

Faculty Senate Chair Report
November 4, 2020

Much of my first month as chair of the Faculty Senate has been working to get up to speed and to make certain the senate is providing faculty perspectives to the administration. For this Faculty Senate Chair Report, I will be summarizing important work the senate is doing, where the senate is representing faculty and what is on the horizon.

Searches

Both the provost (<http://louisville.edu/provost/faculty-personnel/searches/evpup>) and A&S Dean (<https://louisville.edu/provost/faculty-personnel/searches/a-s-dean-search/dean-candidate-finalists>) searches are ongoing.

Board of Trustees Meeting

- Approved UofL Audited Financial Statements
- Approved a lease agreement for the Southeast Corridor Residence Hall
- UofL Health update was presented (doing well keeping terms of loan and integrating KYOne systems)

University of Louisville Research Foundation

- Approved ULRF Audited Financial Statements

University of Louisville Foundation Meeting

- Approved Audited Financial Statements and Independent Auditor's report
- UofL Financial Update provided by Dan Durbin (see below)
- UofL Advancement Update provided by Jasmine Farrier

Faculty Senate standing committees

- All standing committees have been filled and charged.
- All committees have elected chairs
- All but one committee has elected a Liaison to the XC

University Wide Committees

Budget Model Workgroup

- Discussed enrollment and past workgroup recommendations.
- Meetings scheduled to review the budget model and make recommendations

Budget Planning and Monitoring Committee (BPMC)

- Four representatives from the senate planning and budget committee are serving on BPMC the and the Funding Request and Administrative Activity Review Subcommittees.
- Dan Durbin presented an overview of the budget and reported the 2020 budget ended in the black.

COSFL (Coalition of Senate and Faculty Leadership for Higher Education)

- Presented universities' efforts toward shared governance and responses to COVID-19
- Requested feedback from each university as to what are the most pressing issues for higher education in the state so that common ground can be identified and we can develop a coordinated approach to these issues

Pivot to Fall/Spring Coordinating (PTF/S) Committee

- Met weekly – COVID-19, Flu vaccination, student performance, Fall Break, spring semester (start and break) were common/dominant topics.

Shared Governance

- Provided senate input on COVID-19 testing and Flu vaccination
- Provided senate input on spring semester and spring break
- Representatives requested to serve on new IT committees, IP (intellectual property) committee, Internal Digital Transformation Team, and Student Wellbeing committee, *ad hoc* work with Bob Goldstein's office to revise COVID-19 dashboard.

On the horizon

- Provided initial comments to a revised Conflict of Interest Policy and Faculty Accountability Policy.
- Both of these will be brought to the full senate for more complete discussions in the near future.

Senate Chair David Schultz



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**University of Louisville
Financial Update for the UofL Foundation**

Daniel A. Durbin
VP for Finance/CFO

THE THINKER
BY AUGUSTE RODIN
A GIFT TO THE PEOPLE
OF LOUISVILLE BY THE

October 28, 2020

Highlights of FY20 Audit & Financials

- **The Audit**

- *Unqualified/Unmodified (clean) opinion – highest quality possible*
- *Prior year significant deficiencies have been cleared*
- *Single audit (Federal compliance) will be separately released due to pending Federal requirements*

- **Key Points**

- *Accrual based activity:*
 - Captures COMMITMENTS of revenues and expenses
 - Measures economic value (through Net Position)
- *Heavily influenced by significant items:*
 - Donation of healthcare facilities (buildings)
 - Health system mission support distribution
 - COVID- 19
- *We met our balanced budget objective (slightly exceeded)*

Summary of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2020 (Reflected in Thousands)

	<u>6/30/20</u>		<u>6/30/19</u>
REVENUES			
Student tuition and fees, net	\$ 227,233		\$ 223,173
State appropriations	128,712		128,930
Clinical services and practice plans	322,989	Clinical revenues includes the \$37 million UofL Health System pledge	287,393
Grants and contracts	161,893		155,578
Intercollegiate athletics	86,557		86,826
Affiliate contributions, net	49,770		61,324
Value of Capital/Building Assets Received	141,503	Capital includes \$132 million value of donated health facilities (non-cash) for acquisition of KOH/Jewish assets (no University funds expended)	58,147
Other revenues	105,471		98,002
Total Revenues	<u>1,224,128</u>		<u>1,099,373</u>
EXPENSES			
Salary & wages	543,946		564,801
Employee benefits	129,181		138,153
Utilities	21,374		21,309
Travel	16,817		20,715
Scholarships and fellowships	39,274		35,662
Supplies & services	221,917		232,720
Depreciation	56,840		52,213
Interest on capital asset-related debt	10,364		10,457
Total operating expenses	<u>1,039,714</u>		<u>1,076,030</u>
Increase (Decrease) in Net Position	\$ 184,414		\$ 23,343
Less: Value of Capital/Building Assets Received	(141,503)	Increase in economic value	(58,147)
Less: Health System Margin Share Pledge	(37,000)	Paid over 3 years	-
Normalized incr/(decr) in Net Position	5,911	Consistent with budgeted plan	(34,804)

