

**Budget Assumptions and Changes**

**Scenario C**

February 29, 2016

	<u>General Fund</u> <u>Budget Change</u>	<u>UofL Corporations</u> <u>Budget Change</u>	<u>Total Budget</u> <u>Changes</u>
<b>Revenue Assumptions and Changes</b>			
<b>General Fund</b>			
1 State Appropriation Reduction	(12,517,000)	0	(12,517,000)
2 Tuition Rate Increase of 3.7% - All Categories	9,000,000	0	9,000,000
3 Other Revenue Enhancement Strategies	0	0	0
<b>UofL Corporations</b>			
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
<b>Revenues Subtotal</b>	<b>(3,517,000)</b>	<b>0</b>	<b>(3,517,000)</b>

\* 3.7% is the three year rolling average for undergraduate resident tuition rate increases.

# 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>
<b>Expenditure Assumptions and Changes</b>			
<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)	1,650,000	0	1,650,000
<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
<b>Expenditures Subtotal</b>	6,937,843	975,000	7,912,843
<b>Surplus/(Deficit)</b>	<b>(10,454,843)</b>	<b>(975,000)</b>	<b>(11,429,843)</b>