tr>
<th>Balancing Strategy</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic</strong></td>
<td></td>
</tr>
<tr>
<td>Recognize an increase in central online learning revenues</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Reduce state mandated programs by 4.5%</td>
<td>335,000</td>
</tr>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
</tr>
<tr>
<td>Increase the university’s administrative fee by 2%</td>
<td>660,000</td>
</tr>
<tr>
<td>Budget reduction for administrative support units</td>
<td>600,000</td>
</tr>
<tr>
<td>Budget reduction for offices of the President and the Provost</td>
<td>500,000</td>
</tr>
<tr>
<td>Permanent transfer from health insurance plan</td>
<td>500,000</td>
</tr>
<tr>
<td>1% increase in federal Facilities and Administrative (F&amp;A) rate</td>
<td>500,000</td>
</tr>
<tr>
<td>Incremental change in Voluntary Separation Incentive Program (VSIP) savings</td>
<td>500,000</td>
</tr>
<tr>
<td>Debt service refinance savings</td>
<td>409,000</td>
</tr>
<tr>
<td><strong>Total Permanent Adjustments</strong></td>
<td>$5,504,000</td>
</tr>
</tbody>
</table>

Committee Action: Passed: Did not Pass: Other: Date: 
Board Action: Passed: Did not Pass: Other: Date:

__________________________________
Assistant Secretary
FY 2016-17 Operating Budget Executive Summary

On June 2, 2016, the FY 2016-17 Operating Budget for the University of Louisville was presented to the Board of Trustees’ Finance Committee. The proposed budget included, among other recommendations, a 5% tuition rate increase and the opportunity for students to partially offset the increase by earning at least 30 credit hours during the academic year. Discussions followed, but no formal board action was taken at that time.

Since then university leadership has received feedback from the Board and university constituencies, including representatives from the Student Government Association, and crafted a revised FY 2016-17 Operating Budget. The budget now includes a new program, “Credit for Credits”, for undergraduate students to fully offset the 5% resident tuition rate increase. The university has also adopted a biennial approach to tuition setting and guarantees that tuition rates will not increase in FY 2017-18. As a result, the effective tuition rate over the two-year period is only 2.5%.

The budget also includes the following strategic initiatives.

Reducing Costs and Keeping College Affordable for Students
- $2.7 million more for student financial aid, including $500,000 in need-based aid;
- $2.5 million for the innovative and new Credit for Credits program;

Commitments to Faculty and Staff Salary Increases
- $4.2 million for faculty and staff merit increases (including fringe benefits), except for the highest paid board-appointed administrators;
- $2.4 million for faculty and staff equity adjustments (including fringe benefits); and
- Increase in the living wage from $10.50 per hour to $10.75 for eligible employees.

Powering the 2020 Plan
- $2 million for a strategic initiative fund for academic priorities in support of the 21st Century University Initiative: Powering the 2020 Plan.
- Commitment to have deliberate discussions over the next year about the maximization and allocation of all university resources including non-general funds such as gifts and endowments.

Administrative Reductions and Efficiencies
- $1.1 million reduction in administrative support unit budgets; and
- Additional administrative efficiencies equal to $1.9 million.

Despite the difficult fiscal environment, this budget strengthens our mission of pursuing excellence and inclusiveness in educating and serving people in our community. Together, we can move the university forward.
2016-2017 Proposed Operating Budget Summary
Board of Trustees
Budget Review

FY 2017
OPERATING BUDGET
Board of Trustees

Dr. Larry Benz, Chair
Mrs. Marie Abrams
Mr. William Armstrong
Mr. Robert P. Benson, Jr.
Dr. Emily Bingham
Mr. Jonathan Blue
Mr. Ron Butt
Mr. Steve Campbell
Dr. Pamela Feldhoff
Mr. Craig Greenberg
Mr. Doug Hall
Mr. Larry Hayes
Mr. Bruce Henderson
Dr. Robert Curtis Hughes
Ms. Brucie Moore
Dr. Jody Prather
Mr. William E. Summers, IV
Mr. Aaron Vance
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To the Board of Trustees:

We are pleased to submit our recommendation for the University of Louisville’s Fiscal Year (FY) 2017 Operating Budget. This budget was developed in a particularly difficult fiscal environment, with the goal of pursuing excellence and inclusiveness in educating and serving people in our community. Measured by the 2020 Plan goals that were approved in 2008, I am happy to report that we have already made significant progress in many areas. Here are a few examples:

- UofL is graduating more students than ever, including doctoral, low-income and minority students;
- Six year graduation rate is now 52.9 percent, which is 20 percentage points higher than in FY 2002;
- Average ACT score for freshmen is 25.5, more than two points higher than FY 2002;
- Research activity has grown to $179.5 million, more than doubling since FY 2002; and
- Successfully diversified our revenue streams as state appropriations continue to decrease.

The FY 2017 Operating Budget is presented in the broader context of a 4-year plan to fund the 21st Century University Initiative: Powering the 2020 Plan, which the Board approved in October 2015 and a two-year plan for tuition setting. Starting with this fiscal year, a $50 million investment fund is planned for 21st Century University initiatives that will support accomplishment of our 2020 Plan goals.

In alignment with the 2020 plan, the overarching focus of this budget is our students and their success. We are an institution dedicated to educating a diverse population of students who will become highly productive members of the Commonwealth of Kentucky, the nation, and the world. While tuition rates for most students will increase, this budget sets aside an additional $5.2 million in financial aid to help students defray the costs of their education, including $500,000 for need-based aid. It also establishes a new tuition discount program to reward students who meet particular academic milestones. Construction of a new state-of-the-art classroom building, a new on-campus residence hall, and a renovated Student Activities Center also highlight the university’s commitment to enhancing the educational experience for all students.

This budget also makes significant investments in our faculty and staff. Without their dedication and determination our institution would not thrive. Therefore, this budget funds a two percent merit pool for eligible faculty and staff. Recent faculty and staff equity studies have shown that the wages for some employees are below market rates. As a result, this budget also commits $2.4 million to begin addressing those wage inequities. Subsequent budgets will allocate additional funds to this important effort. The FY 2017 budget also raises the living wage rate for eligible employees to $10.75 per hour. Continuing UofL’s tradition of providing exceptional health coverage at low cost, employee health insurance rates remain unchanged for the fourth straight year. Finally, despite the difficult budgetary challenges facing all public colleges and universities in Kentucky, this budget does not rely on university-wide furloughs or layoffs to balance the budget.

The FY 2017 budget emphasizes a renewed resolve in making the University of Louisville a “premier metropolitan university”. To be successful it is essential that we work in unison. I am more committed than ever to our concept of “One University.” Working together we will meet our overarching goal.

Louisville First. Cards Forever.™

Neville G. Pinto
Acting President
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INTRODUCTION

The University of Louisville is a state supported metropolitan research university located in Kentucky’s largest city. The university has three campuses. The Belknap Campus, located near Old Louisville, houses eight of the university’s twelve colleges and schools. Located in downtown Louisville, the Health Sciences Campus is home to the university’s health related programs, including the School of Medicine, School of Dentistry, School of Nursing, and the School of Public Health and Information Sciences. The Shelby Campus is located in eastern Jefferson County and houses the university’s online and continuing education offices.

The university offers undergraduate, graduate, and professional degrees in more than 200 programs. Full-time equivalent enrollment in fall 2015 was 18,601.

Table 1 illustrates a few of UofL’s extraordinary achievements since FY 1998.

Table 1: Extraordinary Achievements

<table>
<thead>
<tr>
<th>Extraordinary Achievements</th>
<th>1998</th>
<th>2002</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman ACT score (avg.)</td>
<td>21.4</td>
<td>23.2</td>
<td>25.5</td>
</tr>
<tr>
<td>6-year graduation rate</td>
<td>30.1%</td>
<td>33.0%</td>
<td>52.9%</td>
</tr>
<tr>
<td>Baccalaureate degrees awarded</td>
<td>1,734</td>
<td>1,849</td>
<td>2,832</td>
</tr>
<tr>
<td>Doctoral degrees awarded</td>
<td>76</td>
<td>90</td>
<td>172</td>
</tr>
<tr>
<td>Startup companies (cumulative)</td>
<td>1</td>
<td>6</td>
<td>81</td>
</tr>
<tr>
<td>Patents (cumulative) applications filed</td>
<td>151</td>
<td>259</td>
<td>1,730</td>
</tr>
<tr>
<td>Research expenditures</td>
<td>$39.1M</td>
<td>$80.9M</td>
<td>$179.5M</td>
</tr>
<tr>
<td>Endowed chairs &amp; professorships</td>
<td>35</td>
<td>87</td>
<td>159</td>
</tr>
<tr>
<td>Endowment ¹</td>
<td>$317.0M</td>
<td>$478.9M</td>
<td>$822.4M</td>
</tr>
<tr>
<td>IP income</td>
<td>$90K</td>
<td>$221.3K</td>
<td>$7.5M</td>
</tr>
</tbody>
</table>

Source: Office of Institutional Research
The university continues to demonstrate a strong commitment to instruction, research, and community service. Below are a few notable achievements in these areas during FY 2016. Many more accomplishments—some routine, some extraordinary—are unheralded here, but contributed immensely to the success of the university.

**Instruction**

- The RN-to-BSN online program was recently ranked No. 9 in the nation.\(^1\)
- The full-time MBA program was recently ranked No. 37 in the nation.\(^2\)

**Scholarly Activity and Research**

- Thirteen additional UofL student scholars—a record-breaking number for UofL—were recently recognized as Fulbright Scholars. This brings the total number to 102 since 2003, which is more Fulbright Scholars than all other Kentucky postsecondary institutions combined.
- UofL was one of 16 national sites awarded a National Science Foundation Multi-scale Manufacturing and Nano Integration Node. This distinction will help UofL become a National Center of Excellence for current and next generation 3D multi-scale manufacturing and integration.
- Patents issued to the University of Louisville Research Foundation include technologies to improve bone grafts and cancer immunotherapies, protect lung tissue during radiation treatment, reverse neurological damage and improve recovery from spinal cord injury.

**Community Service**

- UofL’s Institute for Sustainable Health & Optimal Aging received a $2.55 million grant to bring geriatric health care, including culturally sensitive care for Hispanic patients, to rural and medically underserved Kentuckians.
- More than 250 faculty, staff and students honored the legacy of Dr. Martin Luther King Jr. by participating in the annual MLK Day of Service. Volunteers worked at more than a dozen nonprofit organizations in Louisville, including Supplies Overseas, an organization that provides surplus medical supplies and equipment to impoverished communities around the world.
- Recognition for commitment to community engagement from the Carnegie Foundation for the Advancement of Teaching.\(^3\)
- UofL was recognized as the most sustainable postsecondary institution in Kentucky.\(^4\)

---

\(^1\) Source: [http://louisville.edu/president/news-items/january-2016-the-presidents-report](http://louisville.edu/president/news-items/january-2016-the-presidents-report)


\(^4\) Source: Association for the Advancement of Sustainability in Higher Education
BUDGET PLANNING OVERVIEW

Developing the FY 2017 budget was challenging. Continued reductions in state financial support and increased competition to attract and retain high-quality students, faculty, and staff create very real pressures. The FY 2017 Operating Budget successfully navigates these tests. Through resourceful management, this budget protects core academic priorities, avoids university-wide layoffs and furloughs, and does not impose university-wide budget reductions. It also establishes the foundation for a $50 million investment in the 21st Century University Initiative: Powering the 2020 Plan—a four-year effort to make investments in critical academic activities by strategically growing enrollment, reducing costs, reallocating resources, and increasing fundraising.

Figure A highlights the history in the development of the 21st Century University Initiative-Powering the 2020 Plan. Conceptual discussions began at the July 2012 Board of Trustees retreat. A SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) was completed the following year. The final plan was approved by the Board of Trustees in 2015.

Figure A: Powering the 2020 Plan—Plan Development History

- Initiation
  - BOT Meeting July, 2012 - Shelbyhurst Campus
  - 21st Century University Concept Discussion

- Plan Development
  - BOT Meeting July, 2013 - Nucleus
  - SWOT Analysis Report

- Plan Development
  - BOT Meeting July, 2014 - Paducah
  - 21st Century University Plan Update

- Plan Approval
  - BOT Meeting October, 2015
  - Final Plan Approval

- Launch
  - October 2015
  - Launch of 21st Century University Initiative

Source: Office of the Executive Vice President and University Provost
Budget Themes

There are four major themes in the FY 2017 Operating Budget. They served as touchstones for all major budget decisions.

1. Keeping college affordable for our students – additional $5.2 million budgeted in financial aid;
2. Continuing to reduce administrative overhead costs – $1.8 million in cost reductions;
3. Realizing cost savings from ongoing efficiency efforts – $1.0 million; and

Keeping College Affordable

To help thousands of undergraduate and graduate students meet the financial costs of obtaining a college degree, the FY 2017 budget increases overall financial aid by $5.2 million including an exciting new program that will return the entire FY 2017 tuition rate increase for some students. Called “Credit for Credits”, this program will award $526 per year to undergraduate students in good standing who successfully complete at least 30 credit hours during the academic year. This award is the same amount as the resident, undergraduate tuition increase for FY 2017 which will effectively eliminate the tuition rate increase for a large number of students, while simultaneously supporting student academic engagement to achieve key 2020 Plan goals. The program encourages students to graduate more quickly, potentially saving each of them tens of thousands dollars in annual education and living expenses. Improved graduation rates could also positively impact the amount of state funding the university receives since a portion of the university’s FY 2018 state appropriation will be based on performance.

Reducing Administrative Costs

Since FY 2003, the university has made concerted efforts to focus on the academic mission of the university and reduce administrative costs. Consequently, funding for academic initiatives—such as student financial aid—has been a priority. From FY 2003 through FY 2017, the university has funded more than $67 million in academic initiatives and reduced administrative overhead by over $7 million. Figure B shows the cumulative change in academic and administrative budget initiative and reduction amounts.
Realizing the Benefits of On-going Cost Savings and Efficiency Efforts

Through prudent stewardship efforts implemented during the past 13 years, the university has been able to save more than $130 million. These one-time and recurring changes continue to benefit the university, allowing it to efficiently allocate its limited resources. The university also continues to operate under a hiring freeze. Requests to refill or create new positions are closely scrutinized through a position hiring process and only authorized after alternative options have been considered.

Strategic Allocations in 21st Century University Initiatives

The university continually seeks ways to maximize the benefits associated with how its resources are allocated. Academic units, in collaboration with Leadership, for example, focus on growing programs with high-demand and improving student access to courses. Attention to reallocating existing resources is also a primary mechanism for creating a $50 million investment in the 21st Century University Initiative: Powering the 2020 Plan.
OPERATING BUDGET OVERVIEW

The University of Louisville’s Fiscal Year (FY) 2017 Operating Budget is $1.28 billion. This is a $50.7 million, or 4.1 percent increase, compared to the FY 2016 Operating Budget.

The university’s budget is grouped into two categories: General Funds and UofL Corporations. The general fund budget encompasses most general purpose activities of the university including instruction and operational support expenditures.

The UofL Corporations’ budget includes activities whose funding is tied to specific purposes such as grants, clinical revenues, and athletics. UofL Corporations include the University of Louisville Research Foundation, Inc., University of Louisville Foundation, Inc., University of Louisville Athletic Association, Inc., the University of Louisville Medical School Fund, Inc., and the Quality and Charity Care Trust, Inc. The governing board for each corporation approves the respective budget for each of these entities at their board meetings.

Table 2 shows the university’s total operating budget. The general fund budget change is primarily attributable to increases in tuition and health care revenues coupled with a decrease in state appropriation. The UofL Corporations budget change is primarily due to increases in sponsored research and gifts.

<table>
<thead>
<tr>
<th></th>
<th>FY 2016 Budget</th>
<th>FY 2017 Budget</th>
<th>FY 16-17 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$511,237,700</td>
<td>$548,339,500</td>
<td>$37,101,800</td>
</tr>
<tr>
<td>UofL Corporations</td>
<td>717,367,000</td>
<td>730,955,300</td>
<td>13,588,300</td>
</tr>
<tr>
<td><strong>Total Operating Budget</strong></td>
<td><strong>$1,228,604,700</strong></td>
<td><strong>$1,279,294,800</strong></td>
<td><strong>$50,690,100</strong></td>
</tr>
</tbody>
</table>

Source: Office of Budget and Financial Planning
Table 3 shows the primary fund sources for the university’s operating budget and how they have changed over time. Whereas funding from the Commonwealth of Kentucky was once a leading source of revenue, tuition revenue and non-general fund revenue from clinical activities under the UofL Research Foundation, athletics programs, and gifts and endowments now account for more funding.

Table 3: Operating Budget by Primary Funding Source, FY 2002 and FY 2017

<table>
<thead>
<tr>
<th>General Fund and Corporations</th>
<th>Budget FY 2002</th>
<th>Budget FY 2017</th>
<th>Change Amount</th>
<th>Change Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>UofL Corporations</td>
<td>$195.1</td>
<td>$731.0</td>
<td>$535.9</td>
<td>274.7%</td>
</tr>
<tr>
<td>Tuition and Fees</td>
<td>86.5</td>
<td>323.7</td>
<td>$237.2</td>
<td>274.2%</td>
</tr>
<tr>
<td>Net State Appropriation</td>
<td>151.1</td>
<td>132.8</td>
<td>($18.3)</td>
<td>-12.1%</td>
</tr>
<tr>
<td>Other General Funds</td>
<td>81.7</td>
<td>91.8</td>
<td>$10.1</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$514.4</td>
<td>$1,279.3</td>
<td><strong>$764.9</strong></td>
<td><strong>148.7%</strong></td>
</tr>
</tbody>
</table>

Source: Office of Budget and Financial Planning, ULRF, Inc.; ULF, Inc.; and ULAA, Inc.

