



FY 2024 BUDGET

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To the University of Louisville Board of Trustees:

I am pleased and proud to submit for your review and consideration the University of Louisville's operating budget and capital spending plan for Fiscal Year 2024. This document was produced through the hard work, dedication and commitment of many people, including our leadership team and the staff of the Office of Finance & Administration. In addition, credit should go to our deans, faculty, staff and students for their input to this critical project. The 2024 budget is the result of a clear vision, strategic planning and, of course, strong finances.

At UofL, we firmly believe that we must be good stewards of our resources. That is the expectation of the students, families and taxpayers who support us and our mission. This budget proposal is balanced, responsible and sustainable. Sound strategy has allowed the university to overcome the significant challenges of the past few years and emerge ready to confront the realities we now face.

Our budget also aligns closely with the university's strategic plan. Our priorities include promoting student success, ensuring that we can attract and retain the best and brightest faculty and staff and strengthening our connection with our local community and beyond. We also have a pressing need to upgrade our infrastructure, which we plan to pursue aggressively.

In fiscal 2024, student success will be addressed through investments in retention, access and wellbeing. We plan to increase the student minimum wage to \$15 per hour and grow graduate stipends by about \$1,000 per year. We are adding student mental health staff and services with funding from a new \$15 student fee requested by the Student Government Association. We also will add Pell-adjacent financial aid for those students whose income places them just above Pell-eligibility limits. And we will expand a pilot program to incentivize student access to teaching and learning services.

To help us recruit and retain excellent faculty and staff, we will implement a 2 percent cost-of-living salary increase on July 1, 2023. We plan to invest at least \$5 million to carry out the recommendations contained in our employee compensation study. This budget proposal also continues the current employee retirement contributions (7.5 percent automatic, plus 2.5 percent match) and 100 percent tuition remission for eligible employees and dependents.

In the coming fiscal year, we plan to fund significant investments in the university's infrastructure. We will be upgrading HVAC systems across our campuses and making other much-needed improvements with help from the state's asset preservation funding. This year also will feature an exciting milestone for our J.B. Speed School of Engineering when we break ground on a long-awaited new engineering building, also funded in part by the state.

Thank you for your review of this budget proposal. I hope you feel the pride we have in the university's healthy financial outlook and share our vision as we continue to strengthen UofL's position as the commonwealth's premier metropolitan research institution.

Sincerely,



Kim Schatzel, PhD

President

SUMMARY OF FY 2024 BUDGET

The FY 2024 operating budget for the University of Louisville is \$1,647,509,201 making it the largest operating budget in history. The main drivers and components of the budget are detailed in this document. The university's budget is divided into operating and capital sections. The former recognizes the day-to-day activities necessary to run the university— instruct and serve students, conduct research and scholarly activities, and connect with the community. All financial activity is recorded in one of two fund groups: general funds and non-general funds. The general fund budget represents unrestricted revenues derived from tuition, state appropriations, and auxiliaries, to name several. The university's non-general fund budget is tied to specific purposes such as grants, gifts and endowments, clinical operations, and athletics. Most non-general fund revenues flow through the university's two affiliated corporations: University of Louisville Research Foundation, Inc. (ULRF) and the University of Louisville Athletic Association, Inc. (ULAA).

The university's FY 2024 operating budget includes only those funds received from its separately governed component units (University of Louisville Health, University of Louisville Foundation, and University of Louisville Real Estate Foundation). While the full activity for these component units is included in the University's annual financial statement through a discrete disclosure, this budget contains only the funding that is transferred to the University for its use.

Table 1 shows the university's all funds operating budget for FY 2024. General Funds for FY 2024 are presented in the first column to the right of the category descriptions. Non-general funds are shown in the subsequent four columns. The yellow outlined columns include the group of activities called "UofL Standalone" that are reflected in the university's financial statements.

Anticipated revenues for FY 2024 total \$1,610,806,611. Tuition and fee revenues of \$349.8 million and clinical/hospital revenues of \$457.4 million are the two largest revenue sources and represent 50.1 percent of the total. State asset preservation funding of \$76.9 million includes the FY 2024 authorization plus the unused FY 2023 authorization. Long supply chain lead times and limited labor pools have pushed out asset preservation project timelines from original expectations. These funds are designated for needed repairs and maintenance on campus facilities. The FY 2024 budget also includes the use of \$36.7 million in prior year funds that are associated with one-time expenses. Examples include unspent grant funding received in prior years and the use of accumulated cash for faculty start-up packages.

Salaries and fringe benefits remain the largest expense categories and total \$779.4 million or 47.3 percent of the total expense budget. Scholarship expenses—including federal and state pass-through aid such as Pell and Kentucky Educational Excellence Scholarship (KEES)—total \$168.2 million, a \$7.4 million increase from FY 2023.

The FY 2024 operating budget is balanced. Budgeted expenditures match available resources.

TABLE 1: FY 2024 OPERATING BUDGET BY GENERAL AND NON-GENERAL FUND REVENUES AND EXPENSES

| | UofL STANDALONE ENTITY | | | UL RESEARCH FOUNDATION | ATHLETICS | ALL FUNDS |
|---------------------------------------|------------------------|----------------------|-----------------------|------------------------|-----------------------|-------------------------|
| | GENERAL FUNDS | FOUNDATION | INTERNALLY DESIGNATED | | | |
| Sources | | | | | | |
| Tuition and Fees | 349,751,124 | | | | | 349,751,124 |
| State Funds | 145,051,400 | | | | | 145,051,400 |
| Transfers to General Fund | 30,586,292 | | | | | 30,586,292 |
| Auxiliaries | 19,830,610 | | | | | 19,830,610 |
| Clinical (including Hospital support) | 1,350,669 | | | 456,058,911 | | 457,409,580 |
| Sponsored Agreements | | | | 176,000,000 | | 176,000,000 |
| Pass Through Financial Aid | | | | 59,000,000 | | 59,000,000 |
| Other Revenue | 24,216,493 | 77,630,926 | 11,321,325 | 16,965,861 | 166,100,000 | 296,234,605 |
| Asset Preservation | | | 76,943,000 | | | 76,943,000 |
| Total Fiscal Year Revenues | 570,786,588 | 77,630,926 | 88,264,325 | 708,024,772 | 166,100,000 | 1,610,806,611 |
| Plus use of prior year funds | 456,298 | | 18,049,771 | 18,196,521 | | 36,702,590 |
| Total Sources of Funds | \$ 571,242,886 | \$ 77,630,926 | \$ 106,314,096 | \$ 726,221,293 | \$ 166,100,000 | \$ 1,647,509,201 |
| Uses of Funds | | | | | | |
| Salary | 286,123,430 | 20,441,904 | 5,286,931 | 252,493,707 | 41,960,962 | 606,306,934 |
| Fringe Benefits | 88,680,126 | 5,386,664 | 1,284,665 | 69,083,345 | 8,701,091 | 173,135,891 |
| Operating | 67,873,533 | 37,784,059 | 20,494,642 | 316,062,506 | 89,426,965 | 531,641,705 |
| Scholarships | 72,201,382 | 13,943,299 | 933,697 | 63,303,694 | 17,845,294 | 168,227,366 |
| Capital Asset plus Debt Service | 30,016,027 | 75,000 | 1,191,181 | 2,194,784 | | 33,476,992 |
| Transfers to General Fund | | | | 23,000,000 | 7,586,292 | 30,586,292 |
| Asset Preservation | | | 76,943,000 | | | 76,943,000 |
| Utilities | 26,348,388 | | 179,980 | 83,257 | 579,396 | 27,191,021 |
| Total Uses of Funds | \$ 571,242,886 | \$ 77,630,926 | \$ 106,314,096 | \$ 726,221,293 | \$ 166,100,000 | \$ 1,647,509,201 |
| Sources less Uses of Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

CONNECTION TO THE STRATEGIC PLAN

Students, faculty, and staff are the engines that propel the University of Louisville forward. The FY 2024 budget continues to provide momentum to those efforts by making UofL a great place to Learn, Discover, Connect, and Work. The following pages provide examples of how the FY 2024 budget links to the university's strategic plan.

A GREAT PLACE TO LEARN

Goal: The University of Louisville is a great place to LEARN because it prepares students for success now and into the future. We accomplish this by supporting the whole student through transformative, purpose-driven, and engaged learning.

Strategy 1: Attract, retain, and graduate a talented, diverse student body through meaningful and structured commitment to student success.

Strategy 2: Prepare critical thinking, global citizens capable of lifelong, self-directed learning to lead, serve, and shape the future.

UofL is committed to unleashing students' potential by preparing them for their careers and complex challenges of tomorrow. UofL is expanding learning beyond the classroom, supporting student mental health, and closing opportunity gaps by providing resources and support to students.

Strategy 1 focuses on attracting, retaining, and graduating a talented, diverse student body through meaningful and structured commitment to student success. In support, the FY 2024 budget includes the following investments:

- **Increases** general fund institutional financial aid by \$3.5 million, including funding for a new Pell-adjacent aid program that will help students whose family income is just above Pell-eligible limits.
- Provides **enhanced** funding for the Center of Engaged Learning and the Center for Military-connected students. The latter includes the second of two \$0.3 million allocations from the state to renovate space.
- Since opening Belknap Village South in Fall 2022, the university has **built** three new residence halls in the past two years. The FY 2024 budget includes debt service payments for Belknap Village North and South; Denny Crum Hall is paid through Athletics.
- **Implements** a new online platform that allows students and university advisors to pair internal and external financial aid opportunities with student eligibility and need.
- **Continues** a pilot program initiated in Fall 2022 to encourage students to participate in REACH (Resources for Academic Achievement) services.
- College of Education and Human Development is **expanding** its successful Summer Bridge for Teacher Education programs to include Health and Sport Sciences. The college also implemented a plan to strategically utilize its scholarship funds to improve student retention and graduation.
- School of Law is **initiating** a “First-Gen” mentor program for first year students.

Strategy 2 prepares critical thinking, global citizens capable of lifelong, self-directed learning to lead, serve and shape the future.

- Knowledge is dependent upon having access to diverse and vibrant library collections. With journal subscription and other material costs rising four percent or more each year, the FY 2024 budget **provides** \$383,000 more to Libraries.
- School of Nursing **provides** opportunities to participate in clinical practicum experiences for pre-licensure, RN to BSN, and APRN students.
- Students in non-research degrees **complete** an engaged learning experience at the School of Public Health and Information Sciences.

A GREAT PLACE TO DISCOVER

Goal: The University of Louisville is a great place to DISCOVER new knowledge that improves lives. We accomplish this through impactful research, innovation, scholarship, and creative activity.

Strategy 1: Increase efforts and support in innovation, research, scholarship, and creative activities.

Strategy 2: Develop strong translational research, innovation, and entrepreneurship programs to maximize societal impact of university research.

At UofL, Cardinals help a better world take flight. As one of fewer than 80 universities in the U.S. to earn recognition by the Carnegie Foundation as both a Research 1 and Community Engaged university, we are uniquely positioned to create and apply knowledge that makes lasting, and even life-saving, impacts.

Strategy 1 focuses to increase efforts and support in innovation, research, scholarship, and creative activities. To achieve success, the FY 2024 budget investments include:

- School of Nursing employs a research and grant manager and administrative personnel to **support** faculty and students' research and scholarship (pre- and post-award).
- In 2023, the School of Music will **form** a Vision and Roadmap Committee of faculty, staff, and students to gather feedback related to the ten-year National Association of Schools of Music accreditation self-study in Spring 2026.
- School of Dentistry will **expand** innovation and translational research opportunities for students in pre-doctoral, dental hygiene, and graduate programs.
- In 2024, ground-breaking expected on **new** engineering building that will help expand and enhance research capabilities.

Strategy 2 focus is to develop strong translational research, innovation, and entrepreneurship programs to maximize societal impact of university research.

- School of Public Health and Information Sciences to look at **partnering** with regional health care/insurance entities and health departments to leverage health data analytics.

A GREAT PLACE TO CONNECT

Goal: The University of Louisville is a great place with which to CONNECT because of its impact on the community and the economic, social, and cultural health and well-being of Louisville, the Commonwealth, and beyond. We accomplish this through principled leadership, responsible stewardship, and engaged partnerships.

Strategy 1: Improve awareness, accessibility, value, and impact of community, industry, government, and alumni partnerships.

Strategy 2: Increase Community and Alumni Engagement

UofL could not exist without ties to our community. Through these partnerships, the lives of people across the Commonwealth, country, and world are made better.

Strategy 1 focuses to improve awareness, accessibility, value, and impact of community, industry, government, and alumni partnerships.

- **Investing** \$251,000 for operational support for the Center for Military-connected students.
- School of Social Work will host the 2nd Annual Continuing Education Workshop on Working with Diverse Communities and Populations. The school will also **create** opportunities to promote family and community well-being in the Louisville community and beyond.
- School of Music **continues** to support and sustain off-campus connections such as with Sanders Elementary and Central High schools.
- School of Engineering will **continue** to host maker fairs and summer camps to help connect with prospective students and the community.
- School of Dentistry will work on **expanding** the number of its clinical outreach sites in Louisville and the Commonwealth of Kentucky.
- Office of Institutional Equity plans to **initiate** a Cardinals Rising program that connects and mentors local students in the 7th through 12th grades.

Strategy 2 emphasizes the need to increase community and alumni engagement.

- **Expanded** learning opportunities for graduate students through the Community Engagement Academy offered by the Graduate School.
- School of Public Health and Information Sciences will seek opportunities to **engage** high school students, teachers, and parents in public health programming.
- Office of Institutional Equity will **develop** an Inclusive Excellence Scholars program to bring distinguished alumni to campus to provide mentorship to students.

A GREAT PLACE TO WORK

Goal: The University of Louisville is a great place to WORK because it is a workplace dedicated to personal growth and professional development. We accomplish this by fostering a culture where faculty, staff, and administration live our institutional values.

Strategy 1: Foster a culture of care, trust, accountability, equity, and transparency.

Strategy 2: Become an employer of choice that intentionally attracts and retains the most talented and diverse faculty and staff through meaningful and structured commitment to employee success.

The University of Louisville strives to develop a culture where faculty, staff and administrators live the institution's values. The FY 2024 budget includes the following WORK investments.

Strategy 1 fosters a culture of care, trust, accountability, equity, and transparency.

- College of Education and Human Development will work to develop **new** leadership programming that assists faculty and staff with building career plans through mentoring and employee recognition.
- Employee Success Center conducts **new** employee orientation and invites all new employees to a six-month check-in breakfast and expanded diversity training.

