



**FACULTY SENATE  
FINANCIAL UPDATE  
1.14.26**

Jill Mullaney –Vice President for Budget and Finance  
David Schultz – Vice Provost for Finance & Strategic Initiative

# FY26 BUDGET TO ACTUALS

# Agenda

- FY 2026 financial status
  - Budget to Actual report
  - Cash report
- USBC University Budget Steering Committee
- Budget workgroup
- Successes and Challenges FY26 and Beyond

# FY 2026 Budget Status: \$12.0M better than October 2024

## Revenues +\$2.5M

- General fund +\$14.9M compared with October 2024
  - Fall/winter term tuition revenue +\$15.3M; tracking \$4.2M above budget due to higher enrollment
  - Auxiliary operations +\$1.1M, primarily due to higher housing occupancy
  - Other Revenue -\$2.6M largely due to reduced investment income and timing of F&A revenues
- ULRF -\$12.0M versus FY 2025 primarily due to timing of federal grant reimbursements
- ULAA -\$1.0M versus FY 2025 due to lower gifts and donations
- ULF + \$1.5M versus FY 2025 due to increase in endowment and gift utilization

## Expenses -\$9.5M

- Salaries and fringe benefits +\$11.8M primarily due to 2.5% COLA and increase in health insurance costs
- Operating costs -\$38.3M due to timing of IGT and ULP payments and lower travel and supply expenses
- Financial aid +\$7.0M primarily due to successful expanded Border Benefit program
- Capital assets and debt +\$13.2M due to timing of debt service payments

# FY 2026 Budget-to-Actual Report

## Through October vs FY 2025

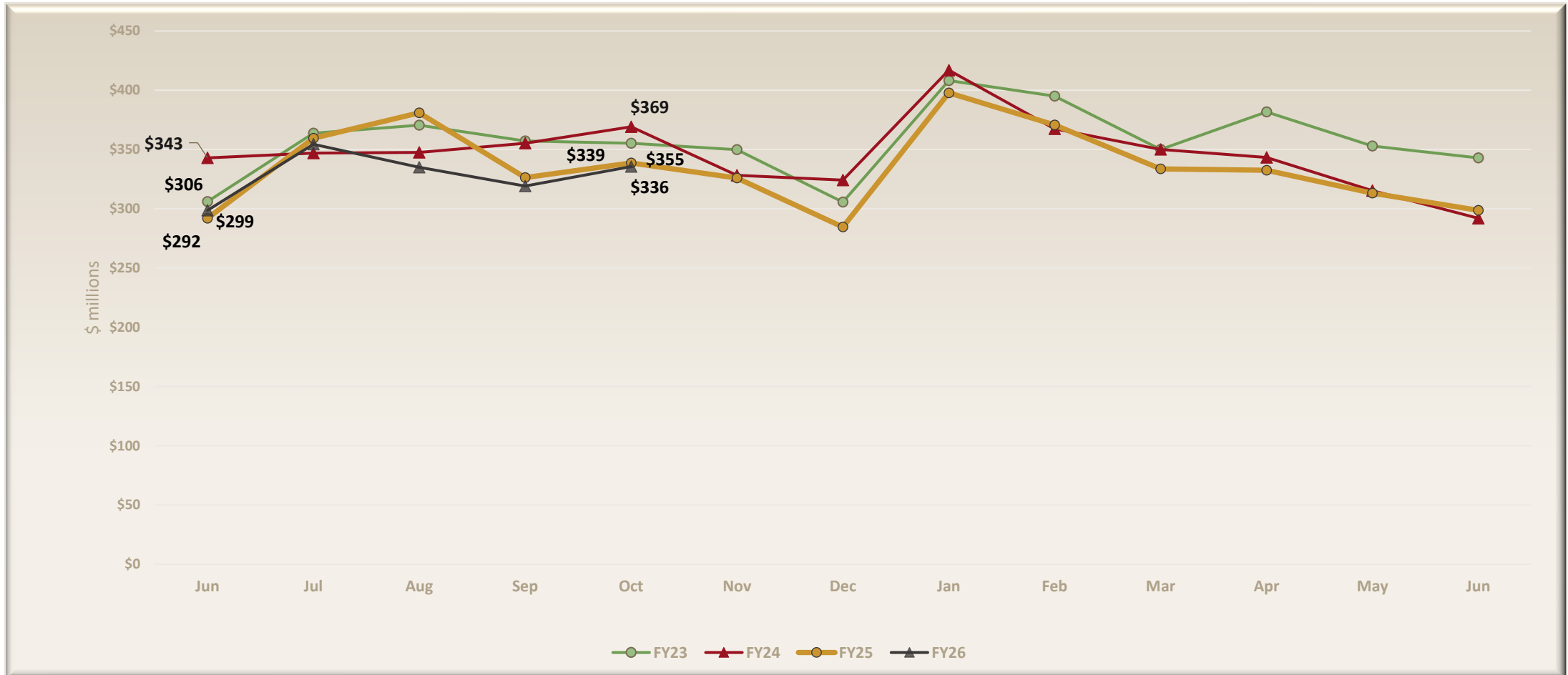
Status Indicators	
Better than Expected	↑
As Expected	✓
Worse than Expected	!