Liquid Cash by Source

(Actuals through June FY 2020)

(\$ millions)

- **University Based Liquidity**

- Liquid Cash
- ULAA Short-Term Investments
- General Line of Credit

- **UofL Liquidity Held by Foundation**

- Designated/Unrestricted Gift Account Cash Available
- Endowment Spend Cash Availability
 - Current Year End
 - Carryover
 - Spend Cash Available 7/1

	FY 2017 Actual		FY 2018 Actual		FY 2019 Actual			FY 2020 Actual	
	Cumulative Total	Cumulative Days	Cumulative Total	Cumulative Days	Cumulative Total	Cumulative Days	Amount	Cumulative Total	Cumulative Days
	\$77.9	28.7	\$100.1	38.0	\$125.9	46.5	\$159.5	\$159.5	58.9
	\$103.2	38.0	\$114.0	43.2	\$137.2	50.7	\$5.0	\$164.5	60.8
			\$164.0	62.2	\$187.2	69.2	\$50.0	\$214.5	79.3
	\$149.4	55.0	\$209.3	79.4	\$232.4	85.9	\$43.3	\$257.8	95.3
	\$150.9	55.5	\$210.9	80.0	\$234.9	86.8	\$0.0	\$257.8	95.3
	\$190.9	70.3	\$233.8	88.7	\$261.4	96.6	\$27.7	\$285.5	105.5
	\$214.1	78.8	\$259.5	98.5	\$281.5	104.0	\$15.8	\$301.3	111.4
Total	\$214.1	78.8	\$259.5	98.5	\$281.5	104.0		\$301.3	111.4

FY 2020 in Review

- **Balanced FY 20 Budget**

Doing the right thing

- **Clean Audit Opinion**

Doing it the right way

- **Maintaining a Good Financial and Planning Processes**

Doing it for the right reasons – our future

FY 2021 Year to Date Financial Highlights

- **Most activity through 9/30 is in line with budget:**
 - *Enrollment & tuition revenues slightly ahead of budget*
 - *Prior year (FY20) state reduction rescinded*
 - *Expenses mainly in line with budget*
 - *Cash position*
- **Future Challenges:**
 - *Possible state reduction of \$10 mill for FY21*
 - *Spring enrollment pressures*
 - *Athletics and other self-supportive units*
 - *COVID-19 duration and severity*
- **Active engagement with Deans, VPs, and constant monitoring**

FY 2021 Budget-to-Actual Report Thru September, 2020

Modified Cash Basis

Revenues	FY 2021				FY 2020		Year-over-Year \$ Change
	Annual Budget	YTD September	% Realized	Status	YTD September		
<i>General Funds</i>							
Tuition and Fees	325,927,672	166,311,625	51.0%	↑	159,764,177	6,547,449	2% tuition rate increase; improved fall-to-fall enrollment performance
State Appropriations	127,056,800	37,235,400	29.3%	✓	37,990,100	(754,700)	Timing: 1Q allotment % lower than in FY 2020
Transfers In	23,967,589	4,291,481	17.9%	✓	2,530,834	1,760,648	Timing of debt service transfers
Other Revenue	14,206,997	2,364,295	16.6%	↓	3,373,044	(1,008,748)	Early Learning Campus; intramurals; investment income
Auxiliaries	13,132,518	6,055,098	46.1%	✓	5,928,787	126,311	
Hospital-Related	9,308,327	2,108,696	22.7%	✓	2,336,876	(228,180)	
General Funds Total	513,599,903	218,366,596	42.5%	✓	211,923,817	6,442,779	
<i>Funds received in prior periods</i>	3,000,000	0			0		
<i>Non-General Funds</i>							
UL Research Foundation	501,106,844	142,463,376	28.4%	↑	135,555,441	6,907,935	See "Description of Notable Revenue Changes" section
UL Athletic Association	107,377,000	37,717,793	35.1%	↓	65,861,918	(28,144,125)	Revenue decreased due to occupancy limits
UL Foundation	56,383,000	9,596,576	17.0%	✓	11,653,983	(2,057,407)	Reduced spend policy rate for FY 2021
Other Department Funds	40,914,903	10,543,191	25.8%	✓	9,309,376	1,233,815	
<i>Funds received in prior periods</i>	2,538,547	0			0	0	
Non-General Funds Total	708,320,294	200,320,936	28.3%	✓	222,380,719	(22,059,782)	
Total Revenues	\$1,224,920,197	\$418,687,532	34.2%	✓	\$434,304,535	(\$15,617,003)	
Expenses							
	FY 2021				FY 2020		
	Annual Budget	YTD September	% of Budget	Status	YTD September	Change	
<i>All Funds</i>							
Salary	555,714,327	129,866,619	23.4%	↑	137,913,267	(8,046,647)	Mostly due to Peds transfer to Norton; plus reduction from furloughs
Fringe Benefits	143,439,172	29,962,649	20.9%	↑	36,939,894	(6,977,245)	No retirement benefits in July; partial in Aug. & Sep.; Peds shift to Norton's
Operating	313,684,374	82,669,224	26.4%	✓	88,985,511	(6,316,287)	See "Description of Notable Expense Changes" section
Financial Aid	133,968,819	65,345,268	48.8%	✓	65,325,140	20,128	
Capital Asset & Debt Service	54,099,395	11,237,144	20.8%	✓	10,230,000	1,007,144	Primarily timing-related
Utilities	24,014,110	3,023,923	12.6%	✓	2,219,038	804,884	Timing of chilled water expense (~\$779k)
Total Expenses	\$1,224,920,197	\$322,104,827	26.3%		\$341,612,850	(\$19,508,023)	
Revenue Over/(Under) Expenses	\$0	\$96,582,706			\$92,691,686	\$3,891,020	

FY 2021 Budget Shown with Mitigation Actions Applied

Status Indicators

Better than Expected	↑
As Expected	✓
Worse than Expected	↓

FY 2021 Budget-to-Actual Report thru September, 2020

Modified Cash Basis

Description of Notable Revenue Changes

Revenues	Actuals (September)		Change	
	FY 2021	FY 2020		
Tuition and Fees	166,311,625	159,764,177	6,547,449	2% tuition rate increase; improved fall-to-fall enrollment performance
UL Research Foundation	142,463,376	135,555,441	6,907,935	
<i>Sponsored Research</i>	<i>27,896,832</i>	<i>30,526,723</i>	<i>(2,629,891)</i>	<i>Impacted by COVID-19</i>
<i>Pass-through financial aid</i>	<i>17,613,889</i>	<i>17,242,668</i>	<i>371,221</i>	
<i>CARES Act</i>	<i>1,289,543</i>	-	<i>1,289,543</i>	<i>Non-recurring funds in FY 2021</i>
<i>Clinical-related activities</i>	<i>84,741,174</i>	<i>76,794,048</i>	<i>7,947,126</i>	<i>Mostly Dental IGT & other pass-through IGT funds to UL Health</i>
UL Athletic Association	37,717,793	65,861,918	(28,144,125)	

Description of Notable Expense Changes

Expenses	Actuals (September)		Change	
	FY 2021	FY 2020		
Salaries and Wages	129,866,619	137,913,267	(8,046,647)	Mostly due to Peds personnel transfer to Norton's
Fringe Benefits	29,962,649	36,939,894	(6,977,245)	Retirement suspension for July; partly restored in Aug. & Sep.
Financial Aid	65,345,268	65,325,140	20,128	
Operating	82,669,224	88,985,511	(6,316,287)	
<i>ULP Support</i>	<i>106,390</i>	<i>6,177,342</i>	<i>(6,070,953)</i>	<i>ULP payments/support decreased in FY21</i>
<i>Travel</i>	<i>238,881</i>	<i>3,047,315</i>	<i>(2,808,435)</i>	<i>Impact of COVID-19 travel restrictions</i>
<i>Subscriptions</i>	<i>5,439,462</i>	<i>7,300,872</i>	<i>(1,861,410)</i>	<i>Partially due to lower library subscriptions</i>
<i>IT equipment & services</i>	<i>2,629,834</i>	<i>(1,819,107)</i>	<i>4,448,941</i>	<i>Influenced by COVID-19/online requirements; partially funded from CARES</i>

Liquid Cash – FY 2018 to FY 2021

(Actuals through September FY 2021)

