

MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF THE
BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE

June 27, 2024

In Open Session

Members of the Finance Committee of the University of Louisville Board of Trustees met on March 21, 2024, at 1:54 p.m., in the Jefferson Room, Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present: Dr. Larry Benz, Chair
Dr. Raymond Burse
Ms. Katie Hayden
Mr. Brian Lavin
Mr. Chris Dischinger
Dr. Eugene Mueller

Other Trustees

Present: Mr. Jerry Abramson
Mr. Larry Hayes
Mr. Kevin Ledford
Ms. Diane Medley
Ms. Diane Porter
Ms. Sherrill Zimmerman

From the

University: Dr. Kim Schatzel, President
Dr. Gerry Bradley, Executive Vice President and University Provost
Dr. Jeffrey Bumpous, Interim Executive Vice President for Health Affairs
Dr. Jon Klein, Interim Executive Vice President for Research and Innovation
Mr. Charlie Perusse, Interim Executive VP for Finance & Administration
Ms. Kim Butterweck, Interim Vice President for Communications and Marketing
Mr. Douglas Craddock, Vice President for Community Engagement
Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Mr. Lee Gill, Vice President for Institutional Equity
Mr. Josh Heird, Vice President for Athletics and Athletic Directors
Ms. Jill Mullaney, Interim Vice President for Finance and Budget
Ms. Sandy Russell, Vice President for Risk, Audit, and Compliance
Ms. Michelle Comer, Assistant Vice President for Finance, Controller/Treasurer
Dr. Angela Taylor, Associate Vice President for Student Affairs
Dr. Gail DePuy, Senior Vice Provost
Mr. Jim Begany, Vice Provost for Strategic Enrollment Management
Dr. Cherie Dawson-Edwards, Vice Provost for Faculty Affairs
Dr. David Schultz, Vice Provost for Finance and Strategic Initiatives
Mr. John Karman, Executive Director of Communications
Ms. Julia Collins, Director of Budget and Financial Planning
Mr. Nathan Hedges, Policy and Budget Analyst

Mr. Nick Peak, Policy and Budget Analyst
Mr. Chris Wooton, Director of Internal Communications
Mr. Dan Durbin, Special Assistant to the President
Dr. Karen Cardarelli, Dean, School of Public Health and Information Sciences
Ms. Allie Rose Phillips, Incoming Student Government Association President
Mr. Jerry Johnson, Chief of Staff to the EVPFA
Ms. Amanda LeDuke, Chief of Staff, VP for Philanthropy & Alumni Engagement
Ms. Sarah Lopez, Chief of Staff to the Provost
Mr. Derek Hottell, Assistant Director for Accreditation and Academic Programs
Ms. Tammy Green, Coordinator in the Office of the EVP and University Provost
Lt. Col. Jessie Murnock, Senior Director of Presidential Operations
Ms. Kaelah McMonigle, Executive Assistant to the VP for Legal Affairs
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

Others: Ms. Claire Esten, Grant Thornton, LLP
Mr. Greg Pajon, Grant Thornton, LLP
Mr. Dennis Morrone, Grant Thornton, LLP

I. Call to Order

Chair Benz called the roll and having determined a quorum present, called the meeting to order at 2:28 p.m.

Approval of Minutes, 3-21-2024

Dr. Mueller made a motion, which Mr. Lavin seconded, to approve the minutes of the March 21, 2024, meeting.

The motion passed.

II. Action Items: Exemptions from Quasi-Endowment Policy

Ms. Curry and Mr. Perusse briefed the committee on recommendations to approve requests for exemptions to the UofL Foundation's policy regarding quasi-endowments.

Burian Estate for use by School of Medicine

If exempted, \$1 million will be used to request the state research challenge match for a research-endowed chair from the Council on Postsecondary Education (CPE) and create the "Dr. Frank J. Burian and Henrietta S. Burian Chair in Pandemic Preparedness."

\$1.5 million in remaining funds will be designated for projects in the School of Medicine: renovation of Pediatric NeuroRecovery in the Kentucky Spinal Cord Injury Research Center; promote activities of the Fresh Tissue Lab within the Department of Anatomical Sciences and Neurobiology; and the creation of an Endowed Professorship or Chair in Bioinformatics.

Mr. Lavin made a motion, which Dr. Burse seconded, to approve the

President's recommendation that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Jane Burian estate to be used for current use purposes.

The motion passed.

Cohen Estate for use by School of Medicine

If exempted, the funds from the estate would also be used for projects in the School of Medicine: renovation of Pediatric NeuroRecovery in the Kentucky Spinal Cord Injury Research Center; promote activities of the Fresh Tissue Lab within the Department of Anatomical Sciences and Neurobiology; and the creation of an Endowed Professorship or Chair in Bioinformatics.