Budget Priorities

The FY 2017 budget includes funding for several important initiatives to help the university continue its upward trajectory. These include:

**Students**
- $2.5 million for a new tuition discounting program called, “Credit for Credits”;
- $2.2 million increase in student financial aid; and
- An additional $500,000 for need-based student financial aid.

**Faculty and Staff**
- $4.2 million for faculty and staff merit increases (including associated fringe benefits), but excluding board-appointed administrators earning more than $150,000;
- $2.4 million for faculty and staff equity adjustments (including associated fringe benefits);
- $500,000 to fund anticipated faculty promotions;
- $250,000 to fund anticipated staff promotions; and
- $100,000 to increase the living wage from $10.50 per hour to $10.75 per hour for eligible employees.

**Academic Strategic Priorities**
- $2 million for a strategic initiative fund for academic priorities in support of the 21st Century University Initiative: Powering the 2020 Plan.
STRATEGIC BUDGET AND FINANCIAL PLANNING

The university’s current strategic plan is rooted in its goal to become a “premier metropolitan university” by 2020 as mandated by the state’s Postsecondary Education Reform Act of 1997; a seminal event in the life of UofL. In 2012, the university began work on a supplement to our existing strategic plan aimed at re-shaping and re-engineering the university. Called the “21st Century University Initiative: Powering the 2020 Plan”, this plan is intended to help the university meet its goals and better serve students and the community.

Figure C pictorially depicts the three major structural components of the 21st Century University Initiative, and the relationship and interdependence of these components. As illustrated, the core component of the plan is Academic and Research Priorities. Academic units are the engines for accomplishment of the 21st Century University Initiative. Critical to their success is the Financial Health of the university and a Culture of Excellence across campus; initiatives in these two plan components provide critical, foundational support for success. Through coordinated partnerships, thoughtful enrollment growth, strategic investments and reallocations, and a new budget model, the university can successfully implement the 21st Century University Initiative and accomplish the goals of the 2020 Plan.

Figure C: Driving the 2020 Plan

Source: Office of the Executive Vice President and University Provost
The FY 2017 budget represents the first year in a four year plan to create a $50 million investment fund for the University of the 21st Century. All funds will be used to make strategic investments in activities that move the university toward meeting its 2020 goals. Academic units will direct the use of a portion of those funds. A detailed business model is being developed and will be presented in Fall 2016.

Synergistic to the financial plan being developed for the 21st Century University Initiative: Powering the 2020 Plan, and in alignment with the planning for the FY 2017 budget, a new academic “Strategic Planning and Implementation” process has been initiated. Led by the University Provost in collaboration with the Executive Vice President for Health Affairs (EVPHA) and the Executive Vice President for Research & Innovation (EVPRI), the purpose was to communicate and align strategic objectives across all academic units. It also ensured that the provost and the deans had a shared understanding of each unit’s short- and long-range goals, particularly within the context of the 21st Century University Initiative.

As the starting point for the new strategic planning process, each dean received information about their unit’s academic and financial performance. Deans then detailed their unit’s mission, strategic plans, and budget requests for FY 2017 and made a presentation to the provost, the EVPHA, the EVPRI, and senior members of the provost’s staff. The presentation allowed the deans to have an open conversation about each unit’s strategic goals, enrollment targets, opportunities for growth, and anticipated future needs. In the future this process will allow the provost to make informed, strategic decisions about allocating scarce financial resources and identifying academic areas that have capacity for growth. This strategic planning process will become increasingly important as state funding for higher education shifts to a performance-based model in Kentucky.

**State Performance Funding**

Prior to the 2016 legislative session, CPE submitted a performance funding model to the governor and the legislature. Carefully developed over 18 months, all universities and KCTCS agreed to a plan that called for restoring one-half of all state budget reductions but only if certain performance objectives were met. The plan held institutions accountable for student retention, graduation and progression, including for minority and low-income students. A few additional metrics were prescribed for the research and comprehensive institutions and for KCTCS. Institutions would only compete against themselves for these at-risk dollars. Unearned funds would have been a loss to the institution that failed to achieve its metrics but not a gain to another institution.
The enacted state budget included a different performance funding plan. Instead of restoring prior year budget reductions, the budget carved out an additional five percent of each institution’s FY 2018 net state appropriation base and placed that amount at-risk. For UofL, that means $6.8 million in state funds will be removed from the FY 2018 budget. Those funds would only be appropriated if the university meets certain yet-to-be-defined performance metrics. The state’s performance funding plan also makes each university compete for their portion of the at-risk funding. UofL and UK, as the state’s only two research institutions, must outperform the other in order to keep their share of this funding. For postsecondary institutions the amount of net state appropriation held at-risk will increase to 15 percent in FY 2019 and 25 percent in FY 2020.

Decreasing state appropriations coupled with a competitive performance-based funding model raises the financial stakes for all public universities and colleges in Kentucky. A coordinated, strategic vision is vital if the University of Louisville is to succeed in this new environment. The University’s 21st Century Initiative and the provost’s strategic planning and implementation process are keys to that success.
BUDGET PRINCIPLES

A set of budget principles was developed to guide the budget decision-making process. These principles focus on ensuring a transparent process, prioritizing competing initiatives, and positioning the university for success. The following list shows the budget principles developed under an overarching, unifying principle:

The University of Louisville is first and foremost an academic institution committed to excellence. The education of its students in undergraduate, graduate and professional programs is founded on a teacher-scholar model with a strong experiential component. The success and well-being of current and future students of the University of Louisville is of singular importance in all budgetary decisions.

Budget Principles

1. The University of the 21st Century Initiative: Powering the 2020 Plan will serve as the roadmap for prioritizing budget decisions.
2. Budget reductions must be strategic, not across-the-board.
3. Revenue enhancement, increased cost efficiencies, and internal reallocations must all be aggressively employed.
4. Enrollment growth will be prioritized as a strategy for revenue generation.
5. Tuition and fee increases must be minimized to the extent possible.
6. Financial aid to students is a high priority.
7. An “All Funds” approach will be applied.
8. For academic units, program demand will be a key consideration.
9. Core academic activities must be prioritized over administrative and support functions.
10. Budget Reserve Funds must be maintained for mid-year flexibility and year-end capital expenditures.
11. The existing budget development and decision making process will be utilized. Within this process, communication and dialogue will be open, honest, candid and frequent.

Source: Office of Budget and Financial Planning
COLLABORATIVE INPUT INTO BUDGET PLANNING

Input from the campus community is an important part in planning the University’s budget. Faculty, staff, and students have valuable perspectives about the university’s priorities. Opportunities for their input into the development of the FY 2017 budget included a university-wide budget forum hosted by the president plus two tuition forums, one hosted on the Belknap Campus and one on the Health Sciences Campus. Multiple budget overview sessions were also held for the staff and faculty senates, the student government association, and deans. To promote more transparency and to provide greater opportunities for faculty and staff to have input into the budget development process, the president and provost held town-hall budget meetings at each academic and support unit this year.

Figure D summarizes the many opportunities for the campus community to provide input into the budget development process. In total, the president, provost, and the associate vice president for budget and planning made more than 25 presentations on the university’s budget and the budget planning process. The timeline for the comprehensive consultation with the campus community is shown in Figure E.
### Figure E: Timeline for the Consultative Process

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>September – December</td>
<td>Academic planning with units</td>
</tr>
<tr>
<td>October – April</td>
<td>Tuition setting and fee recommendation development</td>
</tr>
<tr>
<td>November – February</td>
<td>Provost strategy planning with academic units</td>
</tr>
<tr>
<td>December – May</td>
<td>Budget discussions in Leadership</td>
</tr>
<tr>
<td>February – April</td>
<td>Budget briefings with Deans, Staff and Faculty Senate Executive Committees, SGA, and Vice Presidents</td>
</tr>
<tr>
<td>(New) March – April</td>
<td>Individual unit staff and faculty meetings</td>
</tr>
</tbody>
</table>

Source: Office of Budget and Financial Planning
Seven Key Financial Strategies

Within the context of its budget principles and values, the university has developed seven broad financial strategies. These strategies are intended to help the university operate more efficiently, work collaboratively with the private sector, find innovative ways to fund the University’s mission, and stimulate research and clinical activities that support the university’s research and teaching activities. The seven strategies are:

1. Re-engineering processes and expense management, or “Pick low hanging fruit”.

   Table 4 shows UofL’s stewardship, cost reduction and efficiency efforts for FY 2002 through March 2016. Over that period, the university has realized more than $130 million in cost efficiencies. Examples of these efforts follow the table.

   **Table 4: Stewardship, Cost Reduction and Efficiency Efforts FY 2002-2016**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue generation</td>
<td>$47,351,350</td>
</tr>
<tr>
<td>Cost reductions</td>
<td>44,223,271</td>
</tr>
<tr>
<td>Stewardship</td>
<td>27,694,413</td>
</tr>
<tr>
<td>Efficiency efforts</td>
<td>11,407,429</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$130,676,463</strong></td>
</tr>
</tbody>
</table>

   Source: Office of Budget and Financial Planning

   **Revenue Generation**
   - Partnered with Edwards Communities to build apartment units contiguous to campus.
   - Converted the Reynolds Building into upscale loft apartments.

   **Cost Reductions and Efficiency Efforts**
   - Completed an energy savings program with Siemens Building Technologies that will save the university approximately $2 million per year.
   - University Libraries implemented a robotic retrieval system that will reduce operational expenses.

   **Stewardship**
   - Partnered with Kentucky Dataseam, a nonprofit organization, to harness unused computer power in more than 50 school districts in Kentucky.
   - Negotiated a new food service contract.
2. Taking “underperforming assets and making them perform”.

To be financially secure, the university recognizes that it must maximize the potential of all its assets. Developing vacant land on the university’s Shelby Campus is one example. Construction and leasing of new office space continues. The university also continues work on the J.D. Nichols Campus for Innovation and Entrepreneurship and the Belknap Engineering and Applied Sciences Research Park.

*J.D. Nichols Campus*

*Rendering of Belknap Engineering and Applied Sciences Research Park*
3. **Increasing value from our research and intellectual property.**

Through life-changing work conducted by UofL researchers, the University is improving the lives of people in Louisville, Kentucky, and the world. The intellectual property associated with some of that research has been sold and is now generating revenue for the University. One example is the ground-breaking work conducted Dr. Suzanne Ildstad. Her work has made it possible for organ transplant recipients to avoid the need for immunosuppressant drugs.

![Dr. Suzanne Ildstad](image)

4. **Create partnerships with the private sector.**

In recent years the university has worked with private developers to add more than 4,000 beds to the campus inventory. The university now has more than 5,000 students living on campus.

![University Community Park](image)
5. Expand clinical activities and generate clinical income to support teaching and academics.

Shifts in the medical landscape, particularly those related to the Affordable Care Act, continue to offer opportunities for the university to expand its highly-regarded clinical practices. University of Louisville Physicians is now the largest, multispecialty physician practice in the Louisville area with more than 700 physicians. They are all professors and researchers at the School of Medicine.

6. Expanding research mission through creative tools (i.e. Tax Increment Financing (TIF) districts).

The university continues to work with local and state governments to boost the economic development in the areas where the university operates each of its three campuses. These arrangements—known as Tax Increment Financing (TIF) districts—help create jobs and improve local neighborhoods. For example, an estimated 8,700 high-paying jobs and $1.2 billion in private investment for the university’s Health Sciences TIF district are anticipated.
7. **Enhance and increase fundraising.**

Through the incredible generosity of University of Louisville alumni, faculty, staff, and friends, the university hit a milestone in 2014 that only a few other universities have achieved: $1 billion in support. This shows tremendous backing for the university, its mission of educating students and conducting ground-breaking research, and for the direction the institution is headed.
GENERAL FUND REVENUES

OVERVIEW

The total General Fund revenue budget for FY 2017 is $548.3 million. This is $37.1 million, or 7.3 percent, more than FY 2016. The largest source of general fund revenue is tuition and fees, which represents 59.0 percent of the total general fund revenue budget. State appropriation is $133.6 million, or 24.4 percent of the total.

Table 5 shows all major revenue categories in the university’s General Fund budget.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2016 Budget</th>
<th>FY 2017 Budget</th>
<th>Percent of Total</th>
<th>FY 16-17 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees</td>
<td>$300,381,800</td>
<td>$323,722,800</td>
<td>59.0%</td>
<td>7.8%</td>
</tr>
<tr>
<td>State Appropriation and Other State Funds</td>
<td>141,236,300</td>
<td>133,638,400</td>
<td>24.4%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Hospital-Related Revenue*</td>
<td>13,860,900</td>
<td>37,470,200</td>
<td>6.8%</td>
<td>170.3%</td>
</tr>
<tr>
<td>Transfers from UofL Corporations</td>
<td>28,152,100</td>
<td>28,165,200</td>
<td>5.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>14,298,000</td>
<td>13,653,400</td>
<td>2.5%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Other Non-Educational Revenue</td>
<td>11,113,700</td>
<td>9,494,700</td>
<td>1.7%</td>
<td>-14.6%</td>
</tr>
<tr>
<td>Organized Activities Related to Instruction</td>
<td>1,227,200</td>
<td>1,272,100</td>
<td>0.2%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Sales and Services of Educational Activities</td>
<td>967,700</td>
<td>922,700</td>
<td>0.2%</td>
<td>-4.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$511,237,700</strong></td>
<td><strong>$548,339,500</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>7.3%</strong></td>
</tr>
</tbody>
</table>

* Hospital-related revenue includes $23.6 million to sustain and enhance the university’s education and research missions in medicine, dentistry, nursing, and public health from the Kentucky One Academic Affiliation agreement.

Source: Office of Budget and Financial Planning

TUITION AND FEES

The Council on Postsecondary Education (CPE) is the state coordinating agency for the eight public universities and the community college system in the Commonwealth of Kentucky. One of its responsibilities is to set tuition guidelines and then approve resident undergraduate tuition rates at all public higher education institutions. For FY 2017, CPE capped resident undergraduate tuition rate increases at five percent for UofL and UK. For the comprehensive universities, CPE capped the increase at a flat $432 per year. The corresponding increases ranged from 4.65 percent at Western Kentucky University to 5.87 percent at Kentucky State University. CPE also approved a significant change in its guideline for setting non-resident undergraduate tuition rates. Instead of requiring institutions to
charge at least twice the resident undergraduate rate, CPE will require universities to charge a tuition amount that covers the direct costs of instruction for non-resident students. UofL’s current non-resident rate structure is in compliance with this new guideline.

Tuition and fee revenues total $323.7 million for FY 2017. This is $23.3 million more than FY 2016. The increase is primarily attributable to the following changes:

- Approximately $7.3 million in net additional tuition revenue after accounting for a $2.2 million increase in centrally funded financial aid and $2.5 million in funding for the new Credit for Credits program. The Credit for Credits program awards eligible students $526 per year for earning at least 30 credit hours in an academic year.
- $7.1 million for 120 School of Dentistry non-resident students not permanently budgeted since the additional enrollment approval for AY 2011;
- $4.2 million mostly for online courses, primarily due to increasing demand, and also in part from a variety of changes in anticipated unit and fee revenues.

The university has adopted a biennial approach to tuition setting and guarantees that tuition rates will not increase in FY 2017-18. As a result, the effective change in annual tuition rates is only 2.5% over the FY 2017 to FY 2018 period.
Table 6 shows the proposed Academic Year (AY) 2017 tuition rates for undergraduate, graduate, and professional programs.

Table 6: UofL Academic Year (AY) 2017 Regular Tuition Schedule
(amounts in dollars)

<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semester Rates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>5,271</td>
<td>5,534</td>
<td>263</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,424</td>
<td>13,045</td>
<td>621</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>5,832</td>
<td>6,123</td>
<td>291</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,137</td>
<td>12,743</td>
<td>606</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Law (Full-time Program)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>10,046</td>
<td>10,548</td>
<td>502</td>
</tr>
<tr>
<td>Nonresident</td>
<td>18,716</td>
<td>19,651</td>
<td>935</td>
</tr>
<tr>
<td><strong>Medicine</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>36,464</td>
<td>38,286</td>
<td>1,822</td>
</tr>
<tr>
<td>Nonresident</td>
<td>55,426</td>
<td>58,196</td>
<td>2,770</td>
</tr>
<tr>
<td><strong>Dentistry</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>30,870</td>
<td>32,412</td>
<td>1,542</td>
</tr>
<tr>
<td>Nonresident</td>
<td>64,348</td>
<td>67,564</td>
<td>3,216</td>
</tr>
<tr>
<td>* per credit hour</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Office of Budget and Financial Planning

Table 7 shows proposed changes to special tuition rates for AY 2017. Prior Board action approved tuition rates for Urban Planning and Public Administration to increase by $100 per credit hour more than the respective resident and non-resident graduate rates. Online education tuition rates remain unchanged from 2016.
### Table 7: UofL Academic Year (AY) 2017 Special Tuition Schedule

(amounts in dollars)

<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intensive English as a Second Language</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time Day Program</td>
<td>5,090</td>
<td>5,090</td>
<td>0</td>
</tr>
<tr>
<td><strong>Urban Planning and Public Admin. Programs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>6,563</td>
<td>7,023</td>
<td>460</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,684</td>
<td>13,643</td>
<td>959</td>
</tr>
<tr>
<td><strong>Online Education (per credit hour)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>497</td>
<td>497</td>
<td>0</td>
</tr>
<tr>
<td>Graduate</td>
<td>714</td>
<td>714</td>
<td>0</td>
</tr>
<tr>
<td>Graduate - Urban Planning &amp; Public Admin</td>
<td>855</td>
<td>855</td>
<td>0</td>
</tr>
<tr>
<td>Law, full-time</td>
<td>1,098</td>
<td>1,098</td>
<td>0</td>
</tr>
<tr>
<td>Law, part-time</td>
<td>914</td>
<td>914</td>
<td>0</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Professional MBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Full-time MBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>IMBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Masters in Accountancy Program</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Ed.D. Practitioner</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
</tr>
<tr>
<td><strong>Certificate Program in Accountancy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
</tr>
<tr>
<td><strong>M.S. in Human Resources and Organization Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
</tr>
<tr>
<td>Active Duty Military (per credit hour)</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
</tbody>
</table>

* Excludes Master's of Engineering in Engineering Management Online fixed price program
New or Modified Tuition and Fees

Each year some units propose new fees or request modification to existing ones. The Task Force on Tuition and Fee Setting—a committee appointed by the Provost—reviews all tuition and fee requests and recommends a course of action to Leadership. Table 8 lists the fee requests that were approved by Leadership. More detailed descriptions follow the table.