Revenues	FY 2026				FY 2025	Year-over-Year
	Annual Budget (Board approved)	YTD October	% Realized	Status	YTD October	\$ Change
<u>General Funds</u>						
Gross Tuition and Fees	394,906,615	205,790,045	52.1%	↑	190,467,827	15,322,218
State Appropriations	186,553,700	95,154,500	51.0%	✓	94,891,200	263,300
Transfers In	35,818,356	5,959,134	16.6%	✓	5,153,850	805,283
Other Revenue	24,968,214	8,710,783	34.9%	✓	11,344,480	(2,633,697)
Auxiliaries	23,204,822	11,415,921	49.2%	↑	10,239,859	1,176,062
Hospital-Related	543,105	304,118	56.0%	✓	378,763	(74,644)
<b>General Funds Total</b>	<b>665,994,812</b>	<b>327,334,501</b>	<b>49.1%</b>	<b>↑</b>	<b>312,475,979</b>	<b>14,858,522</b>
<u>Non-General Funds</u>						
UL Research Foundation	699,000,021	218,011,162	31.2%	✓	229,961,685	(11,950,524)
UL Athletic Association	152,877,643	59,063,098	38.6%	✓	60,080,183	(1,017,085)
UL Foundation	83,951,536	17,909,911	21.3%	✓	16,340,259	1,569,652
Internally Designated	122,192,627	14,862,948	12.2%	✓	15,753,340	(890,392)
<b>Non-General Funds Total</b>	<b>1,058,021,827</b>	<b>309,847,119</b>	<b>29.3%</b>	<b>✓</b>	<b>322,135,467</b>	<b>(12,288,349)</b>
<b>Total Revenues</b>	<b>\$1,724,016,639</b>	<b>637,181,619</b>	<b>37.0%</b>	<b>✓</b>	<b>\$634,611,446</b>	<b>2,570,173</b>
ULAA Line of Credit (as needed)	\$12,532,739					
General funds received in prior years	582,967					
Non-general funds received in prior years	59,118,413					
<b>Total Funds Available</b>	<b>\$1,796,250,758</b>					
<u>Expenses</u>						
	FY 2026				FY 2025	
	Annual Budget	YTD October	% of Budget	Status	YTD October	Change
<u>All Funds</u>						
Salary	661,902,242	214,173,086	32.4%	✓	208,174,990	5,998,096
Fringe Benefits	188,012,656	63,434,814	33.7%	✓	57,624,871	5,809,942
Operating	535,977,331	161,566,156	30.1%	✓	199,850,833	(38,284,678)
Financial Aid	222,307,695	103,055,467	46.4%	✓	96,040,683	7,014,783
Capital Asset & Debt Service	49,387,344	15,842,349	32.1%	✓	2,575,050	13,267,300
Asset Preservation + State Projects	110,769,234	17,689,458	16.0%	✓	20,708,106	(3,018,648)
Utilities	27,894,256	5,836,308	20.9%	✓	6,099,008	(262,700)
<b>Total Expenses</b>	<b>\$1,796,250,758</b>	<b>581,597,637</b>	<b>32.4%</b>	<b>✓</b>	<b>591,073,541</b>	<b>(9,475,904)</b>
<b>Revenue Over/(Under) Expenses</b>	<b>\$0</b>	<b>55,583,982</b>			<b>\$43,537,905</b>	<b>\$12,046,077</b>