Strategy 2 is to become an employer of choice that intentionally attracts and retains the most talented and diverse faculty and staff through meaningful and structured commitment to employee success. Examples of this investment in the FY 2024 budget include:

- Allocates \$4.8 million in general funds for a **new** 2.0 percent cost-of-living-adjustment (COLA) for eligible faculty and staff effective July 1, 2023, bringing the total COLA increases to 6.5 percent since August 2021. Across all funds, \$7.1 million is budgeted for COLA increases in FY 2024.
- Appropriates an **additional** \$3.5 million in general funds (for a total of \$5.0 million) to begin implementing Phase I of faculty and staff compensation study.
- **Increases** pool for graduate assistant stipends by \$0.6 million; the second of four planned increases.
- **Continues** automatic 7.5 percent employer retirement contribution and 2.5 percent match for eligible employees.
- **Maintains** full tuition remission for eligible faculty, staff and dependents.
- Includes nearly \$5.0 million to begin **implementing** Workday Finance to replace outdated Peoplesoft platform to improve workflow and productivity for faculty and staff.
- School of Public Health and Information Sciences plans to design a **new** mentoring program for early career faculty.
- To support the development and growth of leaders at UofL, the Employee Success Center will **continue** to run the Cardinal Leadership Institute in partnership with the College of Education and Human Development.

Budget Goals

The university's budget goals for FY 2024 remain consistent with FY 2023. Financial steadiness is important in these times. Although the pandemic is over, higher education across the country faces many challenges. In their 2022 book, "Great Upheaval", the authors suggest that the future of higher education could look much different than today. Shifts in the number and ethnicity of graduating high school students; declining numbers of males attending college; and ideological clashes—including over the perceived benefits of a college education—may all impact the industry.

Maintaining a solid and predictable financial foundation is key to the university's future success. The FY 2024 budget builds upon the major financial and operational improvements made over the past five years. Not only has the university's overall financial health improved as evidenced by credit ratings, stable budgets, and growing cash balances, but these accomplishments have been paired with substantial compensation increases (6.5 percentage point increase between August 2021 and July 2023), continuation of exceptional employee benefits (such as 10.0 percent employer retirement contributions), plus extensive improvements to facilities (more than \$106 million from 2022 through 2024). The FY 2024 budget continues these historic positive trends and helps take the university to the next level.

Building a sustainable and structurally sound operating budget that advances the university's mission remains the top budget goal for FY 2024. The other three budget goals are to:

- Establish a budget framework that meets all financial and operational standards of university and college accrediting bodies;
- Establish contingencies to mitigate unexpected revenue or expense changes; and
- Link the budget to the university's strategic plan.

Budget Priorities

The FY 2024 budget has four priorities. Those priorities, along with examples of how the budget operationalizes them, follow.

1. Improve student retention, success, access, and well-being

- Expands student mental health services;
- Creates the Pell-adjacent scholarship program; (see page 47)
- Expands the Border Benefit non-resident program; (see page 34)
- Increases pool of funding for graduate student stipends by \$600,000; (see page 45)
- Increases funding for the Center for Engaged Learning; (see page 49) and
- Aligns funding for the Center for Military-connected Students; (see pages 15 and 39).

2. Invests in faculty and staff

- Funds a 2.0 percent cost-of-living increase for eligible faculty and staff effective July 1, 2023; (see pages 31 and 32)
- Invests an additional \$3.5 million to improve staff and faculty pay based on results of university compensation study; (see page 31) and
- Maintains full tuition remission for eligible employees and their dependents. (see page 32)

3. Invests in the University's physical infrastructure to support university strategies and institutional success

- Includes \$76.9 million in state appropriations for asset preservation projects; (see page 72)
- New engineering building funded by the state; (see pages 27 and 72)
- Funds ongoing work to improve the university's website—the first contact point for many potential students and their parents; and (see pages 43 and 72)
- Continues investments in the university's brand marketing campaign, launched in 2021.

4. Advancing research and innovation

- Operationalizes Cayuse software to support growth management, effort certification, and research administration.

Assessment of Financial Risks and Development of Mitigation Plans

Almost two-thirds of the university's unrestricted operating budget comes from tuition, fees, housing, and dining revenues which makes enrollment the top financial risk. This exposure is not unique to UofL. Enrollment pressures exist across the US higher education landscape. Declining numbers of high school graduates (including by as much as 15 percent in Kentucky by 2029) and a strong labor market that may pull potential students into jobs are two factors placing pressure on the university's ability to attract students.

Although university leadership constantly surveys the higher education landscape, the FY 2024 budget takes a proactive approach to shoring up revenue streams, particularly enrollment. This includes:

1. Creating a new financial aid program for students who fall just outside of the Pell-eligible range to help more students and families attend UofL.
2. Expanding recruitment and scholarship efforts to several out-of-state markets (e.g., all of Indiana and Illinois) to help offset declining high school enrollment in Kentucky.
3. Increasing graduate student stipends to help attract and retain the best graduate students from around the world.
4. Increasing the student minimum wage rate to \$15 per hour.
5. Focusing on student retention through additional support services and expanding mental health services.

A national or international fiscal crisis could also pose a financial risk to the university. Restrictive monetary policy or severe disruptions to stock and bond markets could ripple through the university affecting enrollment, labor costs, supplies, and services. To ensure the university can manage an unanticipated revenue or expense shock, the FY 2024 budget incorporates the following mitigation levers:

- Requires every academic and support unit to set aside one percent of its general fund expense budget into a contingency account;
- Continues to require each academic and support unit to balance their expenses to resources. Continuous active monitoring of budget-to-actual data, liquidity, enrollment, tuition billings, collections and receivables help the university identify adverse trends and take appropriate mitigating actions as quickly as possible.

General Fund Budget Overview

The FY 2024 General Fund budget is structurally balanced: available resources equal planned expenses.

Table 2 displays the progression of FY 2023 to the proposed FY 2024 general fund budget. Highlights of the changes are identified on the following page.

TABLE 2: GENERAL FUND: PROGRESSION FROM FY 2023 ADOPTED TO FY 2024 PROPOSED BUDGET

| | FY 2023 | CHANGE IN SOURCES AND USES | FY 2024 |
|------------------------------------|-----------------------|----------------------------|-----------------------|
| | ADOPTED BUDGET | | PROPOSED BUDGET |
| SOURCES OF FUNDS | | | |
| Tuition and Fees | 344,928,809 | 4,822,315 A | 349,751,124 |
| State Funds | 145,080,400 | (29,000) B | 145,051,400 |
| Transfers to General Fund | 26,567,934 | 4,018,358 C | 30,586,292 |
| Auxiliaries | 17,867,828 | 1,962,782 D | 19,830,610 |
| Clinical (inclgd Hospital support) | 1,106,473 | 244,196 E | 1,350,669 |
| Other Revenue | 19,111,378 | 5,105,115 F | 24,216,493 |
| Total Fiscal Year Revenues | 554,662,822 | 16,123,766 | 570,786,588 |
| Plus use of prior year funds | 1,300,157 | (843,859) G | 456,298 |
| Total Sources of Funds | \$ 555,962,979 | \$ 15,279,907 | \$ 571,242,886 |
| USES OF FUNDS | | | |
| Salary | 276,578,344 | 9,545,086 H | 286,123,430 |
| Fringe Benefits | 82,551,525 | 6,128,601 I | 88,680,126 |
| Operating | 76,355,319 | (8,481,786) J | 67,873,533 |
| Scholarships | 68,698,389 | 3,502,993 K | 72,201,382 |
| Capital Asset plus Debt Service | 29,398,772 | 617,255 L | 30,016,027 |
| Utilities | 22,380,630 | 3,967,758 M | 26,348,388 |
| Total Uses of Funds | \$ 555,962,979 | \$ 15,279,907 | \$ 571,242,886 |
| Sources less Uses of Funds | \$ - | \$ - | \$ - |

Highlights from Table 2 for FY 2024 include:

- A. Tuition rate increases for undergraduate, graduate, and professional degrees coupled with slight enrollment gains in undergraduate enrollment contribute to the budget-over-budget increase. (See pages 22-24 for more details.)
 - Mandatory students fees remain unchanged at \$276 per semester for full-time students (pro-rated for part-time students); a \$15 per semester fee to pay the natatorium debt service was retired in FY 2023 but will be offset to a \$15 per semester fee increase to the existing Student Services fee.
- B. State appropriations remain basically flat. A \$71,000 increase in state performance funding is offset by a \$100,000 one-time state budget earmark in FY 2023 for dental clinic equipment that does not continue in FY 2024. (See page 25 for more details.)
- C. Transfers to the general fund increase due to matching ULH margin share revenues to the planned three-year payout schedule plus an additional \$1 million for higher administrative overhead recovery on sponsored research. (See page 30 for more details.)
- D. Auxiliaries include housing, dining, and parking. A 4.0 percent increase in housing rates and a 3.0 percent increase in most meal plan rates account for the budget increase. Permit parking rates remain unchanged. (See page 28-30 for more details.)
- E. Clinical revenues received in the general fund include the dental sterilizer program and funding for administrative support.
- F. Other revenues increase primarily due to improved investment income from a higher interest rate environment. (See page 30 for more details.)
- G. Prior year funds represent revenues received in one year, but not spent until a subsequent year. To distinguish them from new revenues, they are separately identified in the budget to ensure that they are tied to one-time expenses. (See pages 36 and 69 for more details.)
- H. Salary increases from a 2.0% cost-of-living effective July 1, 2023, for eligible faculty and staff plus \$3.5 million increase for raising pay per the university's compensation study. (See page 31 and 32 for more details.)
- I. Higher employer health insurance costs due to medical and prescription drug expense increases play a leading role in the fringe benefit budget change. Rising participation in the university's tuition remission program also explains part of the budget-over-budget change. (See page 32 for more details.)
- J. A shift from operating to capital asset financing (debt service) explains a large share of the operating budget decrease. Travel expense budgets also slightly decrease. Across all general and non-general funds, operating expense budgets actually increase suggesting that academic and support units are shifting operating expenses from the former to the latter funding source. (See page 35 for more details.)
- K. Institutional financial aid budgets increase due to an expanded Border Benefit program that waives non-resident undergraduate tuition for eligible students from Illinois, Indiana, Ohio, St. Louis, and Nashville as well as higher costs associated with state-mandated tuition waiver programs for certain citizens (e.g., foster children, senior citizens). (See page 34 for more details.)
- L. Capital asset/debt service increases by \$0.6 million. The change reflects a combination of debt retirements, new debt service for the Belknap Village South residence hall, and new lease/purchase financing for the university's new Enterprise Resource Program and web improvement activities. (See page 35 for more details.)
- M. Rising supply costs—particularly for electricity and natural gas—coupled with campus consumption returning to pre-pandemic levels pushes up utility budgets by \$3.9 million in FY 2024. (See page 34 for more details.)

Revenues

The FY 2024 general fund revenue budget totals \$571.2 million, a \$15.3 million increase from FY 2023. General fund revenues represent unrestricted dollars primarily used to support the day-to-day operation of the university. The three largest general fund sources are tuition and fees, state appropriations, and auxiliaries. Transfers into the general fund include overhead recovery associated with sponsored research as well as payments from affiliated entities for debt service.

Tuition and Fees

In FY 2024, tuition and fee revenues are projected to increase by \$4.8 million, or 1.4 percent, from the FY 2023 budget. Higher tuition rates coupled with continued non-resident undergraduate enrollment growth and improved retention are driving the change. Table 3 shows budgeted tuition and fee revenue by degree type. Table 4 presents the proposed tuition rates for AY 2023-2024 by degree type. Table 5 presents proposed tuition rates for special programs.

TABLE 3: TUITION AND FEE REVENUES

| CATEGORY | FY 2022 ACTUALS | FY 2023 BUDGET | FY 2023 ESTIMATE | FY 2024 BUDGET | \$ CHANGE | % CHANGE |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------|
| Undergraduate | 185,321,304 | 187,280,579 | 186,150,000 | 192,215,207 | 4,934,628 | 2.6% |
| Graduate | 56,251,571 | 57,025,141 | 53,650,000 | 54,316,887 | (2,708,494) | -4.7% |
| Professional | 67,720,950 | 70,586,446 | 69,590,000 | 72,522,713 | 1,936,267 | 2.7% |
| Fees & Other | 26,111,567 | 30,036,643 | 28,380,000 | 30,696,317 | 659,674 | 2.2% |
| TOTAL | \$ 335,405,392 | \$ 344,928,809 | \$ 337,770,000 | \$ 349,751,124 | \$ 4,822,075 | 1.4% |

Budgeted tuition revenues for FY 2024 were based on enrollment and credit hour projections submitted by each academic unit and reviewed by both the Office of Enrollment Management and the Budget Office.

Undergraduate tuition revenue increases by \$4.9 million from the FY 2023 budget, due in part to a \$154 increase per semester per full time undergraduate student (a 2.5% resident rate increase and a 1.1% nonresident tuition rate increase), continued non-resident enrollment growth, and improved retention.

Graduate tuition revenue decreases by \$2.7 million in FY 2024, due to enrollment decline across multiple academic units. Efforts to stimulate graduate enrollment are underway. This includes creating new degrees and certificates that align with the employment marketplace. Examples include: Cybersecurity Management; Artificial Intelligence in Medicine; and Engineering Logistics.

Professional degree tuition revenue—medicine, dentistry, and law—increases by \$1.9 million in FY 2024. Tuition rate increases (see Table 4) are the primary contributor, along with slight enrollment growth within the School of Law. Dentistry enrollment is expected to remain flat, while enrollment for the School of Medicine decreases slightly partly due to continued higher than normal levels of student leaves of absence since the beginning of the pandemic.

Budgeted Fees & Other Revenues increases by \$0.7 million. Growth is attributable to strong demand for courses that have course and lab fees, along with new fees for programs like Certified Registered Nurse Anesthetist. FY 2023 revenues fell short of budget as international student travel remained muted but is expected to return to normal levels in FY 2024.

TABLE 4: PROPOSED AY 2023-24 TUITION RATES AND MANDATORY FEES BY DEGREE TYPE AND RESIDENCY

| (amounts in dollars) | AY 2023 | AY 2024 | \$ Change | % Change |
|---------------------------------|---------|---------|-----------|----------|
| FULL-TIME SEMESTER RATES | | | | |
| UNDERGRADUATE | | | | |
| (In-Person and Online courses) | | | | |
| Resident | 6,162 | 6,316 | 154 | 2.5% |
| Nonresident | 14,335 | 14,489 | 154 | 1.1% |
| Military* | 3,000 | 3,000 | - | - |
| GRADUATE | | | | |
| (In-Person and Online courses) | | | | |
| Resident | 6,972 | 7,111 | 139 | 2.0% |
| Nonresident | 14,170 | 14,453 | 283 | 2.0% |
| Military* | 2,250 | 2,250 | - | - |
| LAW | | | | |
| (In-Person and Online) | | | | |
| Resident | 12,275 | 12,700 | 425 | 3.5% |
| Nonresident | 14,775 | 15,200 | 425 | 2.9% |
| MEDICINE | | | | |
| Resident | 21,805 | 22,241 | 436 | 2.0% |
| Nonresident | 33,120 | 33,782 | 662 | 2.0% |
| DENTISTRY | | | | |
| Resident | 18,558 | 18,929 | 371 | 2.0% |
| Nonresident | 38,634 | 39,406 | 772 | 2.0% |

* Active Duty Military and qualifying members of the Reserves and National Guard

TABLE 5: PROPOSED AY 2023-24 TUITION RATES FOR SPECIAL PROGRAMS

| (amounts in dollars) | AY 2023 | AY 2024 | \$ CHANGE | % CHANGE |
|--|---------|---------|-----------|----------|
| FULL-TIME SEMESTER RATES | | | | |
| COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT | | | | |
| Advanced Educator Preparation - Resident | 5,229 | 5,333 | 104 | 2.0% |
| Advanced Educator Preparation - Nonresident | 10,627 | 10,839 | 212 | 2.0% |
| SCHOOL OF NURSING | | | | |
| Doctor of Nursing Practice - Resident | 6,972 | 7,111 | 139 | 2.0% |
| Doctor of Nursing Practice - Nonresident | 8,107 | 8,269 | 162 | 2.0% |
| MSN APRN Program - Nonresident | 8,112 | 8,274 | 162 | 2.0% |
| PhD Nursing - Nonresident | 8,112 | 8,274 | 162 | 2.0% |
| SCHOOL OF ENGINEERING (In-Person) | | | | |
| M.S. in Engineering - Nonresident | 14,170 | 7,111 | (7,059) | -49.8% |
| COLLEGE OF ARTS & SCIENCES - URBAN PLANNING AND PUBLIC ADMIN. (In-Person) | | | | |
| Resident | 7,872 | 8,011 | 139 | 1.8% |
| Nonresident | 15,070 | 15,353 | 283 | 1.9% |
| PER CREDIT HOUR | | | | |
| ONLINE EDUCATION | | | | |
| CBE Healthcare Leadership | 514 | 527 | 13 | 2.5% |
| Graduate - Advanced Educator Preparation | 575 | 575 | - | - |
| Graduate Certificates - College of Business | 800 | 800 | - | - |
| Military* | 600 | 600 | - | - |
| Graduate - M.Eng. in Engineering Mgmt. | 775 | 791 | 16 | 2.1% |
| Graduate - Urban Planning & Public Admin. | 946 | 964 | 18 | 1.9% |
| M.S. in Health Administration | 483 | 492 | 9 | 1.9% |
| RN to BSN | 375 | 375 | - | - |
| FIXED PRICE, MULTI-YEAR | | | | |
| COLLEGE OF BUSINESS | | | | |
| Dual MBA | 26,600 | 30,800 | 4,200 | 15.8% |
| Entrepreneurship MBA | 32,000 | 38,500 | 6,500 | 20.3% |
| Military* | 22,500 | 22,500 | - | - |
| Full-Time MBA | 32,000 | 38,500 | 6,500 | 20.3% |
| Military* | 22,500 | 22,500 | - | - |
| Global MBA | 32,000 | 38,500 | 6,500 | 20.3% |
| Military* | 22,500 | 22,500 | - | - |
| Online MBA | 32,000 | 38,500 | 6,500 | 20.3% |
| Military* | 22,500 | 22,500 | - | - |
| Professional MBA (Evenings) | 32,000 | 38,500 | 6,500 | 20.3% |
| Military* | 22,500 | 22,500 | - | - |
| Master of Accountancy | 25,000 | 28,000 | 3,000 | 12.0% |
| M.S. in Business Analytics | 30,000 | 34,500 | 4,500 | 15.0% |
| COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT | | | | |
| Ed.D. in Educational Leadership and Org. Development | 16,200 | 18,900 | 2,700 | 16.7% |
| M.S. in Human Resources and Org. Development | 16,500 | 16,500 | - | - |
| Military* | 2,250 | 2,250 | - | - |
| Ed.S. in Educational Administration | 15,000 | 15,000 | - | - |
| EAL Superintendent Certification Program | 9,300 | 6,930 | (2,370) | -25.5% |

* Active Duty Military and qualifying members of the Reserves and National Guard

The tuition rates for the fixed-price masters degree programs at the College of Business are effective for incoming cohorts beginning January 2024. These rates represent the first increase in at least ten years. The proposed tuition rates will align the university with peer institutions and are not expected to adversely affect enrollment. Revenue generated will help offset rising costs, including those for the globally-recognized internship program.

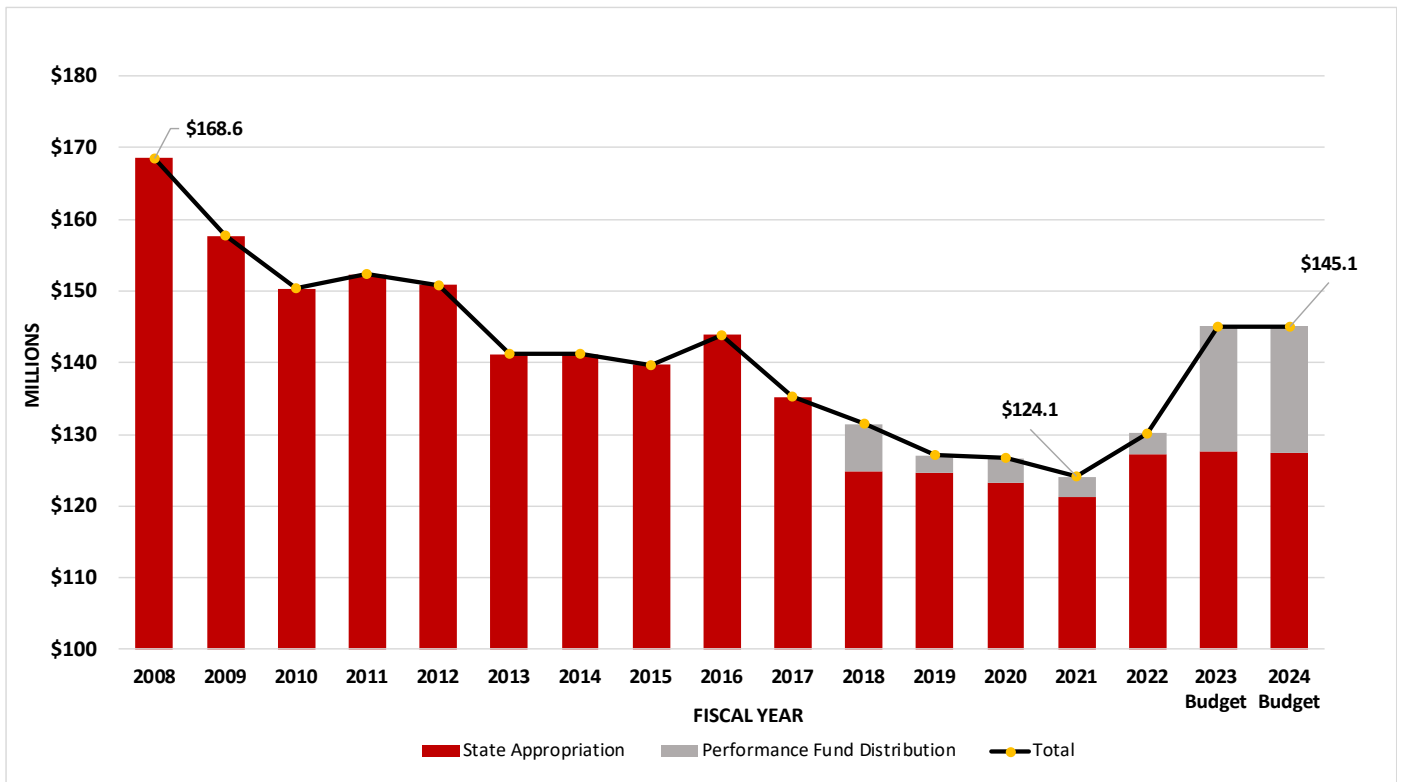
State Operating Appropriations

FY 2024 state operating appropriations to UofL total \$145,051,400, a decrease of \$29,000 or just 0.02 percent from the FY 2023 budget. Two factors explain the change. First, a one-time allotment of \$100,000 in FY 2023 for dental equipment for clinical rotations in rural areas is not continued in FY 2024, but neither is the expense. Second, the university is receiving \$71,000 more from the state performance funding pool than it did in FY 2023 even though the state held constant the amount of dollars in the pool.

Figure 1 shows 16 years of state operating appropriations to UofL from FY 2008 through FY 2024. State operating appropriations in FY 2023 and FY 2024 bring state support closer to pre-Great Recession levels. The increase from FY 2022 to FY 2023 is primarily attributable to the state adding money to the performance funding pool and UofL subsequently earning more dollars.

FIGURE 1: STATE OPERATING APPROPRIATIONS TO UOFL FROM FY 2008 THROUGH FY 2024

Note: Amounts shown do not include appropriations for state funded debt service and Quality Charitable Care Trust funding (which ended in FY 2014).



State Performance Funding Model

The state performance funding model was created in statute in 2017. It ties a portion of each public university’s state appropriation to performance on 11 student and operational metrics. Through FY 2022, the state did not add new funding to the pool. It just reallocated funding from one university to another through the model. In FY 2023, the state added considerable new funding and UofL gained more than \$14 million.

All performance funding dollars allocated to universities are returned to the pool and reallocated the next year based upon each institution’s most recent performance. For FY 2024, UofL continued to perform well, and funding will increase by \$71,000.

Table 6 lists the state performance funding metrics in the performance funding pool. Metrics highlighted in green indicate where UofL’s performance outpaced the sector average for FY 2024. The percentages indicate the relative value that each metric carries. Credit Hours Earned is the most significant and an important reason why the university allocates a significant portion of general fund dollars to academic units based upon credit hours.

TABLE 6: STATE PERFORMANCE FUNDING METRICS AND UOFL OUTCOMES

| PERFORMANCE FUNDING MODEL METRICS | METRIC WEIGHTS |
|---|----------------|
| Student Success - 35% | |
| Bachelor’s Degrees | 9% |
| STEM+H Degrees | 5% |
| Underrepresented minority degrees | 3% |
| Low-income degrees | 3% |
| Progression at 30 credit hours | 3% |
| Progression at 60 credit hours | 5% |
| Progression at 90 credit hours | 7% |
| Course Completion - 35% | |
| Credit Hours Earned | 35% |
| Operations and Student Support - 30% | |
| Instructional Square Feet | 10% |
| Direct Cost of Instruction | 10% |
| FTE Students | 10% |
| | 100% |

*Items in green indicate metrics where UofL’s performance outpaced the sector average from the FY 2023 iteration to the FY 2024 iteration of the funding model.

State Funded Capital Projects

For FY 2023 and 2024, the state will appropriate to UofL a total of \$81.9 million for asset preservation, renovation, and maintenance projects. These dollars will significantly improve the student experience and improve the quality and condition of many facilities on campus. UofL is required to provide \$24.6 million in matching funds over those two years, equivalent to 30 percent of state funding. To fund the match, the university implemented a \$65 per full-time student per semester campus modernization fee in FY 2023. The fee is pro-rated for part-time students. The two-year combined \$106.5 million in state and university funding will help address many infrastructure needs across all three campuses. Additional information about state asset preservation funding can be found in the Non-general Fund section (see page 64).

In addition, the state appropriated Bond Funds of \$65.0 million to construct a new building for the School of Engineering, which is expected to break ground in 2024. The university is also committing up to \$20.0 million for the project.

Housing

Belknap Village South residence hall, the twin to Belknap Village North, opened in Fall 2022 making it the third new hall in two years (Denny Crum Hall also opened in Fall 2022). Expected high occupancy, high demand from summer camps, and an across-the-board 4.0% increase in room rates explain the \$1.9 million increase in Housing revenues in FY 2024. Rising operating costs driven by labor and supply market inflationary pressures, as well as debt service on the new hall explain why the increase was necessary. Denny Crum Hall also opened in 2022 for student-athletes as well as those pursuing a sports administration degree. Denny Crum Hall is funded by Athletics using a combination of non-general fund dollars and donor gifts.

Tables 7 and 8 show the proposed housing rates by semester compared to the current rates. The university also has affiliation agreements and master leases with several other properties, but those housing rates are not set by the university. Campus housing application fees remain unchanged.