Table 8: Recommended Changes to Course and Unit Fees for AY 2017

<table>
<thead>
<tr>
<th>#</th>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Political Science Lab Fee</td>
<td>$60</td>
<td>Cover costs of active learning simulations.</td>
</tr>
<tr>
<td>2</td>
<td>American Sign Language Course Fee</td>
<td>$50</td>
<td>Support videotaped and faculty prepared materials and consumables for the courses.</td>
</tr>
<tr>
<td>3</td>
<td>Auxiliary Fee</td>
<td>$46</td>
<td>Fee provides disability insurance to medical school students as required by accreditation guidelines (fall semester only).</td>
</tr>
<tr>
<td>4a</td>
<td>Department of Otolaryngology</td>
<td>$125</td>
<td>Course fee to cover cost associated with clinical practicum.</td>
</tr>
<tr>
<td>4b</td>
<td>Department of Otolaryngology</td>
<td>$25</td>
<td>Course fee to cover cost associated with laboratory component.</td>
</tr>
<tr>
<td>5</td>
<td>Department of Anatomical Sciences and Neurobiology</td>
<td>$0</td>
<td>Rescind $150 microscope rental fee.</td>
</tr>
<tr>
<td>6</td>
<td>Instrumental supply and maintenance</td>
<td>$10</td>
<td>Cover costs of the school maintaining supplies for musical instrument maintenance such as reeds, key oil, and strings.</td>
</tr>
<tr>
<td>7</td>
<td>Instrumental supply and maintenance</td>
<td>$25</td>
<td>Cover costs of the school maintaining items for musical instrument maintenance for double reed instruments.</td>
</tr>
</tbody>
</table>
Table 8: Recommended Changes to Course and Unit Fees for AY 2017 (continued)

<table>
<thead>
<tr>
<th>#</th>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Didactic credit hour fee for Doctor of Nursing Practice</td>
<td>$50</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS 740.</td>
</tr>
<tr>
<td>9</td>
<td>Clinical credit hour fee for the Doctor of Nursing Practice</td>
<td>$100</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS 789.</td>
</tr>
</tbody>
</table>

School of Public Health and Information Sciences

| 10 | Certification Exam Fee | $0     | Request to rescind $5 certification exam fee.                               |

Speed School of Engineering

| 11 | Co-op fee               | $300   | Fee to help support co-op placement activities.                             |

Senior Vice President for Finance and Administration

| 12 | Meal plan               | Varies | Residence hall rates increase by three percent; commuter plan increases by $25 per semester. |

Vice Provost for Student Affairs

| 13 | University Housing      | Varies | See Table 9: Academic Year 2017 Housing Rate Schedule.                      |

Source: Office of Budget and Financial Planning

College of Arts & Sciences

1. A new $60 lab fee for the Department of Political Science for POLS 520 and POLS 530 courses and any co-listed sections of either course to pay for active-learning classes primarily for students participating in simulations. Simulations represent an innovate approach to learning.

2. A $50 course fee for students enrolled in American Sign Language course ASL 205 or ASL 305 will support videotaped and faculty-prepared best practice materials. Each course is six credit hours.

School of Medicine

3. Each fall semester a $46 auxiliary fee for all medical school students will be charged for student disability insurance. The fee is based on the Liaison Committee on Medical Education’s (LCME) newest accreditation guidelines and the need to provide students with long- and short-term disability coverage. The benefit would provide monthly benefits and helps cover prior educational loan payments.
4. The Department of Otolaryngology requested two new fees. The fees will enable the program to enhance the program by providing incentives to audiologists in the community to serve as clinical preceptors and to maintain the equipment purchased with grant funds so that students are able to learn using the same equipment currently being used by practicing physicians.

   a. $125 per course fee for each Doctor of Audiology course (AUDI 610, AUDI 620 and AUDI 635) for clinical practicum.
   b. $25 per course fee for AUDI 614, 615, 622, 624, 630, and 654 with a laboratory component.

5. The Department of Anatomical Sciences and Neurobiology will rescind the existing $150 fee for microscope rental for first-year medical students. The School of Medicine has transitioned to virtual microscopy. Licensing fees for that technology will be covered by the medical school student technology account.

School of Music

The School of Music requests two new fees. Both fees will eliminate the current practice of students paying cash for various instrument accessories such as reeds, key oil, strings, and other items. The change will give faculty the ability to distribute these items to students when needed and also improve the School of Music’s cash handling practices.

6. $10 fee for students registered for MUS 252, 253, 254, 229, 235, 335, 336, or 137 or MUED 556.

7. $25 fee for students registered for MUS 236. This course is an advanced woodwinds methods course and the double reed instruments such as bassoon and oboe have higher reed replacement costs.

School of Nursing

In order to initiate and sustain a high quality Doctor of Nursing Practice (DNP) program and to recruit, retain, and sustain market-fair compensation for School of Nursing faculty, the following two fees are requested.

8. New $50 per didactic credit hour fee for students in the DNP program in course number NURS 740. This fee will support laboratory and faculty supervision activities.

9. New $100 per clinical credit hour fee for students in the DNP program in course number NURS 789 (8 to 9 total credit hours depending on population specialization, plus 3 credit hours for health assessment). This fee will support laboratory and faculty supervision activities.
School of Public Health and Information Sciences

10. Public Health will rescind the existing $5 per credit hour fee assessed to graduate students who were required to take a certification exam. The school indicated that the exam is no longer required.

Speed School of Engineering

11. A new $300 fee for three co-op courses (SSoE 289, SSoE 389, and SSoE 489) will be used to meet the administrative effort of placing an increasing number of students in co-op programs. The cost to students will, in part, be offset by reducing the number of required co-op credit hours from two to one.

Senior Vice President for Finance and Administration

12. Residence hall meal plan rates increase by three percent in FY 2017 to $990 per semester for halls with a kitchen and to $1,550 per semester for halls without kitchens. The commuter meal plan rate increases by $25 per semester to $225. Resident hall meal plan rates have remained unchanged for the past seven fiscal years.

University Housing

13. Based on projected higher costs in maintenance, operation, and programmatic expenses, university-owned housing rates will increase by two percent for non-family units and family units in FY 2016-17. This is the smallest rate increase in the last five fiscal years. The increases apply to the following UofL owned residence halls: Louisville Hall, Medical-Dental Apartments, Miller, Threlkeld, Unitas, and University Tower Apartments. Table 9 shows the recommended housing rates.
### Table 9: Academic Year 2017 Housing Rate Schedule
(amounts in dollars)

<table>
<thead>
<tr>
<th>Traditional Halls (Miller, Threlkeld, Unitas)</th>
<th>Semester Rates</th>
<th>Change</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitas triple</td>
<td>1,900</td>
<td>1,938</td>
<td>38</td>
<td>2.0%</td>
</tr>
<tr>
<td>Double</td>
<td>2,466</td>
<td>2,515</td>
<td>49</td>
<td>2.0%</td>
</tr>
<tr>
<td>Single</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>Resident Assistant, all halls</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live-in rate</td>
<td>2,000</td>
<td>2,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Louisville Hall suites</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6th Floor double with bath</td>
<td>2,615</td>
<td>2,667</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor single room</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor double room</td>
<td>2,515</td>
<td>2,565</td>
<td>50</td>
<td>2.0%</td>
</tr>
<tr>
<td>3 Bedroom Suite</td>
<td>2,565</td>
<td>2,616</td>
<td>51</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 Bedroom Suite</td>
<td>2,605</td>
<td>2,657</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>University Tower Apartments (UTA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom, single</td>
<td>3,005</td>
<td>3,065</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 Bedroom, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom, double</td>
<td>2,675</td>
<td>2,728</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large studio, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard studio, double</td>
<td>2,640</td>
<td>2,692</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>UTA Family Apts and Medical-Dental Apts</td>
<td>Monthly Rates, per unit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>945</td>
<td>963</td>
<td>18</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>835</td>
<td>852</td>
<td>17</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large studio</td>
<td>770</td>
<td>785</td>
<td>15</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard studio</td>
<td>740</td>
<td>754</td>
<td>14</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Source: Office of Housing and Residence Life
STATE APPROPRIATION

Enacted in April, the state’s biennial budget reduces state appropriations to the University of Louisville by $6.3 million in FY 2017. This represents a 4.5 percent reduction in base appropriation which excludes state funded debt service and appropriations tied to other specific activities.

The state budget also removes $1.3 million in state-funded debt service in FY 2017 for a bond that was retired in FY 2016. The bond (Series M) was issued for parking and the refinancing of three consolidated educational building revenue bonds.

The governor also imposed a two percent one-time budget reduction on most postsecondary institutions in FY 2016. For UofL, that amounts to a $2.8 million budget reduction. As of August 17, 2016, a court case to decide the legality of the budget reduction was pending appeal.

Figure F shows the state budget reductions by fiscal year to UofL from FY 2009 through FY 2017. Over that period, net state appropriations to the university declined by $42.9 million.

Figure F: State Mandated Budget Reductions to UofL by Fiscal Year
(Dollars in millions)

Notes: FY 2016 one-time budget reduction is pending court appeal.
Source: UofL budget documents; Council on Postsecondary Education
State higher education funding also declined in most other states during the Great Recession. Since then, nearly all states have begun to reinvest in higher education, illustrated by a 4.1 percent average increase in FY 2015. That marked the third consecutive year of overall funding increases.\(^5\) Regrettably, Kentucky is one of only a handful of states that continue to reduce higher education appropriations. As a result, UofL is now primarily a tuition-supported institution. A fact that becomes apparent when looking at funding per FTE student.

Figure G shows state appropriations per full-time equivalent student at UofL. Since FY 2009, state appropriation has declined by more than $2,200, or 24.6 percent per full-time equivalent student.

**Figure G: UofL State Appropriation per FTE Student**
(in 2009 constant dollars)


Hospital Related

Hospital Related revenues increase by $23.6 million, or 170.3 percent, due to:

- $20.8 million from Kentucky One Academic Affiliation agreement to sustain and enhance the University’s education and research in medicine, dentistry, nursing, and public health; and $2.8 million from Kentucky One Academic Affiliation agreement to support Research Infrastructure.

These funds are designated for specific purposes and are budgeted for units on the Health Sciences Campus. The majority of these funds will be used for faculty salaries and startup packages.

Transfers

The university receives revenues from the University of Louisville Research Foundation, University of Louisville Foundation, and the University of Louisville Athletic Association.

University of Louisville Research Foundation

- Each year university faculty and researchers are awarded numerous sponsored grants and contracts for the purpose of conducting research or providing a service. Administrative overhead costs are funded by a Facilities and Administrative recovery charge. The Research Foundation transfers the university’s portion of these revenues to the university. For FY 2017, total indirect cost recoveries for the university are expected to provide $12.1 million, which is $500,000 more than FY 2016. The change is primarily due to an expected increase in federal awards.
- Affiliated corporations pay debt service on certain buildings and structures. For example, the UofL Research Foundation contributes to the debt service for research facilities across campus.

University of Louisville Foundation

- The University of Louisville Foundation annually transfers $6.1 million to the university from the university’s three tax increment financing (TIF) districts. Activating these TIF districts redirected growth in property and income taxes from state and local governments to the district. These funds are then used to develop the area. TIF revenues have grown from $2 million in FY 2014 to $6.1 million in FY 2016.

University of Louisville Athletic Association

- Affiliated corporations pay debt service on certain buildings and structures. For example, the UofL Athletic Associates pays the debt service for the Jim Patterson baseball stadium expansion.
UNIVERSITY AUXILIARIES

The Auxiliary budgets for FY 2017 decrease by $644,600. The primary changes are to University Housing, Parking, Bookstore and iTech Express budgets, which decrease by $608,800 and are shown in Table 10.

Table 10: Significant Auxiliary Budget Changes

<table>
<thead>
<tr>
<th>Budget</th>
<th>FY 2016</th>
<th>FY2017</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Housing</td>
<td>$6,844,200</td>
<td>$6,496,300</td>
<td>($347,900)</td>
<td>-5.1%</td>
</tr>
<tr>
<td>University Parking</td>
<td>5,355,600</td>
<td>5,149,700</td>
<td>($205,900)</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Bookstore Operations</td>
<td>315,000</td>
<td>450,000</td>
<td>135,000</td>
<td>42.9%</td>
</tr>
<tr>
<td>iTech Express</td>
<td>293,000</td>
<td>103,000</td>
<td>($190,000)</td>
<td>-64.9%</td>
</tr>
<tr>
<td>Total</td>
<td>$12,807,800</td>
<td>$12,199,000</td>
<td>($608,800)</td>
<td>-4.8%</td>
</tr>
</tbody>
</table>

- The University Housing budget decreases by $347,900. At the end of spring 2015, The Complex (West, Central and Wellness halls) was closed and taken offline to make room for University Pointe, a new on-campus affiliated student housing complex.

- The FY 2017 budget for University Parking decreases by $205,900. This is due to anticipated decreases in parking permits, hourly parking, and fine revenues. Revenues will also be negatively impacted by the closing of the Dental School surface lot.

- The budget for Bookstore Operations increases by $135,000 due, in part, to an increase in guaranteed commission that was negotiated with the Follett Higher Education Group, the new operator of the University Bookstore.

- The budget for iTech Express decreases by $190,000 to more accurately reflect past revenue trends.

OTHER NON-EDUCATIONAL REVENUE

These revenues come from non-instructional activities, but provide benefits to the educational mission of the university. Some examples include the Early Learning Campus (daycare), Get Healthy Now!, procurement card services, and some information technology services.
OTHER REVENUES

Other Revenues include:

- Short-term investment income, bond interest income, and other interest earnings;
- Sales and services of educational activities include revenue from the International Service Learning program and the non-credit dance program; and
- Other activities including the planetarium, Family Business Center, and the AP Summer Institute.

Table 11 summarizes the general fund revenue changes for the FY 2017 budget.
### Table 11: Summary of Revenue Changes

<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY 2016 Budget</th>
<th>FY 2017 Budget</th>
<th>Change 2016 to 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition-Regular</td>
<td>$226,670,700</td>
<td>$244,794,300</td>
<td>$18,123,600</td>
</tr>
<tr>
<td>Tuition-Summer</td>
<td>19,467,800</td>
<td>20,444,500</td>
<td>976,700</td>
</tr>
<tr>
<td>Distance Education</td>
<td>21,220,600</td>
<td>25,881,400</td>
<td>4,660,800</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>3,671,100</td>
<td>3,481,900</td>
<td>(189,200)</td>
</tr>
<tr>
<td>Special Programs</td>
<td>6,505,900</td>
<td>6,122,500</td>
<td>(383,400)</td>
</tr>
<tr>
<td><strong>Total Tuition</strong></td>
<td>277,536,100</td>
<td>300,724,600</td>
<td>23,188,500</td>
</tr>
<tr>
<td>Fees-Mandatory</td>
<td>9,761,300</td>
<td>10,144,400</td>
<td>383,100</td>
</tr>
<tr>
<td>Fees-Miscellaneous</td>
<td>7,320,400</td>
<td>6,877,700</td>
<td>(442,700)</td>
</tr>
<tr>
<td>Unit Based Fees</td>
<td>5,255,500</td>
<td>5,431,600</td>
<td>176,100</td>
</tr>
<tr>
<td>Lab Based Fees</td>
<td>508,500</td>
<td>544,500</td>
<td>36,000</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td>22,845,700</td>
<td>22,998,200</td>
<td>152,500</td>
</tr>
<tr>
<td><strong>Total Tuition &amp; Fees</strong></td>
<td>300,381,800</td>
<td>323,722,800</td>
<td>23,341,000</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>140,416,300</td>
<td>132,818,400</td>
<td>(7,597,900)</td>
</tr>
<tr>
<td>Other State Funds</td>
<td>820,000</td>
<td>820,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total State Appropriations</strong></td>
<td>141,236,300</td>
<td>133,638,400</td>
<td>(7,597,900)</td>
</tr>
<tr>
<td>Hospital</td>
<td>13,860,900</td>
<td>37,470,200</td>
<td>23,609,300</td>
</tr>
<tr>
<td>Transfers In</td>
<td>16,520,000</td>
<td>16,033,100</td>
<td>(486,900)</td>
</tr>
<tr>
<td>Indirect Cost Transfers</td>
<td>11,632,100</td>
<td>12,132,100</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Transfers from Corporations</strong></td>
<td>28,152,100</td>
<td>28,165,200</td>
<td>13,100</td>
</tr>
<tr>
<td>Housing</td>
<td>6,844,200</td>
<td>6,496,300</td>
<td>(347,900)</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>6,383,600</td>
<td>6,092,700</td>
<td>(290,900)</td>
</tr>
<tr>
<td>Service Centers</td>
<td>1,070,200</td>
<td>1,064,400</td>
<td>(5,800)</td>
</tr>
<tr>
<td><strong>Total Auxiliary Enterprises</strong></td>
<td>14,298,000</td>
<td>13,653,400</td>
<td>(644,600)</td>
</tr>
<tr>
<td>Other Non-Educational Revenue</td>
<td>7,596,000</td>
<td>5,977,000</td>
<td>(1,619,000)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>3,517,700</td>
<td>3,517,700</td>
<td>0</td>
</tr>
<tr>
<td>Activities Related to Instruction</td>
<td>1,227,200</td>
<td>1,272,100</td>
<td>44,900</td>
</tr>
<tr>
<td>Sales &amp; Services of Educ. Act.</td>
<td>967,700</td>
<td>922,700</td>
<td>(45,000)</td>
</tr>
<tr>
<td><strong>Total Other Revenues</strong></td>
<td>13,308,600</td>
<td>11,689,500</td>
<td>(1,619,100)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$511,237,700</td>
<td>$548,339,500</td>
<td>$37,101,800</td>
</tr>
</tbody>
</table>
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OVERVIEW

General fund expenditures are expected to be $37.1 million, or 7.3 percent, higher than in FY 2016. Notable expenditure items include the following:

1. Salaries and Fringe Benefits
   - $4.2 million for a two percent merit-based increase in salaries and wages, including fringe benefits, but excluding most board appointed administrators;
   - $2.4 million for faculty and staff equity adjustments, including fringe;
   - $100,000 for an increase in the living wage rate from $10.50 to $10.75 per hour on July 1, 2016. This is the third of a four year planned increase in the minimum wage rate earned by regular university employees. By July 1, 2017, the living wage rate will be $11 per hour.
   - $125,000 reduction in total wages associated with one fewer work day in the upcoming calendar year;
   - No increase in employee health insurance contribution rates.

2. Financial Aid
   - $2.5 million for the creation of the Credit for Credits program which, when earned, effectively offsets the five percent resident undergraduate tuition rate increase;
   - $2.2 million increase in financial aid funded by the university, including graduate tuition scholarship programs; and
   - $500,000 increase in need-based financial aid.

3. Utilities
   - No overall increase in budgeted utility expenditures.

4. State Mandated Programs
   - $335,000 reduction in state mandated programs, which is 4.5 percent of the total.

5. Other Expenditures
   - $2.0 million increase in program budget expenditures. Program budget expenditures must be paid from revenues generated by those programs. For example, faculty and staff costs associated with specific online education courses frequently operate as program budgets and would be funded by online education tuition revenues.
   - $500,000 incremental reduction in expenditures associated with the Voluntary Separation Incentive Program (VSIP). This is the final year of any budgetary savings related to VSIP.
The University of Louisville general fund expenditure budget is balanced to the general fund revenue budget. Fiscal Year 2017 general fund expenditures total $548.3 million. Table 12 shows general fund expenditures by category.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2016 Budget</th>
<th>FY 2017 Budget</th>
<th>Percent of Total</th>
<th>FY 16-17 % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$263,843,600</td>
<td>$278,681,300</td>
<td>50.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>76,504,900</td>
<td>77,959,800</td>
<td>14.2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Supplies and Operating*</td>
<td>73,922,900</td>
<td>91,486,100</td>
<td>16.7%</td>
<td>23.8%</td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>54,940,800</td>
<td>60,192,100</td>
<td>11.0%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Utilities</td>
<td>23,189,800</td>
<td>23,189,800</td>
<td>4.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>18,835,700</td>
<td>16,830,400</td>
<td>3.1%</td>
<td>-10.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$511,237,700</strong></td>
<td><strong>$548,339,500</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>7.3%</strong></td>
</tr>
</tbody>
</table>

*The FY 2017 budget for Supplies and Operating includes $20.8 million from the Kentucky One Academic Affiliation agreement. Most funds will be used for salaries and fringe benefits, but are shown here until those allocations are made. An additional $2.8 million has been budgeted as salaries for FY 2017.

Source: Office of Budget and Financial Planning
Utilities

Table 1 shows utility expenditures from FY 2013-14 through FY 2016-17. Energy performance savings and sustainability initiatives helped constrain utility expenses even as new facilities were brought on line. For FY 2017, the utility expenditure budget remains flat. Careful review of previous expenditures and a conservative projection of future costs determined that no increase in the utility expenditure budgets was necessary.

Table 13: Utility Expenditure Analysis by Campus and Fiscal Year

<table>
<thead>
<tr>
<th>Campus and Utility</th>
<th>Fiscal Year Actuals</th>
<th>FY 2016 Budget</th>
<th>FY 2017 Budget</th>
<th>Change FY 16-FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013-14</td>
<td>2014-15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belknap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>$6,417,165</td>
<td>$6,519,563</td>
<td>$7,008,190</td>
<td>$7,008,190</td>
</tr>
<tr>
<td>Water</td>
<td>1,318,149</td>
<td>1,516,028</td>
<td>1,696,089</td>
<td>1,696,089</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>1,990,610</td>
<td>1,735,863</td>
<td>2,726,642</td>
<td>2,726,642</td>
</tr>
<tr>
<td>Total Belknap</td>
<td>9,725,924</td>
<td>9,771,454</td>
<td>11,430,921</td>
<td>11,430,921</td>
</tr>
<tr>
<td>HSC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>3,345,831</td>
<td>3,401,775</td>
<td>4,075,504</td>
<td>4,075,504</td>
</tr>
<tr>
<td>Water</td>
<td>754,744</td>
<td>855,486</td>
<td>1,039,243</td>
<td>1,039,243</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>123,199</td>
<td>118,483</td>
<td>287,135</td>
<td>287,135</td>
</tr>
<tr>
<td>Steam/Chilled Water</td>
<td>5,352,938</td>
<td>4,906,347</td>
<td>5,573,425</td>
<td>5,573,425</td>
</tr>
<tr>
<td>Total HSC</td>
<td>9,576,711</td>
<td>9,282,091</td>
<td>10,975,307</td>
<td>10,975,307</td>
</tr>
<tr>
<td>Shelby</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>387,688</td>
<td>420,741</td>
<td>435,939</td>
<td>435,939</td>
</tr>
<tr>
<td>Water</td>
<td>77,969</td>
<td>88,441</td>
<td>95,578</td>
<td>95,578</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>181,426</td>
<td>193,139</td>
<td>252,090</td>
<td>252,090</td>
</tr>
<tr>
<td>Total Shelby</td>
<td>647,083</td>
<td>702,321</td>
<td>783,607</td>
<td>783,607</td>
</tr>
<tr>
<td>Total Utility Expenditures</td>
<td>$19,949,719</td>
<td>$19,755,867</td>
<td>$23,189,835</td>
<td>$23,189,835</td>
</tr>
</tbody>
</table>

Source: Office of Senior VP for Finance and Administration
**Debt Service**

Bonds are used to pay for university projects that generate benefits over a long period such as research facilities, academic buildings, and parking garages. Debt service is the cost of borrowing money for such projects.

For FY 2017, total university debt service payments will be $16.8 million, which is $2 million less than FY 2016. The change is due to three factors:

1. The retirement of the CEBRB Series M bond issue, which reduces debt service payments by almost $2 million. Series M funded the Floyd Street parking structure and the refinancing of three consolidated educational building revenue bonds;
2. Refinancing all or a portion of four existing bond issues, which has the net impact of reducing total university debt service by $661,176; and
3. Issuing $9.6 million in debt to help fund the renovation of the Student Activities Center. This new issuance increases debt service by $644,019.

Table 14 details the changes in debt service by bond series.

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Change</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Series A General Receipts</td>
<td>$2,982,000</td>
<td>$1,996,000</td>
<td>($986,000)</td>
<td>Refinanced</td>
</tr>
<tr>
<td>2008 Series A General Receipts</td>
<td>6,460,225</td>
<td>4,138,100</td>
<td>(2,322,125)</td>
<td>Refinanced</td>
</tr>
<tr>
<td>2010 Series A and B General Receipts</td>
<td>2,730,512</td>
<td>2,351,810</td>
<td>(378,702)</td>
<td>Refinanced</td>
</tr>
<tr>
<td>CEBRB (Series P)</td>
<td>317,752</td>
<td>0</td>
<td>(317,752)</td>
<td>Refinanced</td>
</tr>
<tr>
<td>2011 Series A General Receipts</td>
<td>2,640,650</td>
<td>2,641,250</td>
<td>600</td>
<td>Existing</td>
</tr>
<tr>
<td>2012 Series A General Receipts</td>
<td>1,720,249</td>
<td>1,722,000</td>
<td>1,751</td>
<td>Existing</td>
</tr>
<tr>
<td>2016 Series A General Receipts</td>
<td>0</td>
<td>1,234,776</td>
<td>1,234,776</td>
<td>New</td>
</tr>
<tr>
<td>2016 Series B General Receipts</td>
<td>0</td>
<td>810,888</td>
<td>810,888</td>
<td>New</td>
</tr>
<tr>
<td>2016 Series C General Receipts</td>
<td>0</td>
<td>1,935,551</td>
<td>1,935,551</td>
<td>New</td>
</tr>
<tr>
<td>CEBRB (Series M) 88.5%</td>
<td>1,756,129</td>
<td>0</td>
<td>(1,756,129)</td>
<td>Retired</td>
</tr>
<tr>
<td>CEBRB (Series M) Parking portion 11.5%</td>
<td>228,197</td>
<td>(0)</td>
<td>(228,197)</td>
<td>Retired</td>
</tr>
<tr>
<td><strong>Total (All Bond Issues)</strong></td>
<td>$18,835,714</td>
<td>$16,830,375</td>
<td>($2,005,339)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Excludes interest subsidy on 2010 General Receipts bonds.
Source: Senior VP for Finance and Administration

General Receipts Bonds are issued for projects whose debt service is funded by unrestricted revenues such as tuition and state appropriation. The General Receipts series are:

- 2007 Series A funded renovations at the Home of the Innocents, indirect costs related to the Center for Predictive Medicine, land acquisition and construction of the Patterson Baseball
Stadium, Trager Field House, and the YUM! Practice Facility. This bond was partially refinanced as 2016 Series B. Final maturity is 2018.

- 2008 Series A funded the second HSC parking garage, School of Dentistry renovation, and indirect costs in the construction of the Clinical and Translational Research Building. This bond was partially refinanced as 2016 Series C. Final maturity is 2019.

- 2010 Series A and B is a combination of Build America Bonds and Qualified Energy Conservation Bonds that were used for energy conservation measures in multiple buildings on all campuses. The 2010 Series A bond was partially refinanced as 2016 Series A. Final maturity is 2027.

- 2011 Series A was for the construction of the Student Recreation Center. Final maturity is 2032.

- 2012 Series A was used to repay former CEBRB Series N and O. Final maturity is 2023.

- 2016 Series A will be used to fund renovations to the Student Activity Center and refinance the Build America Bonds (2010 Series A) as well as Series P. Final maturity is 2036.

- 2016 Series B was used to refinance a portion of 2007 Series A. Final maturity is 2027.

- 2016 Series C was used to refinance a portion of 2008 Series A. Final maturity is 2028.

CEBRB, or Consolidated Educational Buildings Revenue Bonds, are pledged from tuition and fees. Series P was used to acquire Home of the Innocents property and was refinanced as a part of 2016 Series A.

Debt to fund the construction of the new Belknap Campus academic building has been issued by the Commonwealth of Kentucky. That debt service will be paid directly by the Commonwealth of Kentucky and will not appear in the University’s budget.
STRATEGIC INITIATIVES

The FY 2017 budget includes many important strategic initiatives. They are aligned with the university’s strategic plan and contribute to the goal of making the University of Louisville a premier metropolitan research university by 2020. Table 15 summarizes the strategic initiatives.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Student financial aid escaltor at 5%</td>
<td>$2,197,000</td>
</tr>
<tr>
<td>Strategic tuition discounting (Credit for Credits)</td>
<td>2,520,000</td>
</tr>
<tr>
<td>Need-based aid increase</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Student Initiatives</strong></td>
<td>5,217,000</td>
</tr>
<tr>
<td><strong>Faculty and Staff Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Faculty and staff merit salary adjustments at 2%</td>
<td>3,515,000</td>
</tr>
<tr>
<td>Fringe associated with salary adjustments</td>
<td>650,000</td>
</tr>
<tr>
<td>Faculty and staff equity pool</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Fringe associated with equity pool</td>
<td>370,000</td>
</tr>
<tr>
<td>Faculty promotions</td>
<td>500,000</td>
</tr>
<tr>
<td>Staff reclassifications and promotions</td>
<td>250,000</td>
</tr>
<tr>
<td>Living wage Increase</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total Faculty and Staff Initiatives</strong></td>
<td>7,385,000</td>
</tr>
<tr>
<td><strong>Academic Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Investment in strategic academic priorities</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

**Total Investment in Strategic Initiatives** $14,602,000

Student Initiatives

- **Financial aid.** Centrally budgeted undergraduate and graduate financial aid increases by five percent to cover the increase in tuition rates. By increasing financial aid to students, the average net tuition cost to UofL students will remain below the “sticker price” and keep financial aid at basically the same level as the previous year. This will help control the average loan debt, making UofL comparatively more attractive than other institutions in Kentucky.
Figure H shows that UofL students graduate with average student loan debt that is $3,000 less than the average student loan debt at other institutions in Kentucky.

**Figure H: Student Debt at UofL Compared to the State of Kentucky**

<table>
<thead>
<tr>
<th></th>
<th>Year of Graduation: 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>UofL average loan debt</td>
<td>$23,375</td>
</tr>
<tr>
<td>Kentucky average loan debt</td>
<td>$26,486</td>
</tr>
</tbody>
</table>

- **Strategic tuition discounting.** To encourage students to graduate more quickly and with less debt, a strategic tuition discount program is created. The program sets aside a percentage of tuition revenues each year for eligible students to earn based on certain academic milestones. Called the “Credit for Credits” program, the focus is helping students complete their undergraduate degrees in four years. In addition to providing a financial incentive, a larger benefit will accrue to students who successfully meet the milestones in the program and incur less student debt. Students who graduate in four years could save up to $40,000 in total costs of attendance compared to students who take six years to graduate.

- **Need-based aid.** The FY 2017 budget includes an additional $500,000 in need-based financial aid. This addition brings the institutional need-based aid budget to $3.6 million.

- **One-time merit-based aid.** Each year the University Provost provides additional one-time funding to supplement the current financial aid budget. Most of this funding is associated with one-time merit based awards and is geared toward improving the academic profile of the entering freshman class. During FY 2016, financial aid was supplemented by $350,000. The FY 2017 budget includes additional one-time funds of approximately $400,000.
Faculty and Staff Initiatives

- Faculty and staff merit salary adjustments. The FY 2017 budget includes a merit pool for the purpose of awarding wage and salary increases based upon an employee’s performance evaluation. Both faculty and staff merit increases will be based upon performance. Most board-appointed administrators are excluded and will not receive a salary increase.

- Faculty and staff equity pool. Recent faculty and staff equity studies have shown that some employees have salary and wage rates below their particular benchmarks. To begin bridging that gap, the FY 2017 budget includes $2.4 million, including fringe, for equity adjustments. Additional resources for equity adjustments will be pledged in subsequent budgets.

- Faculty promotion fund. To fund anticipated advances in faculty tenure, the FY 2017 budget includes $500,000 for faculty promotions. Academic promotion funds are typically awarded on top of any performance-based salary increase.

- Staff promotion and reclassification fund. Throughout the fiscal year, some staff may receive promotions or be placed in reclassified positions. Departments fund one-half of the promotion or reclassification with the balance paid by this fund. To support the central cost of these changes, the FY 2017 budget includes $250,000 for the Staff Promotion and Reclassification Fund. Requests to use this fund usually arise as a result of expanded duties in a position, promotion to a higher level of duties, or an administrative determination that current duties are incorrectly classified.

- Living wage. Recognizing the need to pay employees a living wage rate, the university made a commitment three years ago to gradually raise the wage rate for eligible employees to $11 per hour by July 1, 2017. On July 1, 2016, the living wage rate will rise to $10.75 per hour.

Academic Strategic Initiative Fund

The FY 2017 budget also funds $2 million in strategic priorities. The Provost will use these resources to target programs for enhanced growth, operational improvements, or other activities. Examples include:

- Promoting graduate education;
- Strengthening faculty diversity;
- Student success initiatives; and
- Strategic faculty growth.
Table 16: Summary of Changes in Expenditures

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 2016 Budget</th>
<th>FY 2017 Budget</th>
<th>Change 2016 to 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>$130,016,000</td>
<td>$138,440,500</td>
<td>$8,424,500</td>
</tr>
<tr>
<td>Professional and Administrative</td>
<td>70,007,300</td>
<td>75,406,200</td>
<td>5,398,900</td>
</tr>
<tr>
<td>Classified</td>
<td>34,280,800</td>
<td>35,322,200</td>
<td>1,041,400</td>
</tr>
<tr>
<td>Student Assistants</td>
<td>13,364,100</td>
<td>13,916,000</td>
<td>551,900</td>
</tr>
<tr>
<td>Administrators</td>
<td>11,810,200</td>
<td>11,538,600</td>
<td>(271,600)</td>
</tr>
<tr>
<td>Other Salaries</td>
<td>4,365,200</td>
<td>4,057,800</td>
<td>(307,400)</td>
</tr>
<tr>
<td><strong>Total Salaries</strong></td>
<td><strong>263,843,600</strong></td>
<td><strong>278,681,300</strong></td>
<td><strong>14,837,700</strong></td>
</tr>
<tr>
<td>Total Fringe Benefits</td>
<td>76,504,900</td>
<td>77,959,800</td>
<td>1,454,900</td>
</tr>
<tr>
<td><strong>Total Personnel</strong></td>
<td><strong>340,348,500</strong></td>
<td><strong>356,641,100</strong></td>
<td><strong>16,292,600</strong></td>
</tr>
<tr>
<td>Supplies and Operating *</td>
<td>73,922,900</td>
<td>91,486,100</td>
<td>17,563,200</td>
</tr>
<tr>
<td>Scholarships and Financial Aid</td>
<td>54,940,800</td>
<td>60,192,100</td>
<td>5,251,300</td>
</tr>
<tr>
<td>Utilities</td>
<td>23,189,800</td>
<td>23,189,800</td>
<td>0</td>
</tr>
<tr>
<td>Debt Service</td>
<td>18,835,700</td>
<td>16,830,400</td>
<td>(2,005,300)</td>
</tr>
<tr>
<td><strong>Total Operating</strong></td>
<td><strong>170,889,200</strong></td>
<td><strong>191,698,400</strong></td>
<td><strong>20,809,200</strong></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$511,237,700</strong></td>
<td><strong>$548,339,500</strong></td>
<td><strong>$37,101,800</strong></td>
</tr>
</tbody>
</table>

*The FY 2017 budget for Supplies and Operating includes $20.8 million from the Kentucky One Academic Affiliation agreement. Most funds will be used for salaries and fringe benefits, but are shown here until those allocations are made. An additional $2.8 million has been budgeted as salaries for FY 2017.*
SELF-SUPPORTING PROGRAMS

Self-supporting programs produce their own revenue, typically from fees or online education revenues. The university has more than 200 program budgets. Table 17 identifies the noteworthy changes to program budgets in the FY 2017 budget.

Table 17: Notable Changes in FY 2017 Self-Supporting Programs
(sorted by academic unit and, in dollars, revenue change amount)

<table>
<thead>
<tr>
<th>Unit</th>
<th>Program Name</th>
<th>Revenue Change</th>
<th>Percent Change</th>
<th>Reason for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Arts and Sciences</td>
<td>Distance Education - Communications</td>
<td>174,000</td>
<td>22.4%</td>
<td>Expected growth in enrollment based on past actuals and demand for online course offerings.</td>
</tr>
<tr>
<td></td>
<td>Distance Education - Chemistry</td>
<td>75,000</td>
<td>75.0%</td>
<td>Continued growth in enrollment and demand for online course offerings.</td>
</tr>
<tr>
<td></td>
<td>Distance Education - Pan-African Studies</td>
<td>72,000</td>
<td>34.6%</td>
<td>Increase based on enrollment expectations and historical revenue actuals.</td>
</tr>
<tr>
<td>College of Business</td>
<td>Distance Education - Economics</td>
<td>100,000</td>
<td>142.9%</td>
<td>Enrollment expected to increase in FY2017, course offerings expanded to meet demand.</td>
</tr>
<tr>
<td>Dentistry</td>
<td>Dental Instrument Rental</td>
<td>88,000</td>
<td>2.6%</td>
<td>Increase in clinical patients.</td>
</tr>
<tr>
<td></td>
<td>Continuing Education - Dentistry</td>
<td>(62,200)</td>
<td>-19.6%</td>
<td>Reduction in number of professionals enrolling in Continuing Education courses.</td>
</tr>
<tr>
<td>Kent School of Social Work</td>
<td>Distance Education - Kent Instruction</td>
<td>400,000</td>
<td>36.4%</td>
<td>Increasing enrollment in Kent School graduate and undergraduate online programs.</td>
</tr>
<tr>
<td>Speed School of Engineering</td>
<td>Distance Education - Speed Computer</td>
<td>81,000</td>
<td>50.9%</td>
<td>Increasing enrollment and trend of FY 2015 and FY 2016 actuals.</td>
</tr>
</tbody>
</table>
### Table 17: Notable Changes in FY 2017 Self-Supporting Programs (continued)

(sorted by academic unit and, in dollars, revenue change amount)

<table>
<thead>
<tr>
<th>Unit</th>
<th>Program Name</th>
<th>Revenue Change</th>
<th>Percent Change</th>
<th>Reason for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>College of Education and Human Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Distance Education - Education, Leadership, Foundations, and Human Resources (ELFH)</td>
<td>513,000</td>
<td>58.3%</td>
<td>Increase based on continued growth in demand for online course offerings and enrollment in ELFH.</td>
</tr>
<tr>
<td></td>
<td>ELFH/GE/Off campus program</td>
<td>425,000</td>
<td>212.5%</td>
<td>Increase based on continued enrollment increase in off-campus programs.</td>
</tr>
<tr>
<td></td>
<td>Distance Education - Health and Physical Education Science</td>
<td>388,000</td>
<td>97.0%</td>
<td>Continued growth in Health Education enrollment and demand for expanded online course offerings.</td>
</tr>
<tr>
<td></td>
<td>Educational Leadership and Organizational Development</td>
<td>155,000</td>
<td>New</td>
<td>Reestablish budget for FY2017 as new cohort will begin in fall.</td>
</tr>
<tr>
<td><strong>University Libraries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Distance Education - Library</td>
<td>350,000</td>
<td>41.2%</td>
<td>Aligns the revenue budget with actual received revenue. Increased enrollment and more distance education course offerings across the University are bringing in greater revenues for the central distance education budget.</td>
</tr>
<tr>
<td><strong>Other Units</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delphi - Online</td>
<td>384,621</td>
<td>6.6%</td>
<td>Revenue increase is consistent with five year average actuals.</td>
</tr>
<tr>
<td></td>
<td>Campus Health Services</td>
<td>340,100</td>
<td>8.4%</td>
<td>Increase in clinical revenue received.</td>
</tr>
<tr>
<td></td>
<td>iTech Express</td>
<td>(190,000)</td>
<td>-64.8%</td>
<td>Reduction in revenue based on historical actuals.</td>
</tr>
<tr>
<td></td>
<td>Housing Administration</td>
<td>(390,182)</td>
<td>-5.9%</td>
<td>Reduction in available rooms for University Housing dorms.</td>
</tr>
<tr>
<td></td>
<td>Student Recreation Center</td>
<td>(448,025)</td>
<td>-11.3%</td>
<td>Reduction to align with historical revenue.</td>
</tr>
<tr>
<td></td>
<td>IT Communication Services</td>
<td>(525,600)</td>
<td>-62.5%</td>
<td>Less revenue anticipated.</td>
</tr>
</tbody>
</table>
Near the end of the budget development process, a significant amount of time and effort is spent bringing revenues and expenditures into alignment. To support the academic mission of the university, the FY 2017 budget reduces the budgets for the Office of the President and the Office of the Provost by a total of $500,000 and other administrative unit budgets by another $600,000. These reductions will help fund the university’s academic priorities and balance the general fund budget.

The university has also made great strides in improving its operations. Efforts to leverage efficiencies, such as those described in the Seven Key Financial Strategies section, have been instrumental. Overall, many of these initiatives are directly tied to the university’s desire to decrease administrative overhead across all campuses and allow the university to focus on academic priorities.

Table 18 summarizes the strategies that were employed to help balance the FY 2017 general fund budget. They are grouped by academic and administrative categories.

**Table 18: Permanent Budget Balancing Strategies by Academic and Administrative Categories**

<table>
<thead>
<tr>
<th>Balancing Strategy</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic</strong></td>
<td></td>
</tr>
<tr>
<td>Recognize an increase in central online learning revenues</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Reduce state mandated programs by 4.5%</td>
<td>335,000</td>
</tr>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
</tr>
<tr>
<td>Increase the university’s administrative fee by 2%</td>
<td>660,000</td>
</tr>
<tr>
<td>Budget reduction for administrative support units</td>
<td>600,000</td>
</tr>
<tr>
<td>Budget reduction for offices of the President and the Provost</td>
<td>500,000</td>
</tr>
<tr>
<td>Permanent transfer from health insurance plan</td>
<td>500,000</td>
</tr>
<tr>
<td>1% increase in federal Facilities and Administrative (F&amp;A) rate</td>
<td>500,000</td>
</tr>
<tr>
<td>Incremental change in Voluntary Separation Incentive Program (VSIP) savings</td>
<td>500,000</td>
</tr>
<tr>
<td>Debt service refinance savings</td>
<td>409,000</td>
</tr>
<tr>
<td><strong>Total Permanent Adjustments</strong></td>
<td>$5,504,000</td>
</tr>
</tbody>
</table>

Source: Office of Budget and Financial Planning
• Online tuition revenues have increased in recent years and are split between the instructional unit, the Delphi Center, University Libraries, and central university. In order to safeguard against enrollment fluctuations and subsequent revenue changes, online revenues had been conservatively forecast. As a result, actual revenues exceeded budget projections in FY 2016. The FY 2017 budget increases the university’s share of online tuition dollars by $1.5 million.

• The university assesses a fee on self-supporting entities to partially offset central university expenses associated with supporting these entities. Since FY 2012, these entities were charged 10 percent of gross expenditures. Beginning in FY 2017, the rate will increase to 12 percent to more fully account for the administrative costs associated with supporting these entities.

• The federally negotiated F&A rate for research at UofL will increase from 53 percent to 54 percent in FY 2017. The increase is expected to provide an additional $500,000 in indirect cost recoveries.

• A Voluntary Separation Incentive Program (VSIP) was launched by the university in FY 2012. The FY 2017 budget includes $500,000 in anticipated VSIP savings. This is the last year of incremental savings.

• Capture one-time savings from self-funded health insurance program: UofL implemented a self-insured health insurance program in 2002, which includes the “Get Healthy Now!” initiative and a pharmacy management program. This strategy has proved effective by limiting health care cost increases. This year the university has realized a significant one-time surplus in the program.

• The budget for the Office of the President is reduced by $300,000 and the budget for the Office of the Provost is reduced by $200,000. These savings will fund a $500,000 increase in institutional need-based financial aid. This aid is generally distributed to students in the “murky middle”—students who typically have a grade point average between 2.0 and 3.0 after their freshman year, but do not complete their degree within six years. Research suggests that more attention—both financial and academic—could improve retention and graduation rates within this group.

• The university oversees and operates several state-mandated programs. To help balance the budget, the expenditure budgets for these programs will be reduced by 4.5 percent. This action is expected to save the university approximately $335,000 in FY 2017.
- Given the favorable interest rate environment, the university continues to find opportunities to refinance existing bond issues. Refinancing all or a portion of four existing bond issues resulted in significant savings for the FY 2017 budget.
Overview

The Commonwealth of Kentucky requires all state government agencies to maintain a six-year Agency Capital Plan and update it every two years. The first two years of the plan become the basis for the state biennial capital budget request to the Legislature. The six-year plan includes all contemplated new construction, renovations, research equipment, and information technology system purchases and leases, and property leases. In accordance with state statutes KRS 45.810 and 45.750, legislative authorization is required for the following types of projects regardless of funding source:

- Construction/renovation project of $600,000 or more;
- Equipment purchase of $200,000 or more;
- Information technology system cost of more than $600,000; and
- Any lease more than $200,000 per year.

Capital projects not authorized in the state’s biennial budget may be authorized by the legislative Capital Projects and Bond Oversight Committee during the interim legislative session.

The university received agency bond authorization for two projects in the 2016-2018 state biennial budget: $55 million for the expansion of Papa John’s Cardinal Stadium and $46 million for renovations to residence halls. The stadium expansion will enclose the north end of the field and add 10,000 chair back seats, 1,000 club seats, 65 premium loge level seating, 10 field level suites, and office space for football coaches and staff. When construction is complete, total stadium seating capacity will increase to 65,000. The project will begin as soon as possible and will take approximately 18 months to complete. Fundraising is underway.

Rendering of Expansion to Papa John’s Cardinal Stadium
The second approved capital project is for $46.3 million to renovate university-owned residence halls. This project will include major renovations to aging residence halls on UofL's Belknap Campus. The number of students living on campus has increased significantly in recent years. The university recognizes the academic and social benefits that accrue to students who live on campus or in affiliated housing.

Two projects approved in the 2014-2016 biennial state budget were the construction on a new Belknap Campus classroom building and a renovated Student Activities Center (SAC), both of which will begin in FY 2017. The $80 million classroom facility will be funded by the state and feature state-of-the-art classrooms and learning spaces focused on student success. Maintenance and operating expenses fall to UofL. The $40 million SAC renovation will enhance the student experience on the Belknap Campus by providing improved dining options, university bookstore, and student-centered meeting and lounge areas.
Table 19 shows the proposed Agency Capital Plan for the University of Louisville.

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Number of Projects</th>
<th>FY 2016-18 Biennium</th>
<th>FY 2018-2020 Biennium</th>
<th>FY 2020-2022 Biennium</th>
<th>6-Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Bonds</td>
<td>6</td>
<td>$172,395,000</td>
<td>$51,220,000</td>
<td>-</td>
<td>$223,615,000</td>
</tr>
<tr>
<td>General Funds</td>
<td>12</td>
<td>163,473,000</td>
<td>501,210,000</td>
<td>15,000,000</td>
<td>679,683,000</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>51</td>
<td>903,914,000</td>
<td>94,744,000</td>
<td>-</td>
<td>998,658,000</td>
</tr>
<tr>
<td>Other</td>
<td>14</td>
<td>178,600,000</td>
<td>152,020,000</td>
<td>-</td>
<td>330,620,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83</strong></td>
<td><strong>$1,418,382,000</strong></td>
<td><strong>$799,194,000</strong></td>
<td><strong>$15,000,000</strong></td>
<td><strong>$2,232,576,000</strong></td>
</tr>
</tbody>
</table>

Source: Senior VP for Finance and Administration

Table 20: Capital Budget 2016-2022 Plan by Unit

(amounts in dollars)

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts and Sciences</td>
<td>$51,679,000</td>
</tr>
<tr>
<td>Athletics</td>
<td>78,340,000</td>
</tr>
<tr>
<td>Business</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Education</td>
<td>56,260,000</td>
</tr>
<tr>
<td>Senior VP for Finance &amp; Administration</td>
<td>78,140,000</td>
</tr>
<tr>
<td>Health Sciences Center</td>
<td>493,880,000</td>
</tr>
<tr>
<td>Kent School of Social Work</td>
<td>5,389,000</td>
</tr>
<tr>
<td>Law School</td>
<td>36,081,000</td>
</tr>
<tr>
<td>President/Foundation</td>
<td>282,345,000</td>
</tr>
<tr>
<td>Provost</td>
<td>219,673,000</td>
</tr>
<tr>
<td>Research</td>
<td>155,409,000</td>
</tr>
<tr>
<td>J.B. Speed School of Engineering</td>
<td>28,100,000</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>104,770,000</td>
</tr>
<tr>
<td>Infrastructure/Business Affairs</td>
<td>540,010,000</td>
</tr>
<tr>
<td>Information Technology</td>
<td>90,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,232,576,000</strong></td>
</tr>
</tbody>
</table>
## Figure I: Schedule for Developing the FY 2017 Operating Budget

<table>
<thead>
<tr>
<th>Action</th>
<th>Date(s) / Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Planning and Development Phase</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provost Academic Strategy and Planning process: create template and distribute to academic units</td>
<td>September 2015 through December 2015</td>
<td>• Completed</td>
</tr>
<tr>
<td>Preliminary Budget Planning, Modeling and Coordination</td>
<td>September 2015 through February 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td>FY 2016-17 Internal UofL Tuition Setting Process</td>
<td>October 2015 through April 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td>Provost Academic Strategy and Planning process: hold meetings with units</td>
<td>November 2015 through February 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td>Deans Submit Unit-Based Tuition and Fee Recommendations to Provost</td>
<td>November 2015 through January 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td><strong>Consultative Phase</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Meetings with Leadership Team</td>
<td>December 2015 through April 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td>Budget Briefing with Deans</td>
<td>February to April 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td>Budget Briefing with Staff Senate Executive Committee</td>
<td>February to April 2016</td>
<td>• Completed</td>
</tr>
<tr>
<td>Budget Briefing with SGA Executive Committee</td>
<td>February to April 2016</td>
<td>• Completed</td>
</tr>
</tbody>
</table>
# Budget Development Timeline

## 2017 Operating Budget

<table>
<thead>
<tr>
<th>Action</th>
<th>Date(s) / Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Briefing with Vice Presidents</td>
<td>February to April 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>Budget Briefing with Faculty Senate Executive Committee</td>
<td>February to April 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>Special Chief Academic Officers meeting</td>
<td>March 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>Individual Unit Faculty and Staff Meetings</td>
<td>March to April 2016</td>
<td>Completed</td>
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</table>

## Decision Phase

<table>
<thead>
<tr>
<th>Action</th>
<th>Date(s) / Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Release of CPE Tuition Policy and Parameters</strong></td>
<td>April 26, 2016</td>
<td>Completed</td>
</tr>
<tr>
<td><strong>Decision Point:</strong> Final Decision on Strategic Initiatives</td>
<td>May 10, 2016</td>
<td>Completed</td>
</tr>
<tr>
<td><strong>Decision Point:</strong> Final Decision on Budget Reduction/Balancing Strategy</td>
<td>May 10, 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>Provost Academic Strategy and Planning process: decide allocation and/or reduction of resources</td>
<td>July/August 2016</td>
<td>Pending</td>
</tr>
<tr>
<td><strong>Decision Point:</strong> Proposed Budget, Tuition and Fee Rates, Housing Rates, and other Student Fees Presented to BOT for Approval</td>
<td>Budget of Trustees</td>
<td>Pending</td>
</tr>
</tbody>
</table>
## Budget Development Schedule
### 2017 Operating Budget

<table>
<thead>
<tr>
<th>Action</th>
<th>Date(s) / Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision Point:</strong> CPE Meeting to Approve Institutional Tuition Rates</td>
<td>After BOT Approves</td>
<td>Pending</td>
</tr>
</tbody>
</table>

### Publication Phase

<table>
<thead>
<tr>
<th>Action</th>
<th>Date(s) / Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalize FY 2016-17 Operating Budget</td>
<td>July 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>Budget document mailed to Board of Trustees</td>
<td>One week prior to meeting</td>
<td>Completed</td>
</tr>
</tbody>
</table>

### Presentation Phase

<table>
<thead>
<tr>
<th>Action</th>
<th>Date(s) / Range</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition Forums</td>
<td>April 1st and 11th 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>President’s Budget Forum</td>
<td>April 19, 2016</td>
<td>Completed</td>
</tr>
<tr>
<td>President submits FY 2016-17 Budget to the Board of Trustees for approval</td>
<td>Pending</td>
<td>Tentative</td>
</tr>
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</table>
FINANCE COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

1:00 p.m. August 25, 2016

Ballroom B, University Club

Agenda

I. Call to Order
   • Approval of Minutes, June 2, 2016

II. Action Item: Approval of 2016-17 Budget
   • Tuition
   • Fees
   • Housing
   • Meal Plan
   • Operating Budget

III. Action Item: Refinancing of Bond Issue for Steam and Chilled Water Plant

IV. Adjournment

Committee Members:
Ron Butt, Chair
Dr. Pamela Feldhoff, Vice Chair
Jonathan Blue
Steve Campbell
Craig Greenberg
[Vacancy]
[Vacancy]
MINUTES OF THE FINANCE COMMITTEE OF THE UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

June 2, 2016

In Open Session

Members of the Finance Committee of the University of Louisville Board of Trustees met at 1:00 p.m. on June 2, 2016 in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. Ron Butt, Chairman
Mr. Jonathan Blue
Mr. Steve Campbell (via videoconference)
Dr. Pamela Feldhoff
Mr. Craig Greenberg

Other Trustees
Present: Dr. Larry Benz
Dr. Emily Bingham (via teleconference, joined at 1:25 p.m.)
Mr. Douglas Hall
Mr. Bruce Henderson
Dr. Robert Curtis Hughes (via videoconference, joined at 1:20 p.m.)
Ms. Angela Lewis-Klein
Ms. Brucie Moore
Mr. William Summers, IV

From the University:
Dr. James R. Ramsey, President
Dr. Neville Pinto, Interim Executive Vice President and Provost
Dr. William Pierce, Executive Vice President for Research and Innovation
Mr. Harlan Sands, Sr. VP for Finance and Administration, CFO/COO
Ms. Leslie Strohm, Vice President for Strategy and General Counsel
Mr. Keith Inman, Vice President for Advancement
Dr. Greg Postel, Interim Executive Vice President for Health Affairs
Ms. Susan Howarth, Assoc. VP for Finance and Business Affairs
Mr. Rick Graycarek, Asst. Director of Budget and Financial Planning
Mr. Chris Hodgkins, Policy and Budget Analyst
Ms. Priscilla Tingle, Policy and Budget Analyst
Mr. Renaldo Domoney, Policy and Budget Analyst
Ms. Ann Phillips, Policy and Budget Analyst
Mr. Jason Tomlinson, Assoc. VP for Finance and Business Affairs
Ms. Becky Simpson, Sr. Assoc. VP for Communications and Marketing
Ms. Trisha Smith, Deputy Chief of Staff
Mr. Jake Beamer, Boards Liaison
I. **Call to Order**  
Having determined a quorum present, Chair Butt called the meeting to order at 1:00 p.m.

**Approval of Minutes**

Mr. Greenberg made a motion, which Dr. Feldhoff seconded, to approve the minutes of the January 13, 2016 meeting. The motion passed.

II. **2016-17 Budget Workshop: Preliminary Approval of Tuition, Fees, Housing, Meal Plan, and Operating Budget**

President Ramsey explained the Commonwealth’s biennium budget was not approved until the last day of the budget session and it was late April before the University received a clean copy of said budget. Also, the CPE waited until after the budget’s enactment before it sets its tuition parameters. He congratulated Ms. Howarth and her team for their efforts in such a short period.

Dr. Pinto and Ms. Howarth briefed the board. Highlights included the budget process and principles at UofL; a 5% tuition increase; the “Credit for Credits” tuition discounting strategy; tuition and fees recommendations for 2016-17; 5% increase in financial aid including $500k increase in need-based financial aid; a 2% faculty and staff merit-based salary adjustment (excluding clinical faculty and university administrators); $2.4M for faculty and staff equity pool; $750K for faculty and staff promotions and reclassifications; $100K for living wage increase ($10.75 per hour by July 1, 2016); no university-wide layoffs; and $2M in strategic academic initiatives to be managed by the Provost.

Ms. Howarth thanked her budget staff for their work and she and her team received a round of applause.

The President, Dr. Pinto, Ms. Howarth, and Mr. Tomlinson then fielded questions from the Committee.

Mr. Greenberg inquired about a $38M transfer of monies from the University to the UofL Foundation. He also asked if that money would be better spent in lieu of a tuition increase.

Chair Butt explained the University had cash that was earning very little, and by transferring it to the Foundation it was earning more interest.

President Ramsey stated it was a cash management strategy, as cash is an asset, and an alternative investment strategy.

Mr. Campbell asked if the money could be transferred immediately back the University.
Mr. Tomlinson explained that yes, the Memorandum of Agreement (receivable agreement) had demand features. He added the external auditors require the Controller’s Office to annually record the agreement in the University’s financial statements.

Ms. Moore commented that if the University demanded repayment from the Foundation and used it for general fund operating expenses, the money would run out in two years as opposed to being reinvested and earning more, which would be returned to the University at a later date.

Mr. Greenberg questioned whether or not the agreement was a loan.

Mr. Tomlinson stated no, it was recorded as a receivable in the financial statements.

Mr. Campbell asked how this reconciled with the Short-Term Investment Policy approved in January 2016.

Chair Butt reiterated the fact that the practice as it is currently being used has been vetted through the Audit Committee, voted on by the full Board, and passed by the full Board in October 2014. If the committee wanted to review that policy, it could do so at a future meeting.

Dr. Pinto continued the presentation of the 2016-17 Budget in relation to the funding of the University of the 21st Century and 2020 Plan. In order to do so, a $50M investment fund would be created with sources from 4-years of internal reallocations, revenue growth, and cost reduction. Dr. Pinto concluded the presentation with enrollment growth strategies. He then fielded questions from the Committee.

Dr. Benz encouraged administration to reevaluate the cost of out-of-state tuition.

Chairman Butt thanked Dr. Pinto and Ms. Howarth for their presentations.

**Tuition**

Dr. Feldhoff made motion to approve the recommendation regarding Tuition Increases. The motion was not seconded and subsequently failed.

Chairman Butt opened the floor to the Committee for suggestions on approving a budget.

Mr. Greenberg thanked Dr. Pinto and Ms. Howarth for their efforts. He suggested the Board of Trustees discuss priorities of spending within the University, the future of the university, and how to continue funding the university without raising tuition. Mr. Greenberg encouraged the President and his administration to present to the Board a budget that does not raise tuition and maintains the current level of strategic initiatives for faculty, staff, students, and academics, including the salary increases.
Dr. Hughes commented the Committee members should also make suggestions for a balanced budget that include Mr. Greenberg’s requirements.

III. Adjournment

Mr. Greenberg made a motion, which Mr. Blue seconded, to adjourn the meeting at 2:31 p.m. The motion passed.

Approved by:

________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING TUITION INCREASES AND RELATED CHANGES FOR
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve tuition increases per the attached schedules for Academic Year (AY) 2016-17. The recommendation is the result of much deliberation and consultation with the various constituency groups across campus and is consistent with the tuition rate increase parameters established by the Council on Postsecondary Education.

TUITION RATE INCREASES:

The Proposed Tuition Schedule below lists the recommended tuition rate changes for AY 2016-17.

For AY 2016-17 the proposed resident undergraduate tuition rate will increase by five percent and is consistent with Council on Postsecondary Education (CPE) guidelines promulgated in April 2016. Those guidelines allow research universities to raise resident undergraduate tuition by no more than five percent for the 2016-17 fiscal year.

CPE approved a significant change in its guideline for setting non-resident undergraduate tuition rates. Instead of requiring institutions to charge at least twice the resident undergraduate rate, CPE will now require universities to charge a tuition rate that covers the direct costs of instruction for non-resident students. UofL’s non-resident rate structure is currently set at a level that generates sufficient revenue to be in compliance with this guideline.
<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Change Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$5,271</td>
<td>$5,534</td>
<td>$263</td>
<td>5.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,424</td>
<td>13,045</td>
<td>621</td>
<td>5.0%</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>5,832</td>
<td>6,123</td>
<td>291</td>
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</tr>
<tr>
<td>Nonresident</td>
<td>12,137</td>
<td>12,743</td>
<td>606</td>
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</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Law (Full-time Program)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>10,046</td>
<td>10,548</td>
<td>502</td>
<td>5.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>18,716</td>
<td>19,651</td>
<td>935</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Medicine</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$36,464</td>
<td>$38,286</td>
<td>$1,822</td>
<td>5.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>55,426</td>
<td>58,196</td>
<td>2,770</td>
<td>5.0%</td>
</tr>
<tr>
<td><strong>Dentistry</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>30,870</td>
<td>32,412</td>
<td>1,542</td>
<td>5.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>64,348</td>
<td>67,564</td>
<td>3,216</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

* per credit hour
<table>
<thead>
<tr>
<th>Program</th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Change Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intensive English as a Second Language</strong></td>
<td>5,090</td>
<td>5,090</td>
<td>0</td>
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</tr>
<tr>
<td>Full-time Day Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Urban Planning and Public Admin. Programs</strong></td>
<td>6,563</td>
<td>7,023</td>
<td>460</td>
<td>7.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,684</td>
<td>13,643</td>
<td>959</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Online Education (per credit hour)</strong></td>
<td>497</td>
<td>497</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Undergraduate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate</td>
<td>714</td>
<td>714</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Graduate - Urban Planning &amp; Public Admin</td>
<td>855</td>
<td>855</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Law, full-time</td>
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<td>1,098</td>
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<tr>
<td>Law, part-time</td>
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<td>914</td>
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<td>0.0%</td>
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<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
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<tr>
<td><strong>Professional MBA Cohort Program</strong></td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Full-time MBA Cohort Program</strong></td>
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<td>0.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>IMBA Cohort Program</strong></td>
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<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Masters in Accountancy Program</strong></td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Ed.D. Practitioner</strong></td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Certificate Program in Accountancy</strong></td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>M.S. in Human Resources and Organization Development</strong></td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Resident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Active Duty Military (per credit hour)</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

* Excludes Master’s of Engineering in Engineering Management Online fixed price program
The Executive Vice President and University Provost joins the President in making this recommendation.

Committee Action:  
Passed: ________  
Did not Pass: ____  
Other: _________  
Date: __________

Board Action:  
Passed: ________  
Did not Pass: ____  
Other: _________  
Date: __________

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF VARIOUS FEES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and adjustments to the existing fees listed below.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>College of Arts and Sciences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Science Lab Fee</td>
<td>$60</td>
<td>Cover costs of active learning simulations.</td>
</tr>
<tr>
<td>American Sign Language Course Fee</td>
<td>$50</td>
<td>Support videotaped and faculty prepared materials and consumables for the courses.</td>
</tr>
<tr>
<td><strong>School of Medicine</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary Fee</td>
<td>$46</td>
<td>Fee provides disability insurance to medical school students as required by accreditation guidelines.</td>
</tr>
<tr>
<td>Department of Otolaryngology</td>
<td>$125</td>
<td>Course fee to cover cost associated with clinical practicum.</td>
</tr>
<tr>
<td>Department of Otolaryngology</td>
<td>$25</td>
<td>Course fee to cover cost associated with laboratory component.</td>
</tr>
<tr>
<td>Department of Anatomical Sciences and Neurobiology</td>
<td>$0</td>
<td>Request to rescind $150 microscope rental fee.</td>
</tr>
<tr>
<td><strong>School of Music</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instrumental supply and maintenance</td>
<td>$10</td>
<td>Cover costs of the school maintaining supplies for musical instrument maintenance such as reeds, key oil, and strings.</td>
</tr>
<tr>
<td>Instrumental supply and maintenance</td>
<td>$25</td>
<td>Cover costs of the school maintaining items for musical instrument maintenance for double reed instruments.</td>
</tr>
<tr>
<td>Unit</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>School of Nursing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Didactic credit hour fee for</td>
<td>$50</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS</td>
</tr>
<tr>
<td>Doctor of Nursing Practice</td>
<td></td>
<td>740.</td>
</tr>
<tr>
<td>Clinical credit hour fee for the</td>
<td>$100</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS</td>
</tr>
<tr>
<td>Doctor of Nursing Practice</td>
<td></td>
<td>789.</td>
</tr>
<tr>
<td><strong>School of Public Health and Information Sciences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certification Exam Fee</td>
<td>$0</td>
<td>Request to rescind $5 certification exam fee.</td>
</tr>
<tr>
<td><strong>Speed School of Engineering</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-op fee</td>
<td>$300</td>
<td>Fee to help support co-op placement activities.</td>
</tr>
</tbody>
</table>

The Executive Vice President and University Provost joins the President in making this recommendation.

**Committee Action:**
Passed: ________
Did not Pass: ________
Other: ________
Date: __________

**Board Action:**
Passed: ________
Did not Pass: ________
Other: ________
Date: __________

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF HOUSING RATES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new housing rates as requested below.

<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional Halls (Miller, Threlkeld, Unitas)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unitas Triple</td>
<td>$1,900</td>
<td>$1,938</td>
<td>$38</td>
<td>2.0%</td>
</tr>
<tr>
<td>Double</td>
<td>2,466</td>
<td>2,515</td>
<td>49</td>
<td>2.0%</td>
</tr>
<tr>
<td>Single</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Resident Assistant, All Halls</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Live-in Rate</td>
<td>2,000</td>
<td>2,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Louisville Hall Suites</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6th Floor double with Bath</td>
<td>2,615</td>
<td>2,667</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor single room</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor double room</td>
<td>2,515</td>
<td>2,565</td>
<td>50</td>
<td>2.0%</td>
</tr>
<tr>
<td>3 bedroom suite</td>
<td>2,565</td>
<td>2,616</td>
<td>51</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 bedroom suite</td>
<td>2,605</td>
<td>2,657</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>UTA Undergrad Apartments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom, single</td>
<td>3,005</td>
<td>3,065</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 Bedroom, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom, double</td>
<td>2,675</td>
<td>2,728</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large Studio, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard Studio, double</td>
<td>2,640</td>
<td>2,692</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>UTA Family Apts and Medical-Dental Apts.</strong></td>
<td>Monthly Rates, per unit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$945</td>
<td>$963</td>
<td>$18</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>835</td>
<td>852</td>
<td>17</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large Studio</td>
<td>770</td>
<td>785</td>
<td>15</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard Studio</td>
<td>740</td>
<td>754</td>
<td>14</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

The Executive Vice President and University Provost joins the President in making this recommendation.
Committee Action:  
Passed: ________
Did not Pass: ____
Other: _________
Date: __________

Board Action:  
Passed: ________
Did not Pass: ____
Other: _________
Date: __________

__________________________________  
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF STUDENT MEAL PLAN RATES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and adjustments to the existing fees listed below.

1) $990/semester for residents living in halls with kitchens
2) $1,550/semester for residents living in halls without kitchens
3) $225/semester for commuter students

The Executive Vice President and University Provost joins the President in making this recommendation.

Committee Action:  
Passed: ________ Did not Pass: ____
Other: ________ Date: __________

Board Action:
Passed: ________ Did not Pass: ____
Other: ________ Date: __________

__________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE PROPOSED BUDGET FOR FISCAL YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the proposed University operating budget for Fiscal Year 2016-17, as attached.

BACKGROUND:
The proposed General Fund Operating Budget for the University of Louisville is $548,339,500 for the Fiscal Year 2016-17. This is an increase of $37,101,800, or 7.3%, including debt service and contractual obligations. The University’s net state appropriation for FY 2016-17 is reduced by $6,258,500.

UofL continues to embrace transparency, campus collaboration, and linkage with the strategic plan in developing a realistic budget. All campus constituencies were briefed throughout the budget development cycle as successive iterations of the proposed budget were developed and discussed.

There are four major themes in the FY 2017 Operating Budget. They served as touchstones for all major budget decisions.

1. Keeping college affordable for our students – additional $5.2 million budgeted in financial aid;
2. Continuing to reduce administrative overhead costs – $1.8 million in cost reductions;
3. Realizing cost savings from ongoing efficiency efforts – $1.0 million; and

To help thousands of undergraduate and graduate students meet the financial costs of obtaining a college degree, the FY 2017 budget increases overall financial aid by $5.2 million including an exciting new program that will return the entire FY 2017 tuition rate increase for some students. Called “Credit for Credits”, this program will award $526 per year to students in good standing who successfully complete at least 30 credit hours during the academic year. This award is the same amount as the resident, undergraduate tuition increase for FY 2017 which will effectively eliminate the tuition rate increase for a large number of students, while simultaneously
supporting student academic engagement to achieve key 2020 Plan goals. The program encourages students to graduate more quickly, potentially saving each of them tens of thousands of dollars in annual education and living expenses. Improved graduation rates could also positively impact the amount of state funding the university receives since a portion of the university’s FY 2018 state appropriation will be based on performance.

The table below details all strategic initiatives included in this budget.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid Escalator at 5%</td>
<td>$2,197,000</td>
</tr>
<tr>
<td>Strategic Tuition Discounting (Credit for Credits)</td>
<td>2,520,000</td>
</tr>
<tr>
<td>Need-Based Aid increase</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Student Initiatives</strong></td>
<td><strong>5,217,000</strong></td>
</tr>
<tr>
<td><strong>Faculty &amp; Staff Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Faculty and Staff Merit Salary Adjustments</td>
<td>3,515,000</td>
</tr>
<tr>
<td>Fringe Associated with Salary Adjustments</td>
<td>650,000</td>
</tr>
<tr>
<td>Faculty and Staff Equity Pool</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Fringe Associated with Equity Pool</td>
<td>370,000</td>
</tr>
<tr>
<td>Faculty Promotions</td>
<td>500,000</td>
</tr>
<tr>
<td>Staff Reclassifications and Promotions</td>
<td>250,000</td>
</tr>
<tr>
<td>Living Wage Increase</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total Faculty &amp; Staff Initiatives</strong></td>
<td><strong>7,385,000</strong></td>
</tr>
<tr>
<td><strong>Academic Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Investment in Strategic Academic Priorities</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Total Investment in Strategic Initiatives</strong></td>
<td><strong>14,602,000</strong></td>
</tr>
</tbody>
</table>

**BUDGET BALANCING STRATEGIES:**
The FY 2016-17 budget contains multiple balancing strategies. The following table provides a summary of the balancing strategies that were employed to help balance the FY 2016-17 budget.
Balancing Strategy | Amount
---|---
**Academic**
- Recognize an increase in central online learning revenues | $1,500,000
- Reduce state mandated programs by 4.5% | 335,000

**Administrative**
- Increase the university’s administrative fee by 2% | 660,000
- Budget reduction for administrative support units | 600,000
- Budget reduction for offices of the President and the Provost | 500,000
- Permanent transfer from health insurance plan | 500,000
- 1% increase in federal Facilities and Administrative (F&A) rate | 500,000
- Incremental change in Voluntary Separation Incentive Program (VSIP) savings | 500,000
- Debt service refinance savings | 409,000

**Total Permanent Adjustments** | **$5,504,000**

**Committee Action:**
Passed: ____
Did not Pass: ____
Other: ____
Date: _______

**Board Action:**
Passed: ______
Did not Pass: ___
Other: _______
Date: _______

Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF LOUISVILLE CONCERNING THE REFUNDING OF
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY,
LOUISVILLE MEDICAL CENTER TAXABLE REVENUE BONDS, SERIES 2011

Finance Committee – August 25, 2016
Board of Trustees - August 25, 2016

RECOMMENDATION:

The Acting President recommends that the Board of Trustees adopt the Resolutions attached hereto as Exhibit A for the purposes of:

1. approving the issuance by Metro Government of taxable refunding revenue bonds for the purposes of (a) refunding the Louisville/Jefferson County Metro Government, Kentucky, Louisville Medical Center Taxable Revenue Bonds, Series 2011 and (b) paying costs of issuance of the bonds; and

2. authorizing officers of the University of Louisville (the “University”) to approve and execute all documents necessary to accomplish such actions.

BACKGROUND:

Louisville Medical Center, Inc. ("LMC") owns the steam and chilled water plant located at 235 Abraham Flexner Way in downtown Louisville (the “Plant”) for the benefit of the University, Norton Healthcare, KentuckyOne Health, and KCTCS. LMC provides the University steam and chilled water from the Plant to heat and cool certain buildings located within the University’s Health Sciences Campus. In exchange, the University and the other steam and chilled water recipients pay their proportionate share of the costs of operating the Plant and the debt service on any revenue bonds issued to finance or refinance improvements to or expansions of the Plant.

Metro Government previously issued its Louisville/Jefferson County Metro Government, Kentucky, Louisville Medical Center Taxable Revenue Bonds, Series 2011 for the benefit of the Plant. The Series 2011 Bonds will mature on November 1, 2016, with a balloon payment of approximately $7,500,000. LMC is requesting the University and the other steam and chilled water recipients to approve the new bond issue, which will (a) refund the Series 2011 Bonds on or before their final maturity date and (b) pay costs of issuance of the refunding bonds.

The SVP Finance and Administration and Interim Executive VP Health Affairs join the Acting President in making this recommendation.

ACTION:
Passed: ____________________________
Did not Pass: ____________________________
Other: ____________________________
Date: ____________________________

____________________________________
Assistant Secretary
EXHIBIT A

RESOLUTIONS OF THE BOARD OF TRUSTEES

(See attachment)
RESOLUTIONS OF THE BOARD OF TRUSTEES
OF UNIVERSITY OF LOUISVILLE

August 25, 2016

Approval of Steam and Chilled Water Plant Bond Refunding

WITNESSETH:

WHEREAS, the University of Louisville (“UofL”) owns and operates healthcare and educational facilities located in downtown Louisville, Kentucky; and

WHEREAS, Louisville Medical Center, Inc. (“LMC”) owns a steam and chilled water plant located at 235 Abraham Flexner Way in downtown Louisville (the “Plant”) and the Medical Center Commission of Louisville/Jefferson County Metro Government, Kentucky (the “Commission”), operates the Plant and employs its staff; and

WHEREAS, UofL previously entered into a User Contract dated as of April 23, 2002 by and among (i) UofL, (ii) the County of Jefferson, Kentucky (the “Predecessor County”), (iii) LMC, (iv) Jewish Hospital & St. Mary’s Healthcare, Inc. (“JHSMH”), (v) Norton Healthcare, Inc. (“Norton”), (vi) University Medical Center, Inc. (“UofL Hospital”), and (vii) Kentucky Community & Technical College System (“KCTCS”), whereby LMC agreed to supply UofL, JHSMH, Norton, UofL Hospital, and KCTCS (collectively, the “User Institutions”) steam and chilled water from the Plant for purposes of providing heating and cooling to certain of the User Institutions’ facilities in exchange for the User Institutions’ collective agreement to pay the operating costs of the Plant and the debt service of revenue bonds issued to finance or refinance improvements to the Plant (the “2002 Contract”); and

WHEREAS, Metro Government, LMC, and the User Institutions previously entered into a First Supplemental User Contract dated as of October 1, 2011 to amend the 2002 Plant Contract (the “First Supplemental Contract”); and

WHEREAS, Metro Government previously issued its Louisville/Jefferson County Metro Government, Kentucky, Louisville Medical Center Taxable Revenue Bonds, Series 2011 in the original principal amount of $11,000,000 (the “Series 2011 Bonds”) pursuant to the requirements of the 2002 Contract, as amended by the First Supplemental Contract, for the purpose of financing improvements to the Plant; and

WHEREAS, Metro Government, LMC, and the User Institutions previously entered into a Second Supplemental User Contract dated as of October 1, 2012 to further amend the 2002 Contract (the “Second Supplemental Contract”); and

WHEREAS, Metro Government previously issued its Louisville/Jefferson County Metro Government, Kentucky, Refunding Revenue Bonds, Series 2012A (Louisville Medical Center, Inc. Steam and Chilled Water Plant Project) in the original principal amount of $7,510,000 (the “Series 2012A Bonds”), pursuant to the requirements of the 2002 Contract, as amended by the First Supplemental Contract, and as further amended by the Second Supplemental Contract (as amended, the “Contract”) for the purpose of refinancing improvements to the Plant; and
WHEREAS, Metro Government previously issued its Louisville/Jefferson County Metro Government, Kentucky, Taxable Refunding Revenue Bonds, Series 2014 (Louisville Medical Center Steam and Chilled Water Plant Project) (the “Series 2014 Bonds”) in the original principal amount of $1,440,000, pursuant to the requirements of the Contract for the purpose of refunding the Series 2009 Bonds and financing certain improvements to the Plant; and

WHEREAS, the Series 2011 Bonds, the Series 2012A Bonds, and the Series 2014 Bonds are all secured on a parity basis pursuant to the Contract and their related bond trust indentures and the User Institutions have paid and continue to pay the debt service required for the Series 2011 Bonds, the Series 2012A Bonds, and the Series 2014 Bonds to LMC pursuant to the requirements of the Contract; and

WHEREAS, LMC and the Commission desire Metro Government to issue its Taxable Refunding Revenue Bonds, Series 2016 (Louisville Medical Center Steam and Chilled Water Plant Project) in one or more series of taxable bonds in an approximate aggregate principal amount of $8,500,000 (the “Series 2016 Bonds”) on a parity with the Series 2012A Bonds and the Series 2014 Bonds to refund the remaining principal balance of the Series 2011 Bonds; and

WHEREAS, the Board of Directors of UofL desires to approve the refunding of the Series 2011 Bonds by the issuance of the Series 2016 Bonds;

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE HEREBY RESOLVES AS FOLLOWS:

Section 1. Incorporation of Preamble. The facts and recitals set out in the preamble of these Resolutions are adopted and incorporated as a part hereof, and the terms defined in said preamble shall have the same meanings when used herein.

Section 2. Approval of Refunding of Series 2011 Bonds. The proposed refunding of the Series 2011 Bonds to be achieved by Metro Government’s issuance of the Series 2016 Bonds in one or more series on a parity with the Series 2012A Bonds and the Series 2014 Bonds is hereby approved and each and any one of the President, Vice President, Provost, Secretary, and Treasurer of UofL is authorized and directed to execute and deliver on behalf of UofL all documents necessary to accomplish such refunding, including any certificates related thereto.
CERTIFICATE OF SECRETARY

I, Kathleen M. Smith, hereby certify that I am the duly elected, qualified, and acting Assistant Secretary of the Board of Trustees of the University of Louisville, and I certify that the foregoing is a true and accurate copy of the Resolution of the Board of Trustees of the University of Louisville, adopted on August 25, 2016.

IN TESTIMONY WHEREOF, witness my signature on this August 25, 2016.

________________________________________
Assistant Secretary
PERSONNEL COMMITTEE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

1:15 p.m., August 25, 2016

Ballroom B, University Club

In Open Session

I. Call to Order
   - Approval of Minutes, January 14, 2016

II. Executive Session
   - Motion to Recess to discuss routine personnel matters/recommendations re promotion and tenure pursuant to KRS 61.810(1)(f)

III. Open Meeting Reconvenes
   - Report on Executive Session
   - Appropriate action, if any

IV. Adjournment

Committee Members:
Dr. Emily Bingham, Chair
William Armstrong, Vice Chair
Marie Abrams
Jonathan Blue
Craig Greenberg
Doug Hall
Jody Prather
MINUTES OF THE PERSONNEL COMMITTEE OF THE UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

January 14, 2016

In Open Session

Members of the Personnel Committee of the University of Louisville Board of Trustees met at 11:55 a.m. on January 14, 2016, in Room W210, Ekstrom Library, with members present and absent as follows:

Present:  
Dr. Emily Bingham, Chair  
Ms. Angela Lewis-Klein, Vice Chair  
Mrs. Marie Abrams  
Mr. Jonathan Blue  
Mr. Paul Diaz  
Mr. Craig Greenberg  
Mr. Doug Hall

Other Trustees  
Present:  
Ms. Victoria Allen  
Mr. Robert P. Benson  
Dr. Larry Benz  
Mr. Ron Butt  
Mr. Stephen Campbell  
Dr. Pamela Feldhoff  
Mr. Larry Hayes  
Mr. Bruce Henderson  
Dr. Robert Curtis Hughes  
Ms. Brucie Moore  
Dr. Jody Prather  
Mr. Robert W. Rounsavall, III  
Mr. William Summers, IV

From the University:  
Dr. James R. Ramsey, President  
Dr. Neville Pinto, Interim Executive Vice President and Provost  
Dr. William Pierce, Executive Vice President for Research and Innovation  
Dr. Greg Postel, Interim Executive Vice President for Health Affairs  
Mr. Harlan Sands, Sr. VP for Finance and Administration, CFO/COO  
Ms. Leslie Strohm, Vice President for Strategy and General Counsel  
Mr. Keith Inman, Vice President for Advancement  
Mr. Dan Hall, Vice President for Community Engagement  
Dr. Craig Blakely, Dean, School of Public Health and Information Sciences  
Dr. Don Miller, Director, John Graham Brown Cancer Center  
Ms. Becky Simpson, Sr. Assoc. VP for Communications and Marketing
I. Call to Order

Having determined a quorum present, Chair Bingham called the meeting to order at 11:55 a.m.

Approval of Minutes, November 30, 2015

Ms. Lewis-Klein made a motion, which Mrs. Abrams seconded, to approve the minutes of November 30, 2015. The motion passed.

II. Action Item: Approval of Revisions to College of A&S Personnel Policy and Procedures

Dr. Pinto explained the revision consisted of one word – the addition of the word “tenured” on page eight (8) of the policy. The language became: “A minimum of three tenured faculty members will serve as the department personnel committee.”

Mr. Greenberg made a motion, which Ms. Lewis-Klein seconded, to approve the

President recommendation that the Board of Trustees approve the revised College of Arts and Sciences Personnel Policy and Procedures in the form attached to be effective immediately.

The motion passed.

III. Executive Session

Pursuant to KRS 61.810(1)(f), Ms. Lewis-Klein made a motion, which Mrs. Abrams seconded, to go into executive session to discuss personnel matters. The motion passed.

IV. Open Meeting Reconvenes

Chair Bingham reconvened the open session at 12:03 p.m. and reported the committee discussed personnel matters.

Monthly Personnel Matters

Ms. Lewis-Klein made a motion, which Mrs. Abrams seconded, to approve the
President’s recommendation that the following personnel recommendations be approved by the Board of Trustees:

**College of Arts and Sciences**

Mawuena Kossi Logan, Ph.D., University of Iowa; Associate Professor (Tenured) of Pan African Studies, January 1, 2016.

**School of Medicine**

Michael B. Foster, M.D., Associate Professor (Term) of Pediatrics (Endocrinology); additional appointment as the Jack Henderson Endowed Chair of Pediatric Endocrinology and Diabetes, February 1, 2016. The additional appointment as the Jack Henderson Endowed Chair of Pediatric Endocrinology and Diabetes is at the pleasure of the Board of Trustees.

Sean L. Francis, M.D., Associate Professor (Term) of Obstetrics, Gynecology, and Women's Health; change of additional appointment from Interim Chair to Chair of Obstetrics, Gynecology, and Women's Health and new appointment as Donald E. Baxter Endowed Chair, February 1, 2016. The additional appointments as department Chair and Donald E. Baxter Endowed Chair are at the pleasure of the Board of Trustees.

Joseph S. Neimat, M.D., Duke University; Professor (Probationary) and Chair of Neurological Surgery and the Center for Advanced Neurosurgery Endowed Research Professorship in Neurosurgery, March 1, 2016. The additional appointments as Chair of Neurological Surgery and the Center for Advanced Neurosurgery Endowed Research Professorship in Neurosurgery are at the pleasure of the Board of Trustees.

Ronald I. Paul, M.D., Professor (Tenured) of Pediatrics (Emergency Medicine); change of additional appointment from Interim Vice Dean for Faculty Affairs and Advancement to Vice Dean for Faculty Affairs and Advancement, February 1, 2016. The additional appointment as the Vice Dean for Faculty Affairs and Advancement is at the pleasure of the Board of Trustees.

The motion passed.

V. **Adjournment**

Mrs. Abrams made a motion, which Ms. Lewis-Klein seconded, to adjourn the meeting at 12:04 p.m. The motion passed.
Approved by:

________________________

Assistant Secretary
## Open Session Agenda

### I. Call to Order
- Consent Agenda
  - Approval of Minutes, July 27, 2016
  - From the Finance Committee, 8-25-2016
    - Approval of 2016-17 Budget:
      - Tuition
      - Fees
      - Housing
      - Meal Plan
      - Operating Budget
    - Refinancing of Bond Issue for Steam and Chilled Water Plant
  - From the Personnel Committee, 8-25-2016
    - Routine Matters/Recommendations re: Promotion and Tenure

### II. Remarks of the Board Chair

### III. Report of the Acting President
- Welcome Acting Executive Vice President and University Provost, Dale B. Billingsley

### IV. Report on SACS 10 Year Review and Reaffirmation: Required Progress Update to Board

### V. Executive Session
- Recess to discuss business proposal pursuant to KRS 161.810(1)(g)
- Recess to discuss proposed and pending litigation pursuant to KRS 61.810(1)(c)

### VI. Open Meeting Reconvenes
- Report on Executive Session
- Appropriate action, if any

### VII. Adjournment
MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF TRUSTEES OF THE
UNIVERSITY OF LOUISVILLE

July 27, 2016

In Open Session

Members of the University of Louisville Board of Trustees met at 3:30 p.m. on July 27, 2016, in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. Ulysses L. Bridgeman, Jr., Chairman Pro Tem, presiding
Mr. William Armstrong
Ms. Bonita K. Black
Mr. Dale J. Boden, via videoconference
Mr. Brian A. Cromer
Dr. Pamela Feldhoff
Ms. Sandra Frazier
Mr. J. David Grissom
Ms. Diane B. Medley, via videoconference
Mr. Nitin Sahney, via videoconference
Mr. John Schnatter, via videoconference
Mr. Aaron Vance
Dr. Ronald L. Wright, M.D.

From the University: Dr. James R. Ramsey, President
Dr. William Pierce, Executive Vice President for Research and Innovation
Mr. Harlan Sands, Sr. VP for Finance and Administration, CFO/COO
Ms. Leslie Strohm, Vice President for Strategy and General Counsel
Mr. Dan Hall, Vice President for Community Engagement
Ms. Susan Howarth, Assoc. VP for Finance and Business Affairs
Dr. Michael Mardis, Dean of Students
Ms. Cyndi Hess, Director of Communications and Marketing
Mr. John Drees, Assoc. Vice President for Communications and Marketing
Ms. Becky Simpson, Sr. Assoc. Vice President for Communications & Marketing
Mr. Jake Beamer, Boards Liaison

Guest(s): Mr. Sam Hinkle, Stoll Keenon Ogden, PLLC
Mr. Adam Goebel, Stoll Keenon Ogden, PLLC

I. Call to Order

Having determined a quorum present, Chairman Bridgeman called the meeting to order at 3:30 p.m.

Approval of Minutes, July 21, 2016
Mr. Armstrong made a motion, which Ms. Frazier seconded, to approve the minutes of the July 21, 2016 meeting. The motion passed.

II. Consideration of President’s Resignation

Chairman Bridgeman read the following from a letter from President Ramsey:

“This letter will clarify the terms you proposed for my resignation as University President. As I understand it, there are only three:

First, I will offer my resignation as University President to the Board today. My resignation will be accepted and it will be effective today.

Second, the Board will offer – and I have agreed to accept – a new employment agreement with the University through June 30, 2017, with the same salary and benefits as my current agreement. Under the new employment agreement I will serve as Interim President until my successor is appointed or the Board otherwise requests that I step down from that position.

Third, I will be entitled to all of the compensation and/or benefits that I have already accrued under my existing employment agreement, to include compensation for the one-year administrative leave (which I did not use) as referenced in paragraph 3.m. of that agreement.

There are no other conditions.”

Chairman Bridgeman opened the floor for discussion. Dr. Wright made a motion, which Ms. Black seconded, to go into Executive Session at 3:43 p.m. to discuss personnel matters pursuant to KRS 61.810(1)(f). The motion passed.

III. Open Meeting Reconvenes

Chairman Bridgeman reconvened the meeting at 10:25 p.m. and reported personnel matters were discussed. He also reported, pursuant to KRS 61.810(1)(c), the Board discussed potential litigation that could lead to the appointment of an employee. No action was taken in Executive Session.

The Chairman stated Dr. Ramsey executed a settlement agreement in which he resigns effective immediately, receives $690,000, and releases the University from all claims. The agreement was to avoid the expense and delay of litigation.

Mr. Hinkle distributed the agreement and described its terms.

Dr. Wright made a motion, which Ms. Black seconded, to approve the settlement agreement, as attached.
The motion passed.

IV. Discussion of Next Steps, including Transition Planning and Search Process for Next President

Chairman Bridgeman read Section 2.2.3 of The Redbook, concerning the leadership of the University in the absence of a president. Interim Executive Vice President and University Provost Neville Pinto would become Acting President.

Ms. Black made a motion, which Ms. Medley seconded, to begin the Presidential Search Process, with details to be discussed at a later meeting.

The motion passed.

V. Adjournment

Mr. Vance made a motion, which Dr. Wright seconded, to adjourn the meeting.

The meeting adjourned at 10:36 p.m.

Approved by:

___________________________________
Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING TUITION INCREASES AND RELATED CHANGES FOR
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve tuition increases per the attached schedules for Academic Year (AY) 2016-17. The recommendation is the result of much deliberation and consultation with the various constituency groups across campus and is consistent with the tuition rate increase parameters established by the Council on Postsecondary Education.

TUITION RATE INCREASES:

The Proposed Tuition Schedule below lists the recommended tuition rate changes for AY 2016-17.

For AY 2016-17 the proposed resident undergraduate tuition rate will increase by five percent and is consistent with Council on Postsecondary Education (CPE) guidelines promulgated in April 2016. Those guidelines allow research universities to raise resident undergraduate tuition by no more than five percent for the 2016-17 fiscal year.

CPE approved a significant change in its guideline for setting non-resident undergraduate tuition rates. Instead of requiring institutions to charge at least twice the resident undergraduate rate, CPE will now require universities to charge a tuition rate that covers the direct costs of instruction for non-resident students. UofL’s non-resident rate structure is currently set at a level that generates sufficient revenue to be in compliance with this guideline.
### University of Louisville
#### Proposed Regular Tuition Schedule

<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$5,271</td>
<td>$5,534</td>
<td>$263</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,424</td>
<td>13,045</td>
<td>621</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>5,832</td>
<td>6,123</td>
<td>291</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,137</td>
<td>12,743</td>
<td>606</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td><strong>Law (Full-time Program)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>10,046</td>
<td>10,548</td>
<td>502</td>
</tr>
<tr>
<td>Nonresident</td>
<td>18,716</td>
<td>19,651</td>
<td>935</td>
</tr>
<tr>
<td><strong>Medicine</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>$36,464</td>
<td>$38,286</td>
<td>$1,822</td>
</tr>
<tr>
<td>Nonresident</td>
<td>55,426</td>
<td>58,196</td>
<td>2,770</td>
</tr>
<tr>
<td><strong>Dentistry</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>30,870</td>
<td>32,412</td>
<td>1,542</td>
</tr>
<tr>
<td>Nonresident</td>
<td>64,348</td>
<td>67,564</td>
<td>3,216</td>
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</table>

*per credit hour*
<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intensive English as a Second Language</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time Day Program</td>
<td>5,090</td>
<td>5,090</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Urban Planning and Public Admin. Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>6,563</td>
<td>7,023</td>
<td>460</td>
<td>7.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,684</td>
<td>13,643</td>
<td>959</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Online Education (per credit hour)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>497</td>
<td>497</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Graduate</td>
<td>714</td>
<td>714</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Graduate - Urban Planning &amp; Public Admin</td>
<td>855</td>
<td>855</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Law, full-time</td>
<td>1,098</td>
<td>1,098</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Law, part-time</td>
<td>914</td>
<td>914</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Active Duty Military*</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Professional MBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Full-time MBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>IMBA Cohort Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>32,000</td>
<td>32,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Masters in Accountancy Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>21,000</td>
<td>21,000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Ed.D. Practitioner</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,200</td>
<td>16,200</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Certificate Program in Accountancy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>12,900</td>
<td>12,900</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>M.S. in Human Resources and Organization Development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nonresident</td>
<td>16,500</td>
<td>16,500</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Active Duty Military (per credit hour)</td>
<td>250</td>
<td>250</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

* Excludes Master's of Engineering in Engineering Management Online fixed price program
The Executive Vice President and University Provost joins the President in making this recommendation.

Committee Action:  
Passed: __________  
Did not Pass: _____  
Other: ___________  
Date: ____________

Board Action:  
Passed: ___________  
Did not Pass: _____  
Other: ___________  
Date: ____________

__________________________________  
Assistant Secretary

G:\Budget\Budget Development\2015-16\Board Action Items - Tuition Fee Increases for 2015-16.docx
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF VARIOUS FEES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and adjustments to the existing fees listed below.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Arts and Sciences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Science Lab Fee</td>
<td>$60</td>
<td>Cover costs of active learning simulations.</td>
</tr>
<tr>
<td>American Sign Language Course Fee</td>
<td>$50</td>
<td>Support videotaped and faculty prepared materials and consumables for the courses.</td>
</tr>
<tr>
<td>School of Medicine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary Fee</td>
<td>$46</td>
<td>Fee provides disability insurance to medical school students as required by accreditation guidelines.</td>
</tr>
<tr>
<td>Department of Otolaryngology</td>
<td>$125</td>
<td>Course fee to cover cost associated with clinical practicum.</td>
</tr>
<tr>
<td>Department of Otolaryngology</td>
<td>$25</td>
<td>Course fee to cover cost associated with laboratory component.</td>
</tr>
<tr>
<td>Department of Anatomical Sciences and Neurobiology</td>
<td>$0</td>
<td>Request to rescind $150 microscope rental fee.</td>
</tr>
<tr>
<td>School of Music</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instrumental supply and maintenance</td>
<td>$10</td>
<td>Cover costs of the school maintaining supplies for musical instrument maintenance such as reeds, key oil, and strings.</td>
</tr>
<tr>
<td>Instrumental supply and maintenance</td>
<td>$25</td>
<td>Cover costs of the school maintaining items for musical instrument maintenance for double reed instruments.</td>
</tr>
<tr>
<td>Unit</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>School of Nursing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Didactic credit hour fee for Doctor of Nursing</td>
<td>$50</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS 740.</td>
</tr>
<tr>
<td>Practice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical credit hour fee for the Doctor of Nursing</td>
<td>$100</td>
<td>Cover laboratory and faculty supervision cost associated with course NURS 789.</td>
</tr>
<tr>
<td>Practice</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>School of Public Health and Information Sciences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certification Exam Fee</td>
<td>$0</td>
<td>Request to rescind $5 certification exam fee.</td>
</tr>
<tr>
<td><strong>Speed School of Engineering</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-op fee</td>
<td>$300</td>
<td>Fee to help support co-op placement activities.</td>
</tr>
</tbody>
</table>

The Executive Vice President and University Provost joins the President in making this recommendation.

**Committee Action:**
- Passed: _______
- Did not Pass: ___
- Other: _______
- Date: _______

**Board Action:**
- Passed: _______
- Did not Pass: ___
- Other: _______
- Date: _______

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF HOUSING RATES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new housing rates as requested below.

<table>
<thead>
<tr>
<th></th>
<th>AY 2016</th>
<th>AY 2017</th>
<th>Change Amount</th>
<th>Change Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional Halls (Miller, Threlkeld, Unitas)</strong></td>
<td>Semester Rates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unitas Triple</td>
<td>$1,900</td>
<td>$1,938</td>
<td>$38</td>
<td>2.0%</td>
</tr>
<tr>
<td>Double</td>
<td>2,466</td>
<td>2,515</td>
<td>49</td>
<td>2.0%</td>
</tr>
<tr>
<td>Single</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>Resident Assistant, All Halls</strong></td>
<td>Live-in Rate</td>
<td>2,000</td>
<td>2,000</td>
<td>0</td>
</tr>
<tr>
<td>Louisville Hall Suites</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6th Floor double with Bath</td>
<td>2,615</td>
<td>2,667</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor single room</td>
<td>2,945</td>
<td>3,005</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>4th/5th Floor double room</td>
<td>2,515</td>
<td>2,565</td>
<td>50</td>
<td>2.0%</td>
</tr>
<tr>
<td>3 bedroom suite</td>
<td>2,565</td>
<td>2,616</td>
<td>51</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 bedroom suite</td>
<td>2,605</td>
<td>2,657</td>
<td>52</td>
<td>2.0%</td>
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<tr>
<td>UTA Undergrad Apartments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom, single</td>
<td>3,005</td>
<td>3,065</td>
<td>60</td>
<td>2.0%</td>
</tr>
<tr>
<td>2 Bedroom, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom, double</td>
<td>2,675</td>
<td>2,728</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large Studio, double</td>
<td>2,665</td>
<td>2,718</td>
<td>53</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard Studio, double</td>
<td>2,640</td>
<td>2,692</td>
<td>52</td>
<td>2.0%</td>
</tr>
<tr>
<td>UTA Family Apts and Medical- Dental Apts.</td>
<td>Monthly Rates, per unit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$945</td>
<td>$963</td>
<td>$18</td>
<td>2.0%</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>835</td>
<td>852</td>
<td>17</td>
<td>2.0%</td>
</tr>
<tr>
<td>Large Studio</td>
<td>770</td>
<td>785</td>
<td>15</td>
<td>2.0%</td>
</tr>
<tr>
<td>Standard Studio</td>
<td>740</td>
<td>754</td>
<td>14</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

The Executive Vice President and University Provost joins the President in making this recommendation.
Committee Action:
Passed: ________
Did not Pass: _____
Other: _________
Date: __________

Board Action:
Passed: ________
Did not Pass: _____
Other: _________
Date: __________

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING ADJUSTMENTS AND APPROVAL OF STUDENT MEAL PLAN RATES
ACADEMIC YEAR 2016-17

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the new fees and adjustments to the existing fees listed below.

1) $990/semester for residents living in halls with kitchens
2) $1,550/semester for residents living in halls without kitchens
3) $225/semester for commuter students

The Executive Vice President and University Provost joins the President in making this recommendation.

Committee Action: Board Action:
Passed: ________ Passed: ________
Did not Pass: ____ Did not Pass: ____
Other: ________ Other: ________
Date: __________ Date: __________

__________________________________
Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES  
CONCERNING THE PROPOSED BUDGET FOR FISCAL YEAR 2016-17  

Board of Trustees – August 25, 2016

RECOMMENDATION:

The President recommends that the Board of Trustees approve the proposed University operating budget for Fiscal Year 2016-17, as attached.

BACKGROUND:

The proposed General Fund Operating Budget for the University of Louisville is $548,339,500 for the Fiscal Year 2016-17. This is an increase of $37,101,800, or 7.3%, including debt service and contractual obligations. The University’s net state appropriation for FY 2016-17 is reduced by $6,258,500.

UofL continues to embrace transparency, campus collaboration, and linkage with the strategic plan in developing a realistic budget. All campus constituencies were briefed throughout the budget development cycle as successive iterations of the proposed budget were developed and discussed.

There are four major themes in the FY 2017 Operating Budget. They served as touchstones for all major budget decisions.

1. Keeping college affordable for our students – additional $5.2 million budgeted in financial aid;
2. Continuing to reduce administrative overhead costs – $1.8 million in cost reductions;
3. Realizing cost savings from ongoing efficiency efforts – $1.0 million; and

To help thousands of undergraduate and graduate students meet the financial costs of obtaining a college degree, the FY 2017 budget increases overall financial aid by $5.2 million including an exciting new program that will return the entire FY 2017 tuition rate increase for some students. Called “Credit for Credits”, this program will award $526 per year to students in good standing who successfully complete at least 30 credit hours during the academic year. This award is the same amount as the resident, undergraduate tuition increase for FY 2017 which will effectively eliminate the tuition rate increase for a large number of students, while simultaneously
supporting student academic engagement to achieve key 2020 Plan goals. The program encourages students to graduate more quickly, potentially saving each of them tens of thousands dollars in annual education and living expenses. Improved graduation rates could also positively impact the amount of state funding the university receives since a portion of the university’s FY 2018 state appropriation will be based on performance.

The table below details all strategic initiatives included in this budget.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid Escalator at 5%</td>
<td>$2,197,000</td>
</tr>
<tr>
<td>Strategic Tuition Discounting (Credit for Credits)</td>
<td>2,520,000</td>
</tr>
<tr>
<td>Need-Based Aid increase</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total Student Initiatives</strong></td>
<td>$5,217,000</td>
</tr>
<tr>
<td><strong>Faculty &amp; Staff Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Faculty and Staff Merit Salary Adjustments</td>
<td>3,515,000</td>
</tr>
<tr>
<td>Fringe Associated with Salary Adjustments</td>
<td>650,000</td>
</tr>
<tr>
<td>Faculty and Staff Equity Pool</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Fringe Associated with Equity Pool</td>
<td>370,000</td>
</tr>
<tr>
<td>Faculty Promotions</td>
<td>500,000</td>
</tr>
<tr>
<td>Staff Reclassifications and Promotions</td>
<td>250,000</td>
</tr>
<tr>
<td>Living Wage Increase</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Total Faculty &amp; Staff Initiatives</strong></td>
<td>$7,385,000</td>
</tr>
<tr>
<td><strong>Academic Initiatives</strong></td>
<td></td>
</tr>
<tr>
<td>Investment in Strategic Academic Priorities</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Total Investment in Strategic Initiatives</strong></td>
<td>$14,602,000</td>
</tr>
</tbody>
</table>

BUDGET BALANCING STRATEGIES:
The FY 2016-17 budget contains multiple balancing strategies. The following table provides a summary of the balancing strategies that were employed to help balance the FY 2016-17 budget.
<table>
<thead>
<tr>
<th>Balancing Strategy</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic</strong></td>
<td></td>
</tr>
<tr>
<td>Recognize an increase in central online learning revenues</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Reduce state mandated programs by 4.5%</td>
<td>335,000</td>
</tr>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
</tr>
<tr>
<td>Increase the university’s administrative fee by 2%</td>
<td>660,000</td>
</tr>
<tr>
<td>Budget reduction for administrative support units</td>
<td>600,000</td>
</tr>
<tr>
<td>Budget reduction for offices of the President and the Provost</td>
<td>500,000</td>
</tr>
<tr>
<td>Permanent transfer from health insurance plan</td>
<td>500,000</td>
</tr>
<tr>
<td>1% increase in federal Facilities and Administrative (F&amp;A) rate</td>
<td>500,000</td>
</tr>
<tr>
<td>Incremental change in Voluntary Separation Incentive Program (VSIP) savings</td>
<td>500,000</td>
</tr>
<tr>
<td>Debt service refinance savings</td>
<td>409,000</td>
</tr>
<tr>
<td><strong>Total Permanent Adjustments</strong></td>
<td>$5,504,000</td>
</tr>
</tbody>
</table>

Assistant Secretary
RECOMMENDATION TO THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF LOUISVILLE CONCERNING THE REFUNDING OF
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY,
LOUISVILLE MEDICAL CENTER TAXABLE REVENUE BONDS, SERIES 2011

Finance Committee – August 25, 2016
Board of Trustees - August 25, 2016

RECOMMENDATION:

The Acting President recommends that the Board of Trustees adopt the Resolutions attached hereto as Exhibit A for the purposes of:

1. approving the issuance by Metro Government of taxable refunding revenue bonds for the purposes of (a) refunding the Louisville/ Jefferson County Metro Government, Kentucky, Louisville Medical Center Taxable Revenue Bonds, Series 2011 and (b) paying costs of issuance of the bonds; and

2. authorizing officers of the University of Louisville (the “University”) to approve and execute all documents necessary to accomplish such actions.

BACKGROUND:

Louisville Medical Center, Inc. (“LMC”) owns the steam and chilled water plant located at 235 Abraham Flexner Way in downtown Louisville (the “Plant”) for the benefit of the University, Norton Healthcare, KentuckyOne Health, and KCTCS. LMC provides the University steam and chilled water from the Plant to heat and cool certain buildings located within the University’s Health Sciences Campus. In exchange, the University and the other steam and chilled water recipients pay their proportionate share of the costs of operating the Plant and the debt service on any revenue bonds issued to finance or refinance improvements to or expansions of the Plant.

Metro Government previously issued its Louisville/ Jefferson County Metro Government, Kentucky, Louisville Medical Center Taxable Revenue Bonds, Series 2011 for the benefit of the Plant. The Series 2011 Bonds will mature on November 1, 2016, with a balloon payment of approximately $7,500,000. LMC is requesting the University and the other steam and chilled water recipients to approve the new bond issue, which will (a) refund the Series 2011 Bonds on or before their final maturity date and (b) pay costs of issuance of the refunding bonds.

The SVP Finance and Administration and Interim Executive VP Health Affairs join the Acting President in making this recommendation.

ACTION:
Passed: ______________________________
Did not Pass: __________________________
Other: _________________________________
Date: _________________________________

________________________________________
Assistant Secretary
EXHIBIT A

RESOLUTIONS OF THE BOARD OF TRUSTEES

(See attachment)