

Budget Assumptions and Changes

Scenario B

February 26, 2016

| | <u>General Fund</u> <u>Budget Change</u> | <u>UofL Corporations</u> <u>Budget Change</u> | <u>Total Budget</u> <u>Changes</u> |
|--|---|--|---------------------------------------|
| Revenue Assumptions and Changes | | | |
| General Fund | | | |
| 1 State Appropriation Reduction | (12,517,000) | 0 | (12,517,000) |
| 2 Tuition Rate Increase of 5% - All Categories | 12,000,000 | 0 | 12,000,000 |
| 3 Other Revenue Enhancement Strategies | 0 | 0 | 0 |
| UofL Corporations | | | |
| 4 Clinical Operations | 0 | 0 | 0 |
| 5 ULRF Sponsored Agreements | 0 | 0 | 0 |
| 6 Endowments | 0 | 0 | 0 |
| 7 Gift Funds | 0 | 0 | 0 |
| 8 ULAA | 0 | 0 | 0 |
| 9 ULF - Other | 0 | 0 | 0 |
| Revenues Subtotal | (517,000) | 0 | (517,000) |

FY 2017 Operating Budget Development



| | <u>General Fund</u> <u>Budget Change</u> | <u>UofL Corporations</u> <u>Budget Change</u> | <u>Total Budget</u> <u>Changes</u> |
|---|---|--|---------------------------------------|
| Expenditure Assumptions and Changes | | | |
| <i>Strategic Initiatives</i> | | | |
| 1 2% faculty and staff merit increase | 0 | 0 | 0 |
| 2 Fringe benefit increase tied to merit increase | 0 | 0 | 0 |
| 3 Faculty and Staff Equity Adjustments | 3,000,000 | 0 | 3,000,000 |
| 4 Academic Strategic Priorities | 2,000,000 | 0 | 2,000,000 |
| 5 Faculty and Staff Promotions | 750,000 | 750,000 | 1,500,000 |
| 6 Living Wage Increase | 100,000 | 50,000 | 150,000 |
| 7 Financial Aid Escalator (Central and Grad School) | 2,200,000 | 0 | 2,200,000 |
| <i>Salaries and Fringe Benefits</i> | | | |
| 8 Incremental change in VSIP savings (final year) | (500,000) | 0 | (500,000) |
| <i>Operating</i> | | | |
| 9 CAR Adjustments | 258,000 | 0 | 258,000 |
| 10 Debt Service - Savings from Retirement of Series M | (420,157) | 0 | (420,157) |
| 11 Fringe Benefits - FICA Maximum Increase | 100,000 | 175,000 | 275,000 |
| 12 Insurances (pending analysis) | 0 | 0 | 0 |
| 12a Health Insurance | 0 | 0 | 0 |
| 12b General Insurance | 0 | 0 | 0 |
| 12c Other | 0 | 0 | 0 |
| 13 Utilities (pending analysis) | 0 | 0 | 0 |
| 14 Other | 0 | 0 | 0 |
| Expenditures Subtotal | 7,487,843 | 975,000 | 8,462,843 |
| Surplus/(Deficit) | (8,004,843) | (975,000) | (8,979,843) |