# Liquid Cash – FY 2023 to FY 2026

## Amounts through October 2025 (in millions)

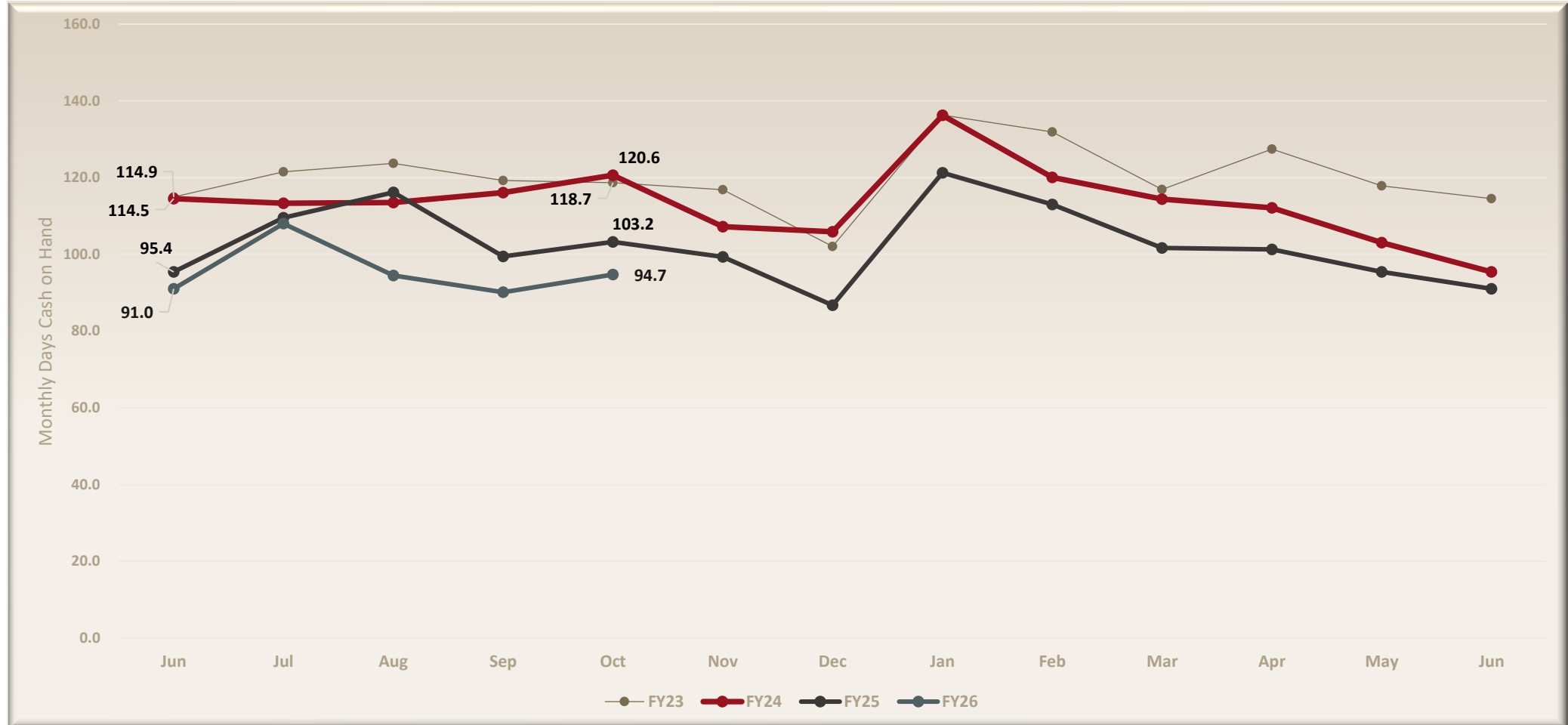
**\$16.4M greater than September 2025**  
**\$19.0M less than October 2024**



# Liquid Cash – FY 2023 to FY 2026

## Days Cash on Hand Amounts through October 2025

4.6 more days than September 2025  
9.5 fewer days than October 2024



# FY 2026 – Year-end Planning

- On-going budget monitoring at university level and meetings with individual deans and vice presidents
- Closely tracking spring term enrollment and tuition revenues
- Charged three budget workgroups with identifying cost savings, new revenues and program/operation improvements
  - Recommendations presented to president and cabinet
  - Identifying feasible activities to implement as soon as 2026
- Closely monitoring federal and state legislative actions that might financially impact the university



# UNIVERSITY BUDGET STEERING COMMITTEE (UBSC)



# Charge of UBSC

- One of the most important activities that the university performs each year is developing a strategic, balanced, equitable, and transparent operating budget.
- It supports institutional priorities and aligns the allocation of financial resources with the university's goals and mission.
- Input from multiple perspectives is vital to this process.
- The UBSC's primary charge is to advise and make recommendations to the president and his executive vice presidents regarding the structure of the university's financial resource allocations and the strategies necessary to generate and most effectively utilize those resources.
- While committee members will function as representatives of their constituency groups, it is critical for each member to maintain a university-wide perspective to ensure that narrower interests do not outweigh the best interests of the university.
- Committee members will also be responsible for taking the lead on sharing information with their respective constituency groups.

# FY 2026 Budget Principles

- Transparency and trust
- Structurally balanced
- Aligned with the university mission and supports the strategic plan of the university
- Enhances and supports accountability
- Grounded in shared governance

# FY 2026 Committee Members

Name	Area of Representation	Term
Katie Cardarelli	Provost	Sponsor
Rick Graycarek	EVPFA/CFO	Sponsor
Jill Mullaney	Vice President Budget & Finance	Co-Chair
David Schultz	Vice Provost Finance & Strategic Initiatives	Co-Chair
Amy Henley	Dean-Academics	Through June 30, 2027
Dayna Tournon	Dean/Academics & Research	Through June 30, 2026
Andrew Winters	University Faculty Senate	Through Senate term
Macy Waddle	Student Government Association	Through SGA President term
Kevin Ledford	University Staff Senate	Through Senate term
Jim Begany	VP/Enrollment Management	Through June 30, 2027
Kevyn Mertyn	VP/Research & Innovation	Through June 30, 2026
Beth Boehm	Dean/Graduate Education	Through June 30, 2027
Sandy Russell	VP/Central Support Offices	Through June 30, 2026
Darrell Clark	VP/Central Support Offices	Through June 30, 2026
Bob Goldstein	VP/Institutional Research	Support Resources

# FY 2026 Work of Committee

- Recommended a performance funding incentive pool aligned with the state performance funding model to be implemented in FY26
- Recommended utilizing short term strategic levers within FY27 budget development as budget model evolution work continues
- Work for remainder of year will be focused on budget model evolution recommendations

# BUDGET WORKGROUPS



# Budget Workgroups Goal

**5% of current \$1.8B all funds budget or \$90M**

Through a combination of the following:

- Revenue generation
- Cost containment
- Program and operation review

# Guiding Principles for Budget Workgroups

- Encourage creative thought (think outside the box)
- Nothing is off limits
- Work embedded in shared governance
- Recommendations should be data driven
- Stay focused (major in the majors)



# Framework for Workgroups

- Initial opportunities due November 15, 2025
- Utilize data to make informed recommendations
- Categorize short term (1 year or less) versus long term proposals
- Provide a description of each recommendation
- Ground proposals using statutory/policy/red book framework
- Project estimated savings/revenues generated/cost avoidance (opportunities)
- Outline implementation plan and timeline

# Status of Budget Workgroups efforts

- Provided 53 ideas of revenue generation, cost containment and operating and academic efficiencies
- Currently 20 of the 53 are in further analysis
- President and executive team will review and move forward with a refined list for recommendation and implementation
- Continued shared governance will be a part of the process

# SUCSESSES AND CHALLENGES FY26 AND BEYOND



# UofL Highlights for FY2026

- Student retention rates continue to improve: 84.1%
- Another record-breaking freshman class: 3,373
- Fall 2025 enrollment expected to exceed 25K for the first time ever
  - 25,202 students (after first exceeding 24k last Fall)
- Cash liquidity is stable
- \$1.8B all funds operating budget (inclusive of mitigation and contingency plans)
- New affiliated agreements with UL Health and Norton Healthcare

# **UofL Headwinds for FY2026 (and beyond)**

**Federal decisions regarding Medicaid**

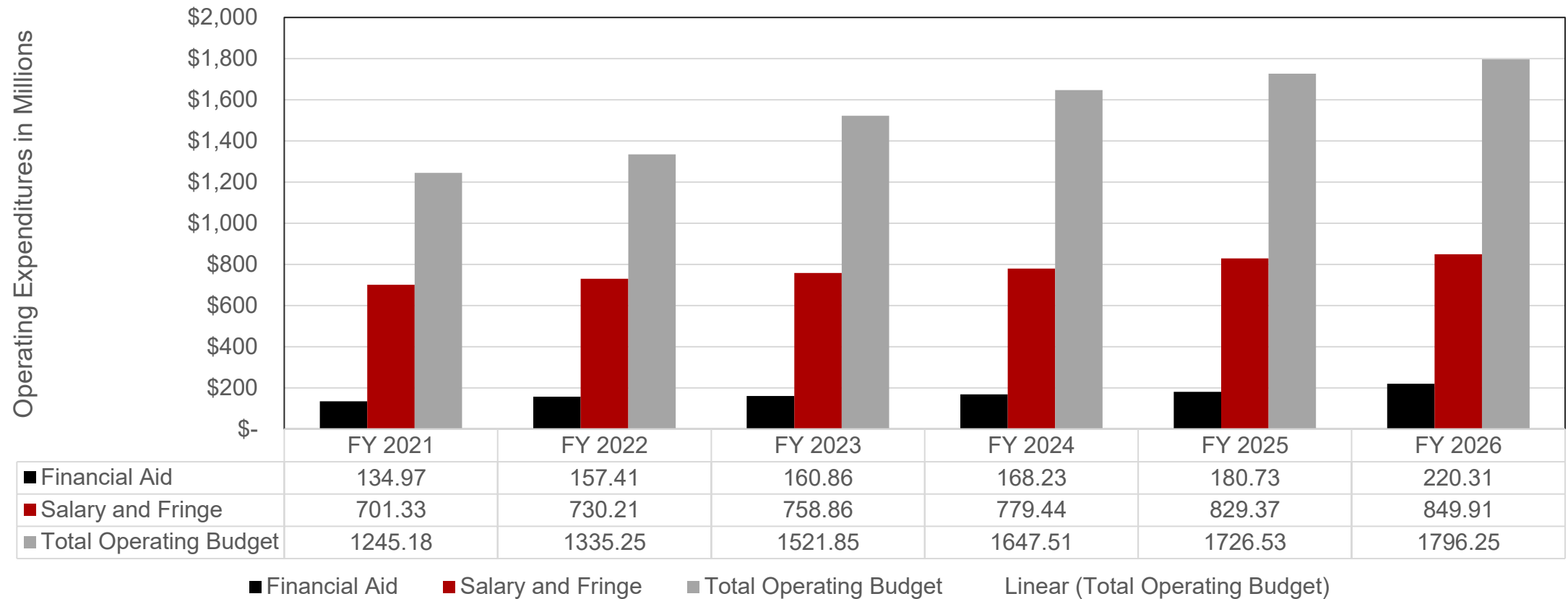
**Forces currently putting research revenue at risk**

- Termination of grants: ~4% of NIH funds terminated
- Federal indirect cost (IDC) rate changes

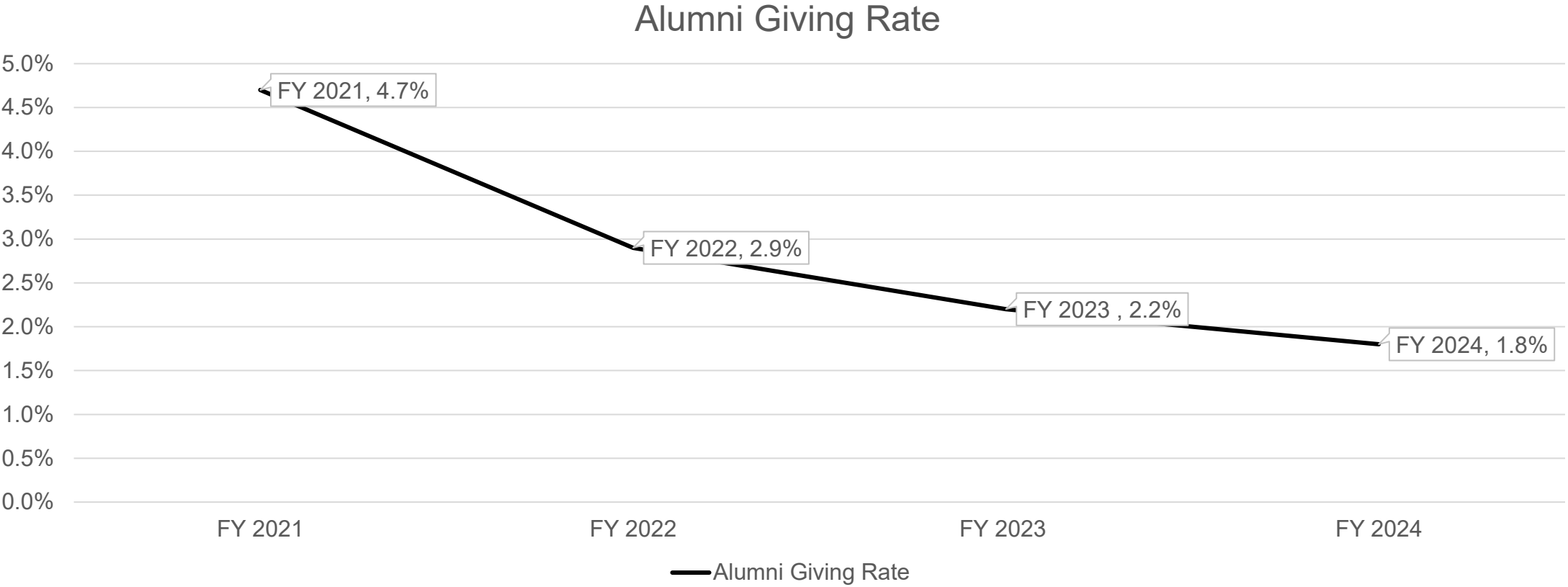
**House NIL Settlement Implementation and changing landscape for Athletics**

**Rising personnel, operating and capital costs**

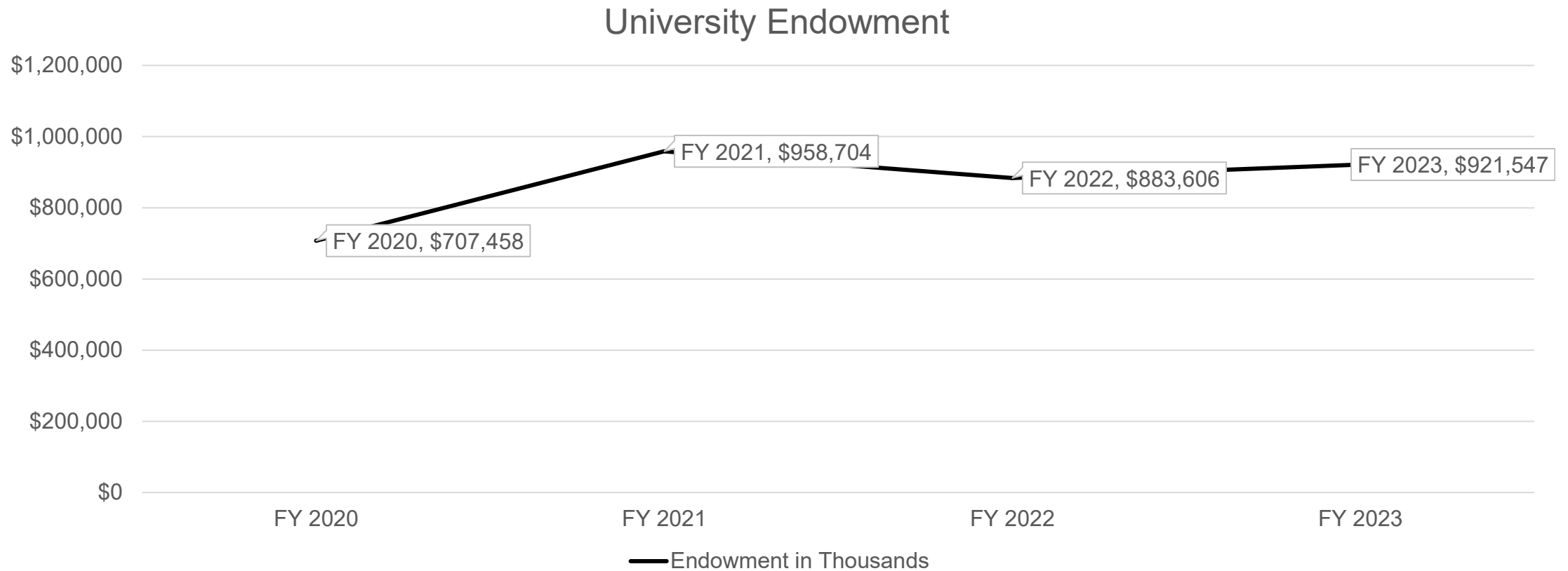
# Financial Trends – two major expense categories



# Alumni Engagement Trends



# Endowment Trends





**THANK YOU**