Mr. Lavin made a motion, which Dr. Burse seconded, to approve the

President's recommendation that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Linda Lee Cohen estate to be used for current use purposes.

The motion passed.

Ernst Estate for use by School of Medicine

If exempted, the funds from the estate would address the design and engineering work of the Fresh Tissue Lab within the Department of Anatomical Sciences & Neurobiology.

Mr. Lavin made a motion, which Dr. Burse seconded, to approve the

President's recommendation that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Clifford B. Ernst estate to be used for current use purposes.

The motion passed.

Nixon Estate for use by School of Law

If exempted, the funds would be utilized for the significant renovation and capital improvements to refresh the Brandeis School of Law lobby, student areas, and bathrooms.

Dr. Burse made a motion, which Mr. Dischinger seconded, to approve the

President's recommendation that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Robert Holbrook Nixon estate to be used for current use purposes.

The motion passed.

III. Action Item: Renewal of Line of Credit

Mr. Perusse and Ms. Comer briefed the committee on the recommendation to renew a line of credit for the university, noting that the board of trustees originally approved the line of credit on April 18, 2019, and was subsequently renewed by the board each year, most recently on June 22, 2023.

After Mr. Perusse and Ms. Comer fielded questions from trustees, Dr. Burse made a motion, which Mr. Lavin seconded, to approve the

President's recommendation that the Board of Trustees approve a resolution concerning the renewal of a line of credit.

The motion passed.

IV. Action Item: Asset Preservation Projects

Mr. Perusse provided an overview of the recommendation regarding the Asset Preservation Project Plan. As part of the 2024-26 biennial budget, the 2024 Regular Session House Bill 1 authorized \$563.0 million in General Fund support for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky institutions. The University of Louisville's allotment from that authorization is \$69,106,000 and the University is required to contribute \$17,276,000 for a total of \$86,382,000 in authorized spending.

Mr. Perusse then fielded questions from the committee.

Dr. Burse made a motion, which Mr. Lavin seconded, to approve the

President's recommendation that the Board of Trustees approve the Asset Preservation Project Plan to spend \$86,382,000 to preserve, repair, or adaptively reuse the university's current facility and infrastructure assets.

The motion passed.

V. Action Item: 2024-2025 Tuition Rates

Mr. Perusse briefed the committee on the 2024-2025 tuition rates, including mandatory fees. He noted that the total bundled mandatory fee amount for full-time students remains unchanged at \$276 per semester.

Mr. Lavin made a motion, which Mr. Dischinger seconded, to approve the

President's recommendation that the Board of Trustees approve tuition rates and changes per the attached schedules for Academic Year (AY) 2024-2025. The recommendation is the result of much deliberation and consultation with the

various constituency groups across campus and is consistent with the tuition rate increase parameters established by the Council on Postsecondary Education.

The motion passed.

VI. Action Item: 2024-2025 Operating Budget

Ms. Mullaney and Mr. Perusse discussed with trustees the proposed operating budget for 2024-2025. They reminded committee members that the budget is structurally balanced and linked to the University's strategic plan. The top budget priorities are: 1) improving student success, retention, enrollment growth, and access; 2) investing and execution of a competitive compensation plan for faculty and staff; and 3) advancing research and innovation through investments in computing productivity and community health efforts; and 4) improving the university's physical infrastructure.

Dr. Burse made a motion, which Mr. Lavin seconded, to approve the

President's recommendation that the Board of Trustees approve the University's proposed budget for Fiscal Year 2025 as attached.

The motion passed.

VII. Report of the Executive Vice President for Finance and Administration

Using the **attached** presentation, Mr. Perusse shared financial results through April 30, 2024, budget-to-actual and actual-to-actual reports, and updates regarding dollar amounts of liquid cash, and days of cash on hand. He also summarized the university's revenues, expenses, margin, and liquidity.

Mr. Perusse then fielded questions from the committee.

Chair Benz thanked the Interim CFO for his report.

VIII. Adjournment

Having no other business to come before the committee, Dr. Burse made a motion, which Mr. Lavin seconded, to adjourn.

The motion passed and the meeting adjourned at 3:27 p.m.

Approved by:

 Signature on file
Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING AN EXEMPTION FOR THE JANE BURIAN ESTATE QUASI-ENDOWED
FUNDS TO BE USED BY THE SCHOOL OF MEDICINE

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Jane Burian estate to be used for current use purposes.

See [attached](#) memorandum for more detailed information.

Upon approval by the Board of Trustees, the request will be made to the UofL Foundation Board of Directors.

COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____

Signature on file
Assistant Secretary

Signature on file
Assistant Secretary

BOARD OF TRUSTEE ACTION REQUEST FROM UNIVERSITY ADVANCEMENT:

- 1) Approval for an exemption from the ULF policy on quasi-endowed funds to allow for the funds from the Estate of Jane Burian to be used for current use purposes.