TABLE 7: PROPOSED HOUSING RATES FOR UNIVERSITY-OWNED BUILDINGS

| (amounts in dollars) | AY 2023 | AY 2024 | \$ Change | % Change |
|--|-----------------------|---------|-----------|----------|
| UNIVERSITY-OWNED | SEMESTER RATES | | | |
| UNITAS TOWER | | | | |
| Double | 2,690 | 2,798 | 108 | 4.0% |
| Triple | 2,035 | 2,116 | 81 | 4.0% |
| Single | 3,360 | 3,494 | 134 | 4.0% |
| BELKNAP VILLAGE NORTH | | | | |
| Double | 3,440 | 3,578 | 138 | 4.0% |
| Deluxe Double | 3,935 | 4,092 | 157 | 4.0% |
| Single | 4,305 | 4,477 | 172 | 4.0% |
| BELKNAP VILLAGE SOUTH | | | | |
| Double | 3,440 | 3,578 | 138 | 4.0% |
| Deluxe Double | 3,935 | 4,092 | 157 | 4.0% |
| Single | 4,305 | 4,477 | 172 | 4.0% |
| LOUISVILLE HALL SUITES | | | | |
| Double | 2,880 | 2,995 | 115 | 4.0% |
| Three Bedroom Suite | 3,255 | 3,385 | 130 | 4.0% |
| Two Bedroom Suite | 3,360 | 3,494 | 134 | 4.0% |
| Deluxe Double | 3,510 | 3,650 | 140 | 4.0% |
| Single | 3,685 | 3,832 | 147 | 4.0% |
| BILLY MINARDI HALL | | | | |
| Two Bedroom, Two Bath | 4,440 | 4,617 | 177 | 4.0% |
| UNIVERSITY TOWER APARTMENTS (UTA) | | | | |
| Standard studio, double | 2,945 | 3,062 | 117 | 4.0% |
| Large studio, double | 3,100 | 3,224 | 124 | 4.0% |
| Two Bedroom, double | 3,100 | 3,224 | 124 | 4.0% |
| One Bedroom, double | 3,300 | 3,432 | 132 | 4.0% |
| Two Bedroom, single | 3,565 | 3,707 | 142 | 4.0% |

Source: Office of Housing and Residence Life

TABLE 8: PROPOSED HOUSING RATES FOR FOUNDATION-OWNED AND MASTER LEASE BUILDINGS

| (amounts in dollars) | AY 2023 | AY 2024 | \$ Change | % Change |
|--|-----------------------|---------|-----------|--------------|
| FOUNDATION-OWNED | SEMESTER RATES | | | |
| COMMUNITY PARK | | | | |
| Double | 3,495 | 3,635 | 140 | 4.0% |
| Deluxe Double | 4,195 | 4,363 | 168 | 4.0% |
| Deluxe Single | 5,530 | 5,751 | 221 | 4.0% |
| KURZ HALL | | | | |
| Double | 3,495 | 3,635 | 140 | 4.0% |
| Deluxe Double | 4,195 | 4,363 | 168 | 4.0% |
| Single | 4,880 | 5,075 | 195 | 4.0% |
| Deluxe Single | 5,530 | 5,751 | 221 | 4.0% |
| BETTIE JOHNSON HALL | | | | |
| Four Bed, Two Bath | 3,830 | 3,983 | 153 | 4.0% |
| Two Bed, One Bath | 3,935 | 4,092 | 157 | 4.0% |
| Two Bed, Two Bath | 4,310 | 4,482 | 172 | 4.0% |
| Three Bed, Two Bath | 4,150 | 4,316 | 166 | 4.0% |
| One Bed, One Bath | 4,930 | 5,127 | 197 | 4.0% |
| Deluxe One Bed, One Bath | 5,700 | 5,928 | 228 | 4.0% |
| MASTER LEASE PROPERTIES | SEMESTER RATES | | | |
| CARDINAL TOWNE | | | | |
| Studio | 5,155 | 5,361 | 206 | 4.0% |
| One Bed, One Bath | 6,225 | 6,474 | 249 | 4.0% |
| One Bed, One Bath Townhome | 6,225 | 6,474 | 249 | 4.0% |
| Two Bed, One Bath | 4,240 | 4,410 | 170 | 4.0% |
| Two Bed, One Bath Townhome Deluxe Double | 4,240 | 4,410 | 170 | 4.0% |
| Two Bed, One Bath Townhome Double | n/a | 3,830 | n/a | New Bed Type |
| Two Bed, Two Bath | 5,025 | 5,226 | 201 | 4.0% |
| Three Bed, Three Bath | 4,620 | 4,805 | 185 | 4.0% |
| Four Bed, Four Bath | 4,295 | 4,467 | 172 | 4.0% |
| Cardinal Townhouse | 3,685 | 3,832 | 147 | 4.0% |
| UNIVERSITY POINTE | | | | |
| Four Bed, Four Bath | 4,075 | 4,238 | 163 | 4.0% |
| DENNY CRUM HALL | | | | |
| One Bed, One Bath | 8,904 | 9,260 | 356 | 4.0% |
| Two Bed, Two Bath | 6,000 | 6,240 | 240 | 4.0% |

Dining

Inflationary labor and food costs in dining services led to a 3.0% increase in most student meal plan rates for 2023-24. Students will pay between \$34 and \$67 more per semester depending upon meal plan option. An additional \$270,000 in revenue will be generated to help offset the rising costs to provide these services. Meal plan rates for students living in apartments with full kitchens as well as commuter students will remain unchanged at \$300 per semester. Table 9 summarizes the current and new meal plan rates.

TABLE 9: DINING MEAL PLAN RATES FOR 2023-24

| (amounts in dollars) | AY 2023 | AY 2024 | \$ Change | % Change |
|--------------------------------|----------------|---------|-----------|----------|
| MEAL PLAN | SEMESTER RATES | | | |
| Unlimited 7 w/ 325 flex points | 2,237 | 2,304 | \$67 | 3.0% |
| Unlimited 7 w/ 175 flex points | 2,155 | 2,220 | \$65 | 3.0% |
| 135 meals w/ 410 flex points | 1,797 | 1,851 | \$54 | 3.0% |
| 100 meals w/ 495 flex points | 1,502 | 1,547 | \$45 | 3.0% |
| 60 meals w/ 495 flex points | 1,148 | 1,182 | \$34 | 3.0% |
| 1,115 flex points (Apartments) | 1,115 | 1,115 | \$- | - |
| Commuters | 300 | 300 | \$- | - |

Transfers In

The general fund receives revenues from the university's affiliated entities (ULRF and ULAA) for debt service, overhead recovery related to sponsored research, and university support for clinical operations and administration. In FY 2024, revenues transferred from ULRF and ULAA to the general fund will increase by \$4.0 million due to the following primary changes:

- Approximately \$1.0 million in additional Facilities and Administrative (F&A) overhead recovery for university direct and indirect support of the research enterprise. An anticipated modest increase in overall sponsored research revenue drives the change.
- Transfers from ULRF associated with ULH margin share—the portion of ULH annual net income that is split with the university each year—increase by \$2.5 million from FY 2023. Margin share is declared in one year and paid to the university over the subsequent three years. The FY 2024 budget matches the flow of those funds to one-time expenses.

Other Revenues

All other general fund revenues increase by \$5.3 million in FY 2024 primarily due to investment income tied to higher interest rates. The FY 2024 budget takes a conservative approach and assumes interest rates will fall 125 basis points in the upcoming fiscal year.

Expenditures

The FY 2024 general fund expense budget totals \$571.2 million, a \$15.3 million or 2.7 percent increase from FY 2023. Increased compensation and student financial aid—top priorities in the budget and strategic plan—account for most new spending. The FY 2024 budget includes \$4.8 million for a 2.0 percent cost-of-living increase effective on July 1, 2023, plus \$3.5 million to improve faculty and staff compensation based upon the university’s compensation study. In addition, the budget includes \$3.5 million more for student financial aid.

Successful efforts to control costs, use alternative funding sources such as Foundation funds, and a decision to finance a portion of Enterprise Resource Planning (ERP) expenses that had been included as operating expenses in FY 2023 help explain the year-over-year operating budget decrease.

Table 10 shows the notable general fund expense changes in the FY 2024 budget.

TABLE 10: NOTABLE FY 2024 GENERAL FUND EXPENSE CHANGES

| EXPENDITURE ITEMS | AMOUNT |
|--|----------------------|
| 2% cost-of-living adjustment | 4,800,000 |
| Utilities | 4,000,000 |
| Compensation study investment, Phase I | 3,500,000 |
| Employer health insurance cost | 3,300,000 |
| Institutional financial aid | 2,500,000 |
| Belknap Village South debt service | 2,100,000 |
| Retirement contribution | 1,900,000 |
| State mandated tuition benefit | 1,000,000 |
| Shumaker Building Debt Service | (1,400,000) |
| Maintenance and Travel | (1,900,000) |
| Energy lease payment | (2,100,000) |
| Contingencies | (2,200,000) |
| Total | \$ 15,500,000 |

Salaries and Wages

Budgeted salary and wage expenses for FY 2024 increase by \$9.5 million, or 3.5 percent from FY 2023. The increase is primarily due to two components: \$4.8 million for a two percent cost-of-living adjustment for eligible employees, and an additional \$3.5 million for staff and faculty salary improvements as identified by Phase I of the university's compensation study.

Fringe benefits

University-funded fringe benefits include health insurance, retirement contributions, disability insurance, life insurance, accidental death coverage, and tuition remission. The university also incurs expenses for workers' compensation and unemployment insurance. The university is self-insured for health insurance.

For FY 2024 the general fund fringe benefit budget totals \$88.7 million, which is a \$6.1 million, or 7.4 percent increase, from FY 2023. Rising medical and prescription drug costs represent more than one-half of this increase, followed by additional costs related to retirement contributions, and increasing tuition remission expenses for employees and their eligible dependents. The FY 2024 budget maintains employer-funded retirement contributions at 7.5 percent of an eligible employee's salary/wage plus a 2.5 percent match for a similar employee contribution.

Contingency

For FY 2024 each academic and support unit was required to set aside at least a one percent contingency, the same rate as FY 2023. The contingency functions like a shock absorber giving each unit the ability to offset an unanticipated revenue loss, expense increase, or to meet a strategic priority of the unit/university during the fiscal year. These dollars are partitioned within each unit's operating budget and must remain uncommitted until otherwise approved by the university's budget office.

Table 11 shows budgeted contingency amounts for FY 2023 and FY 2024 by unit which, in some cases, exceed the minimum required amount. The year-over-year decrease is largely due to the College of Business and School of Social Work having a greater than one percent contingency requirement in FY 2023 related to enrollment concerns but only a one percent contingency requirement in FY 2024.

TABLE II: ACADEMIC AND SUPPORT UNIT GENERAL FUND CONTINGENCY BUDGETS

| UNIT | FY 2023 BUDGET | FY 2024 BUDGET |
|--|---------------------|---------------------|
| Audit Services | 18,543 | 18,776 |
| College of Arts & Sciences | 611,122 | 678,571 |
| College of Business | 622,743 | 300,282 |
| College of Education and Human Development | 210,843 | 216,729 |
| Community Engagement | 8,433 | 10,122 |
| Facility Operations | 474,293 | 443,491 |
| Finance & Administration | 54,738 | 90,726 |
| Graduate School | 35,521 | 31,937 |
| HSC Financial and Administrative Affairs | 57,175 | 56,390 |
| Human Resources | 30,335 | 43,867 |
| Office of the President | 105,792 | 109,363 |
| Office of the Provost | 469,362 | 475,000 |
| Research and Innovation | 118,386 | 108,888 |
| School of Dentistry | 276,192 | 287,089 |
| School of Engineering | 300,965 | 301,270 |
| School of Law | 138,443 | 125,783 |
| School of Medicine | 425,521 | 620,177 |
| School of Music | 170,469 | 81,119 |
| School of Nursing | 76,201 | 95,879 |
| School of Public Health and Information Sciences | 60,003 | 58,881 |
| School of Social Work | 379,639 | 89,688 |
| Student Affairs | 148,853 | 153,647 |
| University Advancement | 230,113 | 27,356 |
| University Libraries | 172,578 | 182,507 |
| Total | \$ 5,196,263 | \$ 4,607,538 |

Institutional Financial Aid/Scholarships

General fund institutional financial aid, or tuition discounting, increases from \$68.7 million in FY 2023 to \$72.2 million in FY 2024, a 5.1 percent increase. Building upon the success of the Southwest Ohio program, an expanded Border Benefit initiative will provide non-resident tuition scholarships to eligible students from Ohio, Indiana, Illinois, St. Louis, and Nashville. In addition, the tuition partnership with ULH is growing in demand. Net tuition (gross tuition less institutional financial aid) remains positive in each of these initiatives.

Institutional aid expenses in FY 2024 also increase due to tuition waivers for various state-mandated programs. These state requirements include, for example, providing tuition waivers to dependents of deceased Kentucky law enforcement officers and senior citizens.

Utilities

Utilities include electricity, water, natural gas, and steam/chilled water expenses for the university's three campuses (Belknap, HSC, and Shelby). For FY 2024 utility expense budgets increase by \$4.0 million or 19.1 percent from the FY 2023 budget. Rising electric and natural gas prices (a nationwide factor), coupled with an increase in electricity demand charges due to consumption returning to pre-COVID levels, are driving the change. Table 12 shows the utility expenses by category.

TABLE 12: UTILITY EXPENDITURES BY CATEGORY

| UTILITY ITEM | FY 2023 BUDGET | FY 2023 ESTIMATE | FY 2024 BUDGET | \$ CHANGE | % CHANGE |
|---------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| Electricity | 10,101,000 | 11,277,794 | 11,842,000 | 1,741,000 | 17.2% |
| Water | 3,459,000 | 3,152,877 | 3,459,000 | - | 0.0% |
| Natural Gas | 2,981,000 | 3,717,930 | 3,904,000 | 923,000 | 31.0% |
| Steam/Chilled Water | 4,681,000 | 5,774,047 | 6,063,000 | 1,382,000 | 29.5% |
| Total | \$ 21,222,000 | \$ 23,922,648 | \$ 25,268,000 | \$ 4,046,000 | 19.1% |

Capital Assets and Debt Service

The FY 2024 budget includes expenses for debt service, capital leases, and capital purchases of less than \$1 million. (Capital purchases greater than \$1 million must be approved by the state legislature if not included in the university’s six-year capital plan.)

While the overall general fund debt service in FY 2024 increases by \$617,000, or two percent, the university continues to retire its long-term debt obligations and focus on shorter-term financing options with incremental dedicated revenue streams. This includes:

- Retired Debt and Leases
 - o Shumaker building, \$1.4 million
 - o Energy lease payments, \$2.1 million
- New Debt and Capital Leases
 - o Belknap Village South residence hall, \$2.1 million
 - o Enterprise Resource Planning (ERP) financing, \$1.8 million
 - o Website improvement financing, \$0.5 million

Table 13 lists each outstanding bond issue along with its general purpose, debt service amount (principal and interest), funding source, and final maturity date. Total amounts for capital leases and other capital expense amounts are also listed, and represent less than two percent of total university operating expenses.

Campus modernization reflects the university’s required match to draw state funds for asset preservation. The university is financing the cost of its match from revenues derived from a student fee implemented in FY 2023.

TABLE 13: SUMMARY OF FY 2024 CAPITAL ASSET EXPENDITURES AND DEBT SERVICE AMOUNTS: GENERAL FUND

| BOND ISSUE | SUMMARY OF BOND USES | FY 2024 BUDGET | FUNDING SOURCE | MATURITY |
|--|---|----------------------|------------------------------|----------|
| 2010 - Series B | Energy conservation projects | 2,351,810 | University | 2028 |
| 2016 - Series A | Primarily Student Activity Center renovations | 1,229,706 | University | 2036 |
| 2016 - Series B | Center for Predictive Medicine, various Athletics | 2,806,750 | University, ULRF, Athletics | 2028 |
| 2016 - Series C | School of Dentistry renovation, parking, Center for Translational Ressearch | 6,285,100 | Dental School, ULRF, Parking | 2029 |
| 2016 - Series D | Football stadium expansion - Tax Exempt | 3,055,050 | Athletics | 2036 |
| 2016 - Series F | Football stadium - Metro bonds | 3,062,750 | Athletics | 2028 |
| 2020 - Series A | Belknap Village North residence hall | 2,298,075 | Housing | 2051 |
| 2021 - Series A | Student Rec Center | 2,269,465 | Student Affairs | 2032 |
| 2021 - Series B | Belknap Village South residence hall | 1,960,238 | Housing | 2051 |
| Subtotal: Debt service | | 25,318,944 | | |
| Subtotal: Campus modernization | | 2,300,000 | | |
| Subtotal: Capital leases | | 2,397,083 | | |
| Total debt service, capital leases (General Fund) | | \$ 30,016,027 | | |

Prior Year Funds

Revenues can only be counted in the year received. To avoid double counting, the use of Prior Year Funds are separately identified in the budget. Revenues received in a previous fiscal year for which a corresponding expense was not incurred are recognized as “Prior Year Funds” if an expense is anticipated in FY 2024. Requests to budget these dollars are carefully and closely monitored and regulated throughout the fiscal year to ensure they are used for one-time expenses.

The FY 2024 general fund expense budget includes the planned use of \$456,000 in prior year funds for one-time equipment purchases in the Mass Spectrometry Service Center, the Cancer Center Genomics Facility, and the Center for Cardiometabolic Sciences.

SUPPLEMENTAL INFORMATION: GENERAL FUND EXPENDITURES BY UNIT

The following tables summarize each academic and support unit’s general fund budget. Actual expenses for FY 2022 are presented first, followed by each unit’s expenditure budget for FY 2023 and FY 2024.

Underlying expenditure factors common to every academic and support unit’s budget include:

- Employer health insurance costs increase in FY 2024 by 10.2 percent from FY 2023. This will have a corresponding impact on year-over-year budget comparisons within the fringe benefit category.
- Every unit was required to budget a minimum one percent contingency. Some units elected to budget more.
- Every academic and support unit funded a 2.0 percent COLA from within their general funds expense budgets; for eligible faculty and staff.

The university implemented a revenue allocation model in FY 2021. It gives each dean clear line of sight and influence over the size of their general fund expense budget by connecting it to revenues generated from enrollment and credit hours instructed. It also reinforces the importance of student retention which is a key component of the university’s mission as well as the state performance funding model. Academic units utilized the same allocation model to build their FY 2024 general fund budgets. General fund expense budgets for academic units are tied to three revenue components:

- a. Tuition revenues are allocated to each academic unit based upon the number of undergraduate credit hours instructed and a portion of their graduate and professional tuition revenues. Academic units also retain 100 percent of fees and other general fund revenues they generate.
- b. unrestricted university support; and
- c. revenues generated from fees and other activities specific to the unit.

Athletics

TABLE 14: ATHLETICS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|----------------|----------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 2,179,129 | 1,982,060 | 1,982,060 | - | - |
| Uses of Funds | | | | | |
| Salaries and wages | - | - | - | - | - |
| Fringe benefits | - | - | - | - | - |
| Financial aid | 48,850 | 50,700 | 50,700 | - | - |
| Operating | 2,125,969 | 1,931,360 | 1,931,360 | - | - |
| Contingency | - | - | - | - | - |
| Total Uses of Funds | \$ 2,174,819 | \$ 1,982,060 | \$ 1,982,060 | - | - |

Year-End Unit Savings \$ 4,310

Notable general fund budget changes:

- General fund budget includes revenue from a mandatory \$25 per semester per full-time student fee. The fee is pro-rated for part-time students. Students have access to free or reduced-price tickets to various UofL sporting events.
- No change in the general fund budget that includes support for gender equity, retention and cheerleading scholarships.

Audit Services

TABLE 15: AUDIT SERVICES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 1,839,968 | 1,834,569 | 1,877,569 | 43,000 | 2.3% |
| Uses of Funds | | | | | |
| Salaries and wages | 996,649 | 1,318,063 | 1,331,647 | 13,584 | 1.0% |
| Fringe benefits | 300,670 | 398,276 | 402,473 | 4,197 | 1.1% |
| Financial aid | - | - | - | - | - |
| Operating | 289,569 | 99,687 | 124,673 | 24,986 | 25.1% |
| Contingency | 11,117 | 18,543 | 18,776 | 233 | 1.3% |
| Total Uses of Funds | \$ 1,598,005 | \$ 1,834,569 | \$ 1,877,569 | \$ 43,000 | 2.3% |

Year-End Unit Savings **\$ 241,963**

Notable general fund budget changes:

- Restructured personnel to fulfill needs for risk, audit, and compliance.
- Operating expenses include one-time acquisition cost for audit software (TeamMate+).

College of Arts & Sciences

TABLE 16: COLLEGE OF ARTS & SCIENCES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 62,455,537 | 62,758,716 | 65,710,598 | 2,951,882 | 4.7% |
| Uses of Funds | | | | | |
| Salaries and wages | 44,843,460 | 44,468,487 | 45,912,873 | 1,444,386 | 3.2% |
| Fringe benefits | 12,894,597 | 13,462,283 | 14,364,797 | 902,514 | 6.7% |
| Financial aid | 783,087 | 678,000 | 701,794 | 23,794 | 3.5% |
| Operating | 2,878,457 | 3,538,824 | 4,052,563 | 513,739 | 14.5% |
| Contingency | 514,268 | 611,122 | 678,571 | 67,449 | 11.0% |
| Total Uses of Funds | \$ 61,913,869 | \$ 62,758,716 | \$ 65,710,598 | \$ 2,951,882 | 4.7% |

Year-End Unit Savings \$ 541,669

Notable general fund budget changes:

- Undergraduate credit hour growth is driving the revenue increase. New student enrollment—associated with expanding enrollment due to institutional financial aid programs like Cardinal Commitment and Border Benefit—are important contributors.
- Operating expenses increase due to:
 - One-time equipment purchase in the Mass Spectrometry service center using \$80,000 of Prior Year Funds (i.e., accumulated cash) to pay the expense. Prior Year Funds are included in the Sources of Funds amount in the preceding table.
 - The College’s estimated share of new and expanded institutional scholarship programs.

College of Business

TABLE 17: COLLEGE OF BUSINESS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 30,339,777 | 31,244,761 | 30,028,169 | (1,216,592) | -3.9% |
| Uses of Funds | | | | | |
| Salaries and wages | 19,783,652 | 20,977,877 | 20,507,110 | (470,767) | -2.2% |
| Fringe benefits | 4,472,869 | 4,824,058 | 4,944,295 | 120,237 | 2.5% |
| Financial aid | 766,754 | 869,467 | 1,068,367 | 198,900 | 22.9% |
| Operating | 4,186,589 | 3,950,616 | 3,208,115 | (742,501) | -18.8% |
| Contingency | 379,319 | 622,743 | 300,282 | (322,461) | -51.8% |
| Total Uses of Funds | \$ 29,589,184 | \$ 31,244,761 | \$ 30,028,169 | \$ (1,216,592) | -3.9% |

Year-End Unit Savings **\$ 750,593**

Notable general fund budget changes:

- Budgeted revenues decrease by \$1.2 million due to weaker than anticipated FY 2023 enrollment in MBA and MSBA programs as well as reduced graduate tuition rates for active-duty military students in FY 2024. To shore up future graduate enrollment the college will begin offering its successful MSBA program online in Fall 2023 and develop new degree and certificate programs.
- Faculty and staff turnover, even after accounting for the two percent COLA, explain the salary decrease.
- Operating expense budget reflects a shift of some non-recurring expenses to available gifts and endowments. It also includes a reduction in non-essential college events and activities.
- The college's contingency budget decreases by about one-half in FY 2024. Enrollment uncertainty in FY 2023, particularly with graduate programs as previously noted, led to a higher contingency requirement. FY 2024 revenues reflect a moderated enrollment outlook, which reduces the college's revenue risk and, therefore, the college's contingency.

College of Education and Human Development

TABLE 18: COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 21,447,435 | 21,155,274 | 21,643,856 | 488,582 | 2.3% |
| Uses of Funds | | | | | |
| Salaries and wages | 14,111,160 | 14,801,005 | 15,421,501 | 620,496 | 4.2% |
| Fringe benefits | 4,191,374 | 4,683,002 | 5,026,674 | 343,672 | 7.3% |
| Financial aid | 2,566 | - | - | - | - |
| Operating | 1,880,707 | 1,460,424 | 978,952 | (481,472) | -33.0% |
| Contingency | 166,106 | 210,843 | 216,729 | 5,886 | 2.8% |
| Total Uses of Funds | \$ 20,351,913 | \$ 21,155,274 | \$ 21,643,856 | \$ 488,582 | 2.3% |

Year-End Unit Savings **\$ 1,095,522**

Notable general fund budget changes:

- An additional \$680,000 in university support for the Early Learning Campus (ELC) accounts for the revenue increase. The college operates the ELC but children of faculty, staff, and students from across the university are enrolled in the center. Rising staff costs along with limited market ability to increase rates necessitated the supplemental financial support.
- Operating expense budget reflects the realignment of various expenses to appropriate non-general fund sources such as gifts and endowments.

Community Engagement

TABLE 19: COMMUNITY ENGAGEMENT GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|-------------------|-------------------|---------------------|-------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 825,387 | 817,666 | 1,012,154 | 194,488 | 23.8% |
| Uses of Funds | | | | | |
| Salaries and wages | 452,617 | 575,268 | 660,164 | 84,896 | 14.8% |
| Fringe benefits | 122,238 | 164,080 | 169,968 | 5,888 | 3.6% |
| Financial aid | - | - | - | - | - |
| Operating | 129,191 | 69,885 | 171,900 | 102,015 | 146.0% |
| Contingency | 3,493 | 8,433 | 10,122 | 1,689 | 20.0% |
| Total Uses of Funds | \$ 707,539 | \$ 817,666 | \$ 1,012,154 | \$ 194,488 | 23.8% |

Year-End Unit Savings **\$ 117,848**

Notable general fund budget changes:

- Salary budget increase due to transfer of a position and funding from the Office of the President.
- Operating budget increase will provide additional community engagement outreach activities including expansion of mini grants for faculty outreach and additional professional development opportunities.

Facility Operations

TABLE 20: FACILITY OPERATIONS GENERAL FUND SUMMARY

Inclusive in the Facility Operations budget are the following departmental budgets: Facilities Management, Public Safety, Procurement, Physical Plant, Parking, Print Services, Contract Administration, and University Planning, Design, & Construction.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 46,867,490 | 46,914,072 | 44,072,450 | (2,841,622) | -6.1% |
| Uses of Funds | | | | | |
| Salaries and wages | 21,692,211 | 26,310,862 | 24,683,224 | (1,627,638) | -6.2% |
| Fringe benefits | 7,643,025 | 10,467,236 | 10,434,742 | (32,494) | -0.3% |
| Financial aid | 1,995 | - | - | - | - |
| Operating | 15,256,519 | 9,661,681 | 8,510,993 | (1,150,688) | -11.9% |
| Contingency | 365,100 | 474,293 | 443,491 | (30,802) | -6.5% |
| Total Uses of Funds | \$ 44,958,849 | \$ 46,914,072 | \$ 44,072,450 | \$ (2,841,622) | -6.1% |

Year-End Unit Savings **\$ 1,908,640**

Notable general fund budget changes:

- Decrease due to the reorganization of the business operation function—staff and funding—to the Office of Finance and Administration. This \$3.4 million change optimizes operational visibility and strengthens financial management.
- The FY 2024 budget also includes the following funding enhancements that have high strategic value for the entire university.
 - An additional \$360,000 for campus security positions and to elevate certain salaries to ensure market competitiveness.
 - An additional \$150,000 for university planning, design and construction to support campus master planning, oversight of ongoing asset preservation projects, and design and construction of a new engineering building.

Finance & Administration

TABLE 21: FINANCE & ADMINISTRATION GENERAL FUND SUMMARY

Inclusive in the Finance & Administration budget are the following departmental budgets: Budget and Financial Planning, Bursar, Controller, Payroll, Chief Financial Officer, and Business Operations.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 5,668,629 | 5,496,003 | 8,899,392 | 3,403,389 | 61.9% |
| Uses of Funds | | | | | |
| Salaries and wages | 3,501,701 | 3,945,119 | 6,326,656 | 2,381,537 | 60.4% |
| Fringe benefits | 1,087,259 | 1,243,849 | 2,257,108 | 1,013,259 | 81.5% |
| Financial aid | - | - | - | - | - |
| Operating | 182,075 | 252,297 | 224,902 | (27,395) | -10.9% |
| Contingency | 16,551 | 54,738 | 90,726 | 35,988 | 65.7% |
| Total Uses of Funds | \$ 4,787,586 | \$ 5,496,003 | \$ 8,899,392 | \$ 3,403,389 | 61.9% |

Year-End Unit Savings **\$ 881,043**

Notable general fund budget change:

- Increase due to the reorganization of the business operation function—staff and funding—from Facility Operations. This \$3.4 million change optimizes operational visibility and strengthens university-wide financial management.
- Excluding this change, the FY 2024 budget remains unchanged from FY 2023.

Graduate School

TABLE 22: GRADUATE SCHOOL GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 12,236,932 | 12,828,270 | 13,428,270 | 600,000 | 4.7% |
| Uses of Funds | | | | | |
| Salaries and wages | 3,357,648 | 3,553,353 | 3,761,872 | 208,519 | 5.9% |
| Fringe benefits | 667,791 | 744,804 | 755,307 | 10,503 | 1.4% |
| Financial aid | 7,272,371 | 8,326,400 | 7,741,400 | (585,000) | -7.0% |
| Operating | 108,974 | 168,192 | 1,137,754 | 969,562 | 576.5% |
| Contingency | 10,184 | 35,521 | 31,937 | (3,584) | -10.1% |
| Total Uses of Funds | \$ 11,416,969 | \$ 12,828,270 | \$ 13,428,270 | \$ 600,000 | 4.7% |

Year-End Unit Savings **\$ 819,963**

Notable general fund budget changes:

- The FY 2024 budget includes the second of four planned \$600,000 annual increases in funding for graduate student stipends. The first increase was budgeted as “Financial Aid” in FY 2023. For FY 2024, the stipend budget is recorded in Operating because the Graduate School will transfer funds to colleges and schools where the students are employed as graduate assistants and graduate teaching assistants.

HSC Financial and Administrative Affairs

TABLE 23: HSC FINANCIAL AND ADMINISTRATIVE AFFAIRS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 5,688,866 | 5,686,174 | 5,714,964 | 28,790 | 0.5% |
| Uses of Funds | | | | | |
| Salaries and wages | 2,827,275 | 3,500,751 | 3,466,975 | (33,776) | -1.0% |
| Fringe benefits | 873,685 | 1,071,203 | 1,102,929 | 31,726 | 3.0% |
| Financial aid | 16,679 | 132,464 | 97,664 | (34,800) | -26.3% |
| Operating | 626,971 | 924,581 | 991,006 | 66,425 | 7.2% |
| Contingency | 75,511 | 57,175 | 56,390 | (785) | -1.4% |
| Total Uses of Funds | \$ 4,420,122 | \$ 5,686,174 | \$ 5,714,964 | \$ 28,790 | 0.5% |

Year-End Unit Savings **\$ 1,268,744**

Notable general fund budget changes:

- HSC Financial and Administrative Affairs Office provides support services and oversight to the schools of medicine, dentistry, nursing and public health.
- Year-over-year budget remains largely unchanged.

Human Resources

TABLE 24: HUMAN RESOURCES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 2,897,743 | 3,046,232 | 3,126,739 | 80,507 | 2.6% |
| Uses of Funds | | | | | |
| Salaries and wages | 1,962,179 | 2,173,359 | 2,222,867 | 49,508 | 2.3% |
| Fringe benefits | 570,356 | 655,858 | 705,935 | 50,077 | 7.6% |
| Financial aid | - | - | - | - | - |
| Operating | 175,826 | 186,680 | 154,070 | (32,610) | -17.5% |
| Contingency | 18,224 | 30,335 | 43,867 | 13,532 | 44.6% |
| Total Uses of Funds | \$ 2,726,585 | \$ 3,046,232 | \$ 3,126,739 | \$ 80,507 | 2.6% |

Year-End Unit Savings **\$ 171,158**

Notable general fund budget changes:

- Increase is associated with a new Human Resources Specialist position funded by Athletics.

Office of the President

TABLE 25: OFFICE OF THE PRESIDENT GENERAL FUND SUMMARY

Inclusive in the Office of the President budget are the following departmental budgets: Boards-Institutional Support, Commissions, Cultural Center, Diversity & Equity, Employee Success Center, General Counsel, LGBT Center, Muhammad Ali Institute, Office of Communication & Marketing, University Senates, and the Women’s Center.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 11,313,066 | 10,617,783 | 10,936,312 | 318,529 | 3.0% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,678,205 | 7,094,210 | 7,122,496 | 28,286 | 0.4% |
| Fringe benefits | 1,696,250 | 1,759,002 | 1,927,400 | 168,398 | 9.6% |
| Financial aid | 101,721 | 25,648 | 26,150 | 502 | 2.0% |
| Operating | 2,753,862 | 1,633,131 | 1,750,903 | 117,772 | 7.2% |
| Contingency | 83,028 | 105,792 | 109,363 | 3,571 | 3.4% |
| Total Uses of Funds | \$ 11,313,066 | \$ 10,617,783 | \$ 10,936,312 | \$ 318,529 | 3.0% |

Year-End Unit Savings \$ -

Office of the President provides administrative and operational support to the university that includes, but is not limited to, the following sections:

- Communications and Marketing,
- General Counsel,
- Board of Trustees support,
- University senates support,
- Institutional Equity, and
- Employee Success.

Several notable position and salary changes affect the FY 2024 budget:

- Fully staffing Office of Institutional Equity by filling four positions,
- Transfer of position to the Office of Community Engagement,
- Support of some General Counsel salaries from non-general fund sources, and
- Eliminate budgets for several vacant positions.

Office of the Provost

TABLE 26: OFFICE OF THE PROVOST GENERAL FUND SUMMARY

Inclusive in the Office of the Provost budget are the following departmental budgets: Office of Academic Planning & Accountability, Admissions, Center for Engaged Learning, Center for Military-connected Students, Delphi Center, Enrollment Management, Faculty Affairs, Financial Aid, Grawemeyer Administration, IT Services, McConnell Center, REACH, Registrar, Student Success Center, and Sustainability.

| | GENERAL FUNDS | | | \$ Change | % Change |
|------------------------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 95,100,634 | 97,981,524 | 103,151,357 | 5,169,833 | 5.3% |
| Uses of Funds | | | | | |
| Salaries and wages | 24,169,170 | 26,244,582 | 27,666,800 | 1,422,218 | 5.4% |
| Fringe benefits | 7,470,421 | 8,369,767 | 9,062,590 | 692,823 | 8.3% |
| Operating | 9,391,197 | 10,690,569 | 10,217,139 | (473,430) | -4.4% |
| Contingency | 533,234 | 469,362 | 475,000 | 5,638 | 1.2% |
| Total Uses of Funds | \$ 41,564,022 | \$ 45,774,280 | \$ 47,421,529 | \$ 1,647,249 | 3.6% |
| Institutional Financial aid | 51,198,335 | 52,207,244 | 55,729,828 | 3,522,584 | 6.7% |
| Year-End Unit Savings | \$ 2,338,278 | | | | |

Office of the Provost provides administrative and operational support to the university that includes, but is not limited to, the following sections: Office of Academic Planning & Accountability, Admissions, Center for Engaged Learning, Delphi Center, Enrollment Management, Faculty Affairs, Financial Aid, Grawemeyer Administration, IT Services, McConnell Center, REACH, Registrar, Student Success Center, Sustainability, and the Center for Military-connected Students.

Notable general fund budget changes:

- Funding for positions that perform or fulfill important university-wide roles including:
 - Chief Information Security Officer,
 - Director of Financial Systems,
 - Two instructors for REACH student success program,
 - Two website developers, and
 - Curator for Libraries.
- Consolidation of staff from different units to a centralized Center for Military Connected Students
- Institutional financial aid budget increases by \$3.5 million, including funding for a new Pell-adjacent aid program that will help students whose family income is just above Pell-eligible limit attend UofL. (See page 34 for more details.)

Research and Innovation

TABLE 27: RESEARCH AND INNOVATION GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 11,015,164 | 10,833,853 | 10,894,690 | 60,837 | 0.6% |
| Uses of Funds | | | | | |
| Salaries and wages | 5,778,582 | 6,862,093 | 7,375,454 | 513,361 | 7.5% |
| Fringe benefits | 1,799,548 | 2,128,294 | 2,446,364 | 318,070 | 14.9% |
| Financial aid | 23,873 | 9,154 | 27,000 | 17,846 | 195.0% |
| Operating | 2,624,785 | 1,715,926 | 936,984 | (778,942) | -45.4% |
| Contingency | 115,875 | 118,386 | 108,888 | (9,498) | -8.0% |
| Total Uses of Funds | \$ 10,342,663 | \$ 10,833,853 | \$ 10,894,690 | \$ 60,837 | 0.6% |

Year-End Unit Savings \$ 672,502

Notable general fund budget changes:

- Funding associated with a new financial position included in the FY 2024 budget.
- Operating expense budget reflects the realignment of various expenses to appropriate non-general fund sources.

School of Dentistry

TABLE 28: SCHOOL OF DENTISTRY GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 29,103,406 | 27,710,122 | 28,708,886 | 998,764 | 3.6% |
| Uses of Funds | | | | | |
| Salaries and wages | 17,263,991 | 19,159,825 | 19,417,045 | 257,220 | 1.3% |
| Fringe benefits | 5,028,809 | 5,880,011 | 6,428,662 | 548,651 | 9.3% |
| Financial aid | 375,821 | 265,380 | 268,736 | 3,356 | 1.3% |
| Operating | 6,172,884 | 2,128,714 | 2,307,354 | 178,640 | 8.4% |
| Contingency | 261,900 | 276,192 | 287,089 | 10,897 | 3.9% |
| Total Uses of Funds | \$ 29,103,406 | \$ 27,710,122 | \$ 28,708,886 | \$ 998,764 | 3.6% |

Year-End Unit Savings \$ -

Notable general fund budget changes:

- Applications significantly exceed the number of available seats in the professional D.M.D. program. Revenue growth is attributable to a growing number of non-resident students and a two percent increase in tuition rates.
- Operating expense increase reflects rising costs of supplies and materials.

School of Engineering

TABLE 29: SCHOOL OF ENGINEERING GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 30,563,131 | 30,041,549 | 29,744,559 | (296,990) | -1.0% |
| Uses of Funds | | | | | |
| Salaries and wages | 19,513,571 | 21,756,999 | 21,450,695 | (306,304) | -1.4% |
| Fringe benefits | 5,198,285 | 5,964,248 | 6,139,402 | 175,154 | 2.9% |
| Financial aid | 202,253 | 223,367 | 134,500 | (88,867) | -39.8% |
| Operating | 3,082,382 | 1,795,970 | 1,718,692 | (77,278) | -4.3% |
| Contingency | 229,839 | 300,965 | 301,270 | 305 | 0.1% |
| Total Uses of Funds | \$ 28,226,330 | \$ 30,041,549 | \$ 29,744,559 | \$ (296,990) | -1.0% |

Year-End Unit Savings

\$ 2,336,801

Notable general fund budget changes:

- Revenues generated by the school's four service centers are expected to decrease by about \$135,000 in FY 2024. Lower utilization of the Rapid Prototyping Center, for example, is driving the change.
- Enrollment challenges across undergraduate and graduate programs also negatively impact revenues.
- Expenses decrease in alignment with revenues by reducing the operating budget in all departments and by keeping multiple vacant positions unfilled.

School of Law

TABLE 30: SCHOOL OF LAW GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 11,807,733 | 12,127,255 | 12,578,195 | 450,940 | 3.7% |
| Uses of Funds | | | | | |
| Salaries and wages | 5,545,946 | 6,086,826 | 5,751,512 | (335,314) | -5.5% |
| Fringe benefits | 1,537,105 | 1,754,579 | 1,782,865 | 28,286 | 1.6% |
| Financial aid | 2,569,890 | 2,098,700 | 2,741,105 | 642,405 | 30.6% |
| Operating | 1,727,960 | 2,048,707 | 2,176,930 | 128,223 | 6.3% |
| Contingency | 139,872 | 138,443 | 125,783 | (12,660) | -9.1% |
| Total Uses of Funds | \$ 11,520,773 | \$ 12,127,255 | \$ 12,578,195 | \$ 450,940 | 3.7% |

Year-End Unit Savings **\$ 286,960**

Notable general fund budget changes:

- Continued strength in the number of first-year law students coupled with a small graduating class in Spring 2023 increase total projected enrollment and revenue for FY 2024. An increase in tuition rates also contributes to the revenue change.
- Salary and wage budget decreases due to faculty retirements and sabbaticals as well as shifting some expenses to non-general funds such as available endowments.
- Financial aid budget increases in conjunction with higher enrollment and better alignment with historic spending.

School of Medicine

TABLE 31: SCHOOL OF MEDICINE GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 43,248,340 | 42,626,753 | 43,181,289 | 554,536 | 1.3% |
| Uses of Funds | | | | | |
| Salaries and wages | 29,490,815 | 29,505,935 | 28,748,611 | (757,324) | -2.6% |
| Fringe benefits | 7,569,881 | 7,936,669 | 8,367,438 | 430,769 | 5.4% |
| Financial aid | 751,195 | 603,093 | 751,654 | 148,561 | 24.6% |
| Operating | 2,199,647 | 4,155,535 | 4,693,409 | 537,874 | 12.9% |
| Contingency | 390,266 | 425,521 | 620,177 | 194,656 | 45.7% |
| Total Uses of Funds | \$ 40,401,805 | \$ 42,626,753 | \$ 43,181,289 | \$ 554,536 | 1.3% |

Year-End Unit Savings **\$ 2,846,536**

Notable general fund budget changes:

- Continuing strong demand for the professional medical degree plus a two percent tuition rate increase for both resident and non-resident students increase revenues by about \$0.5 million.
- Salary budget decreases because departments are aligning new faculty salaries with their actual clinical work assignments.
- Operating expenses increase due to the School's estimated share of new and expanded institutional scholarship programs.
- Contingency budget increases in conjunction with a larger expense budget and to help the school meet unanticipated expenses in FY 2024.
- The FY 2024 budget includes \$377,000 of prior year funds, with the majority used to purchase equipment in the Center for Cardiometabolic Sciences.

School of Music

TABLE 32: SCHOOL OF MUSIC GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|--------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 8,109,759 | 8,162,587 | 8,111,932 | (50,655) | -0.6% |
| Uses of Funds | | | | | |
| Salaries and wages | 4,854,011 | 5,232,809 | 5,169,893 | (62,916) | -1.2% |
| Fringe benefits | 1,451,992 | 1,598,339 | 1,653,190 | 54,851 | 3.4% |
| Financial aid | 639,365 | 823,600 | 728,028 | (95,572) | -11.6% |
| Operating | 614,107 | 337,370 | 479,702 | 142,332 | 42.2% |
| Contingency | 72,765 | 170,469 | 81,119 | (89,350) | -52.4% |
| Total Uses of Funds | \$ 7,632,240 | \$ 8,162,587 | \$ 8,111,932 | \$ (50,655) | -0.6% |

Year-End Unit Savings **\$ 477,518**

Notable general fund budget changes:

- Stable enrollment leads to a relatively flat revenue outlook for the school.
- Operating expenses increase due to the School's estimated share of new and expanded institutional scholarship programs.
- Financial aid expense decrease due to shift in scholarship expenses to non-general funds.

School of Nursing

TABLE 33: SCHOOL OF NURSING GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 8,744,833 | 7,651,445 | 8,455,817 | 804,372 | 10.5% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,323,264 | 5,712,718 | 5,915,046 | 202,328 | 3.5% |
| Fringe benefits | 1,579,762 | 1,593,738 | 1,839,327 | 245,589 | 15.4% |
| Financial aid | (101) | - | - | - | - |
| Operating | 373,838 | 268,788 | 605,565 | 336,777 | 125.3% |
| Contingency | 468,070 | 76,201 | 95,879 | 19,678 | 25.8% |
| Total Uses of Funds | \$ 8,744,833 | \$ 7,651,445 | \$ 8,455,817 | \$ 804,372 | 10.5% |

Year-End Unit Savings \$ -

Notable general fund budget changes:

- Growth in the Accelerated BSN program.
- New contracts with KCTCS and Ivy Tech that are expected to increase enrollment in the RN to BSN program.
- New Nurse Anesthesia program beginning Fall 2023.
- Operating expenses increase due to the School’s estimated share of new and expanded institutional scholarship programs. Other factors include an increase in travel and expenses for the CRNA program.

School of Public Health and Information Sciences

TABLE 34: SCHOOL OF PUBLIC HEALTH AND INFORMATION SCIENCES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 6,174,420 | 6,006,942 | 5,887,936 | (119,006) | -2.0% |
| Uses of Funds | | | | | |
| Salaries and wages | 3,994,363 | 4,364,362 | 4,195,542 | (168,820) | -3.9% |
| Fringe benefits | 979,300 | 1,222,425 | 1,092,836 | (129,589) | -10.6% |
| Financial aid | 76,753 | 30,000 | 10,000 | (20,000) | -66.7% |
| Operating | 363,194 | 330,152 | 530,677 | 200,525 | 60.7% |
| Contingency | 459,999 | 60,003 | 58,881 | (1,122) | -1.9% |
| Total Uses of Funds | \$ 5,873,609 | \$ 6,006,942 | \$ 5,887,936 | \$ (119,006) | -2.0% |

Year-End Unit Savings **\$ 300,811**

Notable general fund budget changes:

- Enrollment surged during the pandemic as attention on public health grew. A return to more typical enrollment levels is anticipated in FY 2024 leading to a slight decrease in revenues.
- Salaries and fringe benefit budgets decrease, in part, due to anticipated growth in non-general fund activity, particularly grants and contracts, and a corresponding shift in expenses.
- Operating expenses increase due to anticipated one-time expense purchases that include computers and audio/visual equipment. Operating expenses also increase due to the School's estimated share of new and expanded institutional scholarship programs.

School of Social Work

TABLE 35: SCHOOL OF SOCIAL WORK GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|----------------------|---------------------|-----------------------|---------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 8,958,276 | 10,005,658 | 8,859,926 | (1,145,732) | -11.5% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,255,942 | 7,070,002 | 6,358,110 | (711,892) | -10.1% |
| Fringe benefits | 1,598,063 | 1,810,618 | 1,858,624 | 48,006 | 2.7% |
| Financial aid | 187,863 | 244,351 | 229,501 | (14,850) | -6.1% |
| Operating | 423,116 | 501,048 | 324,003 | (177,045) | -35.3% |
| Contingency | 96,431 | 379,639 | 89,688 | (289,951) | -76.4% |
| Total Uses of Funds | \$ 8,561,414 | \$ 10,005,658 | \$ 8,859,926 | \$ (1,145,732) | -11.5% |

Year-End Unit Savings **\$ 396,862**

Notable general fund budget changes:

- Until FY 2023, the Commonwealth of Kentucky paid universities to train new social workers. The state is now training those workers primarily in-house, which causes an approximate \$972,000 decrease in the school's graduate tuition revenue.
- Revenues and expenses associated with the Center for Family and Well-Being—which provides evidence-based practices and treatment approaches—also decreases due to lower than anticipated use of services.
- The school's FY 2023 contingency budget exceeded the one percent requirement. The FY 2024 budget resets the contingency to the minimum.

Student Affairs

TABLE 36: STUDENT AFFAIRS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 23,178,408 | 25,347,611 | 27,708,955 | 2,361,344 | 9.3% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,529,420 | 7,686,856 | 8,199,570 | 512,714 | 6.7% |
| Fringe benefits | 1,982,874 | 2,339,650 | 2,749,590 | 409,940 | 17.5% |
| Financial aid | 1,407,445 | 1,337,561 | 1,160,732 | (176,829) | -13.2% |
| Operating | 8,822,015 | 13,834,691 | 15,445,416 | 1,610,725 | 11.6% |
| Contingency | 306,051 | 148,853 | 153,647 | 4,794 | 3.2% |
| Total Uses of Funds | \$ 19,047,806 | \$ 25,347,611 | \$ 27,708,955 | \$ 2,361,344 | 9.3% |

Year-End Unit Savings **\$ 4,130,602**

Notable general fund budget changes:

- Higher housing revenues, primarily due to a four percent rate increase in FY 2024 drive the year-over-year increase.
- Operating expenses increase due, in part, to \$2.1 million in additional debt service expenses for the new Belknap Village South new residence hall as well as higher anticipated utility costs.
- Student Affairs' budget includes activities and operations related to student housing, Student Activities Center, Student Recreation Center, and the Student Government Association.

University Advancement

TABLE 37: UNIVERSITY ADVANCEMENT GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 1,078,009 | 1,235,614 | 2,735,614 | 1,500,000 | 121.4% |
| Uses of Funds | | | | | |
| Salaries and wages | 740,073 | 751,191 | 1,564,683 | 813,492 | 108.3% |
| Fringe benefits | 218,805 | 230,731 | 549,779 | 319,048 | 138.3% |
| Financial aid | - | - | - | - | - |
| Operating | 80,000 | 23,579 | 593,796 | 570,217 | 2418.3% |
| Contingency | 951 | 230,113 | 27,356 | (202,757) | -88.1% |
| Total Uses of Funds | \$ 1,039,829 | \$ 1,235,614 | \$ 2,735,614 | \$ 1,500,000 | 121.4% |

Year-End Unit Savings **\$ 38,180**

Notable general fund budget changes:

- Diminished non-general fund financial support from the University of Louisville Foundation is offset by an increase in university general fund support.
- The University Advancement engages in fundraising and alumni partnership activities on behalf of the university. They also lead the efforts to find donors for the university’s match in the Bucks for Brains program. The state appropriated \$5 million in FY 2023 and another \$5 million in FY 2024 to the university as long as the university matches and endows those funds.

University Libraries

TABLE 38: UNIVERSITY LIBRARIES' GENERAL FUND SUMMARY

University Libraries include: Archives & Special Collections, Art Library, Ekstrom Library, Kornhauser Health Sciences Library and Music Library.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 17,854,406 | 17,864,250 | 18,250,669 | 386,419 | 2.2% |
| Uses of Funds | | | | | |
| Salaries and wages | 5,076,077 | 5,571,952 | 5,772,700 | 200,748 | 3.6% |
| Fringe benefits | 1,845,533 | 2,077,251 | 2,239,337 | 162,086 | 7.8% |
| Financial aid | - | - | - | - | - |
| Operating | 9,907,048 | 10,042,469 | 10,056,125 | 13,656 | 0.1% |
| Contingency | 323,447 | 172,578 | 182,507 | 9,929 | 5.8% |
| Total Uses of Funds | \$ 17,152,105 | \$ 17,864,250 | \$ 18,250,669 | \$ 386,419 | 2.2% |

Year-End Unit Savings \$ 702,301

Notable general fund budget changes:

- Rising journal and periodical costs continue in FY 2024. To support the university’s educational and research missions, a diverse and robust library collection and reference system is key. The FY 2024 budget includes \$383,000 in additional university support for those efforts.

University-wide (Utilities, Debt Service, Insurances)

TABLE 39: DEBT SERVICE, UTILITIES, AND OTHER CENTRAL ACTIVITY GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-------------------|-------------|
| | FY 2022 | FY 2023 | FY 2024 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Salaries and wages | 415,572 | 1,853,840 | 7,120,384 | 5,266,544 | 284.1% |
| Fringe benefits | (962,118) | 171,554 | 378,494 | 206,940 | 120.6% |
| Financial aid | 572,896 | 773,260 | 734,223 | (39,037) | -5.1% |
| Operating | 69,662,800 | 51,187,582 | 46,307,427 | (4,880,155) | -9.5% |
| Contingency | - | - | - | - | - |
| Total Uses of Funds | \$ 69,689,149 | \$ 53,986,236 | \$ 54,540,528 | \$ 554,292 | 1.0% |

Notable general fund budget changes:

- \$3.5 million salary budget increase for implementing Phase I of the university-wide compensation study.
- \$2.4 million salary budget increase for position backfill related to Workday Finance, with a corresponding reduction in Operating expenses.
- Operating budget change is also due to university contingency budget reduction.

Non-general Fund Budget Overview

Non-general fund budgets include the University of Louisville Research Foundation, Athletics, funds received from the University of Louisville Foundation, and internally designated restricted funds. They are all self-balancing, meaning expenditures match available resources in the budget and expenses and revenues net to zero or positive amounts each year-end.

Table 40 presents a summary of non-general fund sources and uses of funds for FY 2024 as compared with FY 2023.

TABLE 40: NON-GENERAL FUND BUDGET FOR FY 2024

| | FY 2023 BUDGET | | FY 2024 BUDGET | | | | TOTAL NON-GENERAL | % CHANGE |
|------------------------------------|-----------------------|----------------------|-----------------------|------------------------|-----------------------|-------------------------|-------------------|----------|
| | TOTAL NON-GENERAL | FOUNDATION | INTERNALLY DESIGNATED | UL RESEARCH FOUNDATION | ATHLETICS | | | |
| SOURCES OF FUNDS | | | | | | | | |
| Tuition and Fees | | | | | | | | |
| State Funds | | | | | | | | |
| Transfers to General Fund | | | | | | | | |
| Auxiliaries | | | | | | | | |
| Clinical (inclgd Hospital support) | 453,062,841 | | | 456,058,911 | | 456,058,911 | 0.7% | |
| Sponsored Agreements | 166,700,000 | | | 176,000,000 | | 176,000,000 | 5.6% | |
| Pass Through Financial Aid | 59,000,000 | | | 59,000,000 | | 59,000,000 | - | |
| Other Revenue | 215,899,255 | 77,630,926 | 11,321,325 | 16,965,861 | 166,100,000 | 272,018,112 | 26.0% | |
| Asset Preservation | 40,943,000 | | 76,943,000 | | | 76,943,000 | 87.9% | |
| CARES | | | | | | - | - | |
| Total Fiscal Year Revenues | 935,605,096 | 77,630,926 | 88,264,325 | 708,024,772 | 166,100,000 | 1,040,020,023 | 11.2% | |
| Funds Received in Prior Periods | 30,285,503 | - | 18,049,771 | 18,196,521 | | 36,246,292 | 19.7% | |
| Total Sources of Funds | \$ 965,890,599 | \$ 77,630,926 | \$ 106,314,096 | \$ 726,221,293 | \$ 166,100,000 | \$ 1,076,266,315 | 11.4% | |
| USES OF FUNDS | | | | | | | | |
| Salary | 323,259,482 | 20,441,904 | 5,286,931 | 252,493,707 | 41,960,962 | 320,183,504 | -1.0% | |
| Fringe Benefits | 76,466,263 | 5,386,664 | 1,284,665 | 69,083,345 | 8,701,091 | 84,455,765 | 10.4% | |
| Operating | 402,811,028 | 37,784,059 | 20,494,642 | 316,062,506 | 89,426,965 | 463,768,172 | 15.1% | |
| Scholarships | 92,163,974 | 13,943,299 | 933,697 | 63,303,694 | 17,845,294 | 96,025,984 | 4.2% | |
| Capital Asset plus Debt Service | 2,477,804 | 75,000 | 1,191,181 | 2,194,784 | | 3,460,965 | 39.7% | |
| Transfers to General Fund | 26,567,934 | | | 23,000,000 | 7,586,292 | 30,586,292 | 15.1% | |
| Asset Preservation | 40,943,000 | | 76,943,000 | | | 76,943,000 | 87.9% | |
| Utilities | 1,201,114 | | 179,980 | 83,257 | 579,396 | 842,633 | -29.8% | |
| Total Uses of Funds | \$ 965,890,599 | \$ 77,630,926 | \$ 106,314,096 | \$ 726,221,293 | \$ 166,100,000 | \$ 1,076,266,315 | 11.4% | |
| Sources less Uses of Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | |

Non-general Fund Sources

Non-general fund sources total \$1,076,266,315 in FY 2024, which is \$110.4 million, or 11.4 percent, greater than FY 2023. Many non-general fund revenues are impacted by factors outside of the university's control. For example, sponsored research funding depends upon the amount of federal appropriations; gifts depend upon donor giving; and endowments are tied to market returns and the University of Louisville Foundation's spend policy decision. The main drivers in non-general fund revenues for FY 2024 include:

- \$36.0 million availability of FY 2023 state asset preservation program funding that is carried into FY2024 due to long lead times for equipment and lag times related to contractor schedules. The FY 2024 budget reflects the anticipated receipt and use of all remaining state dollars in conjunction with a surge in construction activity. Neither total state funding, nor the amount of the institution's match, change.
- \$51.3 million increase in Athletics' is primarily due to including expected gifts and other restricted revenues and expenses in the budget. This provides a fuller financial perspective. Anticipated growth in football and conference revenues also contributes to the change.
- \$14.4 million, which is 2.1 percent, increase in ULRF revenues associated with sponsored research and clinical activities.
- \$2.2 million, which is 2.9 percent, increase in revenues from the University of Louisville Foundation due to larger endowment spend and additional anticipated gift revenues coupled with a decrease in support for University Advancement.

Tables 41 and 42 show endowment budgets by unit and gift budgets by unit, respectively.

TABLE 4I: ENDOWMENT BUDGETS BY UNIT

| UNIT NAME | FY 2023 ENDOWMENTS | FY 2024 ENDOWMENTS | \$ CHANGE | % CHANGE |
|--|----------------------|----------------------|-------------------|-------------|
| Athletics | 50,412 | 33,393 | (17,019) | -33.8% |
| Audit Services | - | - | - | - |
| College of Arts & Sciences | 3,030,360 | 3,030,618 | 258 | 0.0% |
| College of Business | 2,127,419 | 2,396,336 | 268,917 | 12.6% |
| College of Education and Human Development | 664,776 | 687,142 | 22,366 | 3.4% |
| Community Engagement | 1,942 | 2,643 | 701 | 36.1% |
| Facility Operations | 127,960 | 134,953 | 6,993 | 5.5% |
| Finance & Administration | - | - | - | - |
| Graduate School | 530 | 540 | 10 | 1.9% |
| HSC Financial and Administrative Affairs | 97,459 | 105,086 | 7,627 | 7.8% |
| Human Resources | - | - | - | - |
| Office of the President | 1,129,662 | 937,811 | (191,851) | -17.0% |
| Office of the Provost | 3,425,538 | 2,957,769 | (467,769) | -13.7% |
| Research and Innovation | 2,205 | 2,480 | 275 | 12.5% |
| School of Dentistry | 513,570 | 580,992 | 67,422 | 13.1% |
| School of Engineering | 4,026,918 | 4,028,371 | 1,453 | 0.0% |
| School of Law | 1,155,178 | 1,651,756 | 496,578 | 43.0% |
| School of Medicine | 19,880,886 | 20,609,143 | 728,257 | 3.7% |
| School of Music | 1,011,357 | 1,180,499 | 169,142 | 16.7% |
| School of Nursing | 596,445 | 405,074 | (191,371) | -32.1% |
| School of Public Health and Information Sciences | 212,316 | 193,904 | (18,412) | -8.7% |
| School of Social Work | 157,924 | 222,464 | 64,540 | 40.9% |
| Student Affairs | 50,458 | 54,677 | 4,219 | 8.4% |
| University Advancement | 180,097 | 169,699 | (10,398) | -5.8% |
| University Libraries | 592,307 | 592,688 | 381 | 0.1% |
| Total | \$ 39,035,719 | \$ 39,978,038 | \$ 942,319 | 2.4% |

TABLE 42: GIFT BUDGETS BY UNIT

| UNIT NAME | FY 2023 GIFTS | FY 2024 GIFTS | \$ CHANGE | % CHANGE |
|--|----------------------|----------------------|---------------------|--------------|
| Athletics | - | - | - | - |
| Audit Services | - | - | - | - |
| College of Arts & Sciences | 2,495,421 | 2,385,335 | (110,086) | -4.4% |
| College of Business | 2,244,421 | 2,014,621 | (229,800) | -10.2% |
| College of Education and Human Development | 688,635 | 123,654 | (564,981) | -82.0% |
| Community Engagement | - | 6,274 | 6,274 | - |
| Facility Operations | - | 41,203 | 41,203 | - |
| Finance & Administration | - | - | - | - |
| Graduate School | 1,000 | 5,000 | 4,000 | 400.0% |
| HSC Financial and Administrative Affairs | 67,916 | 122,860 | 54,944 | 80.9% |
| Human Resources | - | - | - | - |
| Office of the President | 966,590 | 1,892,692 | 926,102 | 95.8% |
| Office of the Provost | 429,355 | 1,245,484 | 816,129 | 190.1% |
| Research and Innovation | 2,500,000 | 3,425,071 | 925,071 | 37.0% |
| School of Dentistry | 558,300 | 582,000 | 23,700 | 4.2% |
| School of Engineering | 1,537,049 | 1,368,059 | (168,990) | -11.0% |
| School of Law | 1,882 | 698,493 | 696,611 | 37,014.4% |
| School of Medicine | 15,156,852 | 14,831,206 | (325,646) | -2.1% |
| School of Music | 192,214 | 231,054 | 38,840 | 20.2% |
| School of Nursing | 210,051 | 1,299,624 | 1,089,573 | 518.7% |
| School of Public Health and Information Sciences | 426,604 | 424,249 | (2,355) | -0.6% |
| School of Social Work | 334,028 | 186,316 | (147,712) | -44.2% |
| Student Affairs | 374,746 | 694,827 | 320,081 | 85.4% |
| University Advancement | 335,653 | 228,167 | (107,486) | -32.0% |
| University Libraries | 677,611 | 496,698 | (180,913) | -26.7% |
| Total | \$ 29,198,328 | \$ 32,302,887 | \$ 3,392,958 | 11.6% |

Non-general Fund Expenditures

Changes in non-general fund expenditure budgets between FY 2023 and FY 2024 are primarily driven by units shifting planned expenses from general funds. Contributing to the year-over-year change, by category, are as follows:

- Internally Designated increases by \$41.8 million, or 70.5 percent. The change is primarily due to recognizing and planning to spend \$36.0 million of state asset preservation funds that could not be spent in FY 2023.
- UL Research Foundation year-over-year increases by \$15.1 million, or 2.1 percent, including one-time expenditures associated with use of one-time prior year funds. Notable factors include:
 - \$9.0 million increase in sponsored research revenues and associated expenses.
 - \$3.0 million increase in expenses tied to clinical revenue growth.
- Athletics' change is primarily due to \$46.3 million increase in Operating expenses tied to expected gifts and other restricted revenues. Those revenues and expenses were not included in prior budgets. They are included to provide a fuller financial perspective. Most of the Operating expense increase is associated with supporting sports and debt service.
- Transfers To the General Fund include facilities and administrative overhead recovery and debt service payments.

Institutional and Pass-through Financial Aid

The university distributes restricted student financial aid through its non-general fund—primarily the University of Louisville Research Foundation. ULRF receives and distributes aid dollars from the federal Pell and Work Study programs as well as state funds like Kentucky Education Excellence Scholarship (KEES) and the College Access Program (CAP). Financial aid awarded to students from gifts and endowments and student-athletes are similarly handled through the University of Louisville Foundation and University of Louisville Athletics' Association, respectively. A much smaller amount of restricted aid is distributed from Internally Designated funds including, for example, the Henry Vogt Scholarship and student persistence awards.

Table 43 presents a summary of all financial aid—general and non-general fund—expected to be awarded to students in FY 2024. Total financial aid increases by \$7.4 million, or 2.2 percent, from FY 2023. Unrestricted general fund aid appears in the first row and primarily includes awards made by the Office of Financial Aid. (See page 34 for more detail.) Stable federal and state financial aid received through the UofL Research Foundation is anticipated in FY 2024. Athletics' increase is attributable to rising tuition costs (to which many aid awards are pegged) and additional aid associated with federal rulings in support of expanded types of student aid. Higher endowment spend policy combined with increased gifts drive the change in Gifts and Endowments.

TABLE 43: FINANCIAL AID EXPENDITURE BUDGET BY GENERAL AND NON-GENERAL FUNDING SOURCES

| FUNDING SOURCES | FY 2023 BUDGET | FY 2024 BUDGET | \$ CHANGE | % CHANGE |
|-----------------------|-----------------------|-----------------------|---------------------|-------------|
| General Funds | 68,698,389 | 72,201,382 | 3,502,993 | 5.1% |
| Research Foundation | 63,212,097 | 63,303,694 | 91,597 | 0.1% |
| Athletics | 16,262,410 | 17,845,294 | 1,582,884 | 8.9% |
| Gifts and Endowments | 11,413,849 | 13,943,299 | 2,529,450 | 22.2% |
| Internally Designated | 1,275,618 | 933,697 | (341,921) | -26.8% |
| Total | \$ 160,862,363 | \$ 168,251,277 | \$ 7,388,914 | 2.2% |

Prior Year Funds

Revenues received in a previous fiscal year for which a corresponding expense was not incurred are recognized as “prior year funds” when expended. Revenues can only be counted in one fiscal year, which is why these funds are separately identified in the budget. All expenses associated with prior year funds are one-time in nature. Requests to budget prior year funds are carefully examined and then monitored by the university’s budget office.

In FY 2024, units budgeted \$36.7 million of prior year funds. Most are related to spending residual grant dollars, accumulated dollars from new faculty start-up packages, and improvements to physical plant (e.g., lab, classroom, or office renovations). In some cases, units take years accumulating funds to complete these projects.

Table 44 shows estimated uses of prior year funds by fund source.

TABLE 44: ESTIMATED USE OF PRIOR YEAR FUNDS

| ACTIVITY | GENERAL FUND | INTERNALLY DESIGNATED | UL RESEARCH FOUNDATION | FY 2024 |
|------------------|-------------------|-----------------------|------------------------|----------------------|
| Grant-related | - | 2,044,821 | 9,956,728 | 12,001,549 |
| Plant Funds | - | 3,841,181 | - | 3,841,181 |
| Faculty Start-up | - | 4,071,659 | - | 4,071,659 |
| Gain-Share | - | 4,909,922 | - | 4,909,922 |
| Special Purpose | 456,298 | 3,182,188 | 8,239,793 | 11,878,279 |
| Total | \$ 456,298 | \$ 18,049,771 | \$ 18,196,521 | \$ 36,702,590 |

Multi-Year Outlook, All Funds

In addition to detailed revenue and expense budgets for FY 2024, academic and support units were asked to project notable expense changes for fiscal years 2025 and 2026. This multi-year outlook enhances line of sight into future expense opportunities and challenges. It also helps inform the university’s current budget practices by encouraging colleges, schools, and departments to plan for future changes.

Table 45 presents a summary of units’ multi-year outlooks. It lists anticipated expenses by high-level category and fiscal year. Actual impacts will likely vary as each successive budget is developed. Expense changes must be funded from college/school/department funds.

TABLE 45: MULTI-YEAR OUTLOOK, ALL FUNDS

| EXPENDITURE ITEM CATEGORIES | FY 2025 | FY 2026 |
|--|--|---------------------|
| | POTENTIAL NEW EXPENDITURES - ALL FUNDS | |
| Accreditation | 671,000 | 670,000 |
| Dean / VP recruitment | 427,500 | 97,500 |
| Dean / VP start up | 522,667 | 65,000 |
| Faculty recruitment | 2,972,611 | 1,176,824 |
| Faculty start up | 5,027,000 | 1,628,000 |
| Net faculty personnel changes | 3,082,318 | 561,902 |
| Net staff personnel changes | 3,343,956 | 2,094,826 |
| Net change in Scholarships/Financial Aid | 172,200 | 150,000 |
| Renovations to physical plant (>\$25,000 each) | 6,600,000 | 1,200,000 |
| Other notable (>\$25,000 each) | 2,916,645 | 1,436,777 |
| Total | \$ 25,735,897 | \$ 9,080,829 |

A few examples of activities in Table 45 include:

FY 2025

- School of Medicine anticipates \$5.0 million in FY 2025 for a surgical simulation laboratory.

FY 2025 and FY 2026

- Student Affairs projects \$1.0 million in each year for maintenance and renovation of campus housing facilities.
- Office of Research and Innovation and the School of Dentistry anticipate new software expenses.
- School of Medicine, College of Education and Human Development, School of Law, and College of Business include dean recruitment and start-up expenses.

All Funds Operating Budget By Unit

Table 46 shows unit-by-unit detail of FY 2024 operating budgets by general and non-general fund categories. This represents the university's all funds operating budget and ties back to Table 1.

TABLE 46: FY 2024 OPERATING EXPENDITURE BUDGET BY UNIT AND FUNDING SOURCE

| | GENERAL FUNDS | FOUNDATION | INTERNALLY DESIGNATED | UL RESEARCH FOUNDATION | ATHLETICS | ALL FUNDS |
|---|-----------------------|----------------------|-----------------------|------------------------|-----------------------|-------------------------|
| Athletics | 1,982,060 | 33,393 | - | - | 166,100,000 | 168,115,453 |
| Audit Services | 1,877,569 | - | - | 22,070 | - | 1,899,639 |
| College of Arts & Sciences | 65,710,598 | 5,415,953 | 2,041,230 | 3,135,556 | - | 76,303,337 |
| College of Business | 30,028,169 | 4,410,957 | 2,681,450 | 71,699 | - | 37,192,275 |
| College of Education and Human Development | 21,643,856 | 810,796 | 1,932,925 | 4,763,669 | - | 29,151,246 |
| Community Engagement | 1,012,154 | 8,917 | 844 | 458,701 | - | 1,480,616 |
| Facility Operations | 44,072,450 | 176,156 | 1,953,880 | 706,575 | - | 46,909,061 |
| Finance & Administration | 8,899,392 | - | 60,000 | 1,317,321 | - | 10,276,713 |
| Graduate School | 13,428,270 | 5,540 | - | - | - | 13,433,810 |
| HSC Financial and Administrative Affairs | 5,714,964 | 227,946 | 25,260 | 192,826,829 | - | 198,794,999 |
| Human Resources | 3,126,739 | - | 322,000 | 28,662 | - | 3,477,401 |
| Office of the President | 10,936,312 | 2,830,503 | 487,358 | 3,219,626 | - | 17,473,799 |
| Office of the Provost | 103,151,357 | 4,203,253 | 2,222,117 | 59,755,157 | - | 169,331,884 |
| Research and Innovation | 10,894,690 | 3,427,551 | 592,500 | 43,226,739 | - | 58,141,480 |
| School of Dentistry | 28,708,886 | 1,162,992 | 60,132 | 32,427,809 | - | 62,359,819 |
| School of Engineering | 29,744,559 | 5,396,430 | 2,513,963 | 7,292,411 | - | 44,947,363 |
| School of Law | 12,578,195 | 2,350,249 | 96,497 | 21,714 | - | 15,046,655 |
| School of Medicine | 43,181,289 | 35,440,349 | 7,953,430 | 355,742,679 | - | 442,317,747 |
| School of Music | 8,111,932 | 1,411,553 | 464,131 | 39,449 | - | 10,027,065 |
| School of Nursing | 8,455,817 | 1,704,698 | 304,501 | 6,089,768 | - | 16,554,784 |
| School of Public Health and Information Sciences | 5,887,936 | 618,153 | 190,542 | 6,566,498 | - | 13,263,129 |
| School of Social Work | 8,859,926 | 408,780 | 531,078 | 5,293,253 | - | 15,093,037 |
| Student Affairs | 27,708,955 | 749,504 | 1,496,292 | 277,588 | - | 30,232,339 |
| University Advancement | 2,735,614 | 5,747,867 | 558,000 | 2,659,795 | - | 11,701,276 |
| University Libraries | 18,250,669 | 1,089,386 | 252,966 | 277,725 | - | 19,870,746 |
| University-wide (Utilities, debt service, insurances) | 54,540,528 | - | 79,573,000 | - | - | 134,113,528 |
| Total | \$ 571,242,886 | \$ 77,630,926 | \$ 106,314,096 | \$ 726,221,293 | \$ 166,100,000 | \$ 1,647,509,201 |

Capital Budget

For FY 2024, the university's capital budget focuses on the following goals:

- Improving campus safety and infrastructure reliability;
- Improving the working environment for all colleges and units in some way; and
- Aligning with strategic plan.

State-funded capital projects include \$65.0 million for a new engineering building and \$76.0 million for asset preservation. Design work for the new engineering building is underway. Construction is expected to begin in Spring 2024 with completion by Fall 2025. Asset preservation funding will help address many infrastructure needs across all three campuses. State funding began in FY 2023 and the university has commenced work on various HVAC, electrical, roof and other life and safety improvements. These activities will enhance the instructional and work environments for faculty, staff, and students.

The FY 2024 capital budget also includes the following university funded projects:

1. Enterprise Resource Planning for implementation of Workday Finance module: \$5.0 million;
2. Student housing improvements: \$2.5 million;
3. Vivarium expansion: \$10.0 million, of which \$8.0 million to be funded by federal resources and \$2.0 million from HSC reserves;
4. Frazier Rehabilitation Center build-out: \$6.0 million; timing dependent upon funding sources with up to \$2.0 million to be funded from university resources; and
5. Ekstrom Library expansion: \$8.0 million in university financing supported by donor funds.