Background

In March 2001, the ULF Board passed a policy that requires the endowment of all testamentary gifts of \$100,000 or greater received without a clear preference from the donor making them available for current use. In limited circumstances, exceptions to the policy are allowed, provided all appropriate approvals have been received.

Request

The School of Medicine requests the testamentary funds from the **Estate of Jane Burian** assessed at approximately **\$2,500,000** be directed in the following manner:

- **\$1,000,000** to be used immediately to request the state research challenge match for a research-endowed chair from the Council on Postsecondary Education (CPE), to be held in perpetuity in support of the School of Medicine. Funds from the Estate of Jane Burian and CPE will be designated to create the *“Dr. Frank J. Burian and Henrietta S. Burian Endowed Chair in Pandemic Preparedness”*.^{*} The endowed chair in pandemic preparedness will allow for biocontainment research used to develop drugs, diagnostics and vaccines for emerging and reemerging infections and biodefense by helping to recruit an esteemed faculty researcher to lead this research to improve disease survival rates and improve overall health outcomes.
- **\$1,500,000** (remaining funds) to be held in a current use holding account for the use of one or more of the following priority projects identified below within the School of Medicine. Noting, in addition to the named endowed chair referenced above, the estate executor, Dan Huston, has requested Ms. Jane Burian be recognized through the naming of a space. Funds will be determined and designated to the project(s) before June 30, 2025.
 - **Kentucky Spinal Cord Injury Research Center – Renovation of Pediatric NeuroRecovery:** New Dedicated Home within UofL Health Frazier Rehabilitation building, 4th Floor) for Discovering Hope, Delivering Hope, and Helping Kids Kick Paralysis
 - **Fresh Tissue Lab** within the Department of Anatomical Sciences & Neurobiology: Setting for research studies in surgical anatomy and the development of new techniques and/or devices.
 - **Endowed Professorship or Chair in Bioinformatics:** UofL School of Medicine is a world-class provider of medical education, research and patient care. This is due in large part to our ability to organize, store, analyze, interpret and communicate the ever-increasing amount of data obtained through patient databases, clinical studies and advanced omics research. An Endowed Professorship in Bioinformatics will enable us to better apply information and communication technologies across our diverse health systems as we continue to lead national efforts in providing top-quality patient care.

Approvals Needed

Attached is a memo from Jeffrey Bumpous, Interim Dean of the School of Medicine with the full request including budget. Per the ULF policy for these exemptions, the request has been approved by Charlie Perusse, Interim Executive VP for Finance and Administration and Kim Schatzel, President. Following approval of the Board of Trustees, the final approval will move to the ULF Board.

*The creation and naming of the Endowed Chair above is also being considered by the Board of Trustees at this meeting.



MEMORANDUM

May 14, 2024

To: Kim Schatzel, President; Charles Perusse, Interim Executive Vice President for Finance and Administration and Chief Financial Officer; Cynthia Clemons, Vice President for VP for Finance and Administration-HSC

From: Interim Dean Jeffrey M. Bumpous, MD FACS

Cc: Julie Dials, Interim Vice President for University Advancement

Re: Request for Exemption from ULF Policy on Quasi-Endowments for **Estate of Jane Burian**

The School of Medicine requests the testamentary funds from the **Estate of Jane Burian** assessed at approximately **\$2,500,000** be directed in the following manner:

- **\$1,000,000** to be used immediately to request the state research challenge match for a research-endowed chair from the Council on Postsecondary Education (CPE), to be held in perpetuity in support of the School of Medicine. Funds from the Estate of Jane Burian and CPE will be designated to create the "*Dr. Frank J. Burian and Henrietta S. Burian Endowed Chair in Pandemic Preparedness*". The endowed chair in pandemic preparedness will allow for biocontainment research used to develop drugs, diagnostics and vaccines for emerging and reemerging infections and biodefense by helping to recruit an esteemed faculty researcher to lead this research to improve disease survival rates and improve overall health outcomes.

- **\$1,500,000** (remaining funds) to be held in a current use holding account for the use of one or more of the following priority projects identified below within the School of Medicine. Noting, in addition to the named endowed chair referenced above, the estate executor, Dan Huston, has requested Ms. Jane Burian be recognized through the naming of a space. Funds will be determined and designated to the project(s) before June 30, 2025.
 - Kentucky Spinal Cord Injury Research Center – **Renovation of Pediatric NeuroRecovery**: New Dedicated Home within UofL Health Frazier Rehabilitation building, 4th Floor) for Discovering Hope, Delivering



Hope, and Helping Kids Kick Paralysis

- **Fresh Tissue Lab** within the Department of Anatomical Sciences & Neurobiology: Setting for research studies in surgical anatomy and the development of new techniques and/or devices.
- **Endowed Professorship or Chair in Bioinformatics:** UofL School of Medicine is a world-class provider of medical education, research and patient care. This is due in large part to our ability to organize, store, analyze, interpret and communicate the ever-increasing amount of data obtained through patient databases, clinical studies and advanced omics research. An Endowed Professorship in Bioinformatics will enable us to better apply information and communication technologies across our diverse health systems as we continue to lead national efforts in providing top-quality patient care.

Approved by:*

DocuSigned by:
Signature on file 5/15/2024 | 17:46 EDT

Cynthia Clemons
VP for Finance and Administration-HSC

DocuSigned by:
Signature on file 5/15/2024 | 18:30 EDT

Charles Perusse
Interim Executive Vice President for Finance and Administration and Chief Financial Officer


Signature on file
Kim Schatzel, PhD
President, University of Louisville

*After the above signatures are obtained, please note that this request still requires the approval of the University of Louisville Board of Trustees and the Board of the University of Louisville Foundation, Inc. The Office of Philanthropy and Alumni Engagement will coordinate obtaining these final approvals.

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING AN EXEMPTION FOR THE LINDA LEE COHEN ESTATE QUASI-
ENDOWED FUNDS TO BE USED BY THE SCHOOL OF MEDICINE

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Linda Lee Cohen estate to be used for current use purposes.

See [attached](#) memorandum for more detailed information.

Upon approval by the Board of Trustees, the request will be made to the UofL Foundation Board of Directors.

COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary

____ Signature on file _____
Assistant Secretary

BOARD OF TRUSTEE ACTION REQUEST FROM UNIVERSITY ADVANCEMENT:

- 1) Approval for an exemption from the ULF policy on quasi-endowed funds to allow for the funds from the Estate of Linda Lee Cohen to be used for current use purposes.

Background

In March 2001, the ULF Board passed a policy that requires the endowment of all testamentary gifts of \$100,000 or greater received without a clear preference from the donor making them available for current use. In limited circumstances, exceptions to the policy are allowed, provided all appropriate approvals have been received.

Request

The School of Medicine requests the testamentary funds from the **Estate of Linda Lee Cohen** assessed at approximately **\$460,000** or more be held in a current use holding account for the use of one or more of the following priority projects identified below within the School of Medicine. Funds will be determined and designated to the project(s) before June 30, 2025.

- **Kentucky Spinal Cord Injury Research Center – Renovation of Pediatric NeuroRecovery:** New Dedicated Home within UofL Health Frazier Rehabilitation building, 4th Floor) for Discovering Hope, Delivering Hope, and Helping Kids Kick Paralysis
- **Fresh Tissue Lab** within the Department of Anatomical Sciences & Neurobiology: Setting for research studies in surgical anatomy and the development of new techniques and/or devices.
- **Endowed Professorship or Chair in Bioinformatics:** UofL School of Medicine is a world-class provider of medical education, research and patient care. This is due in large part to our ability to organize, store, analyze, interpret and communicate the ever-increasing amount of data obtained through patient databases, clinical studies and advanced omics research. An Endowed Professorship in Bioinformatics will enable us to better apply information and communication technologies across our diverse health systems as we continue to lead national efforts in providing top-quality patient care.

Approvals Needed

Attached is a memo from Jeffrey Bumpous, Interim Dean of the School of Medicine with the full request including budget. Per the ULF policy for these exemptions, the request has been approved by Charlie Perusse, Interim Executive VP for Finance and Administration and Kim Schatzel, President. Following approval of the Board of Trustees, the final approval will move to the ULF Board.



MEMORANDUM

May 13, 2024

To: Kim Schatzel, President; Charles Perusse, Interim Executive Vice President for Finance and Administration and Chief Financial Officer; Cynthia Clemons, Vice President for VP for Finance and Administration-HSC

From: Interim Dean Jeffrey M. Bumpous, MD FACS

Cc: Julie Dials, Interim Vice President for University Advancement

Re: Request for Exemption from ULF Policy on Quasi-Endowments for **Estate of Linda Lee Cohen**

The School of Medicine requests the testamentary funds from the **Estate of Linda Lee Cohen** assessed at approximately **\$460,000** or more be held in a current use holding account for the use of one or more of the following priority projects identified below within the School of Medicine. Funds will be determined and designated to the project(s) before June 30, 2025.

- **Kentucky Spinal Cord Injury Research Center – Renovation of Pediatric NeuroRecovery:** New Dedicated Home within UofL Health Frazier Rehabilitation building, 4th Floor) for Discovering Hope, Delivering Hope, and Helping Kids Kick Paralysis
- **Fresh Tissue Lab** within the Department of Anatomical Sciences & Neurobiology: Setting for research studies in surgical anatomy and the development of new techniques and/or devices.
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Approved by:*

DocuSigned by:

Signature on file

5/15/2024 | 17:46 EDT

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Cynthia Clemons

VP for Finance and Administration-HSC



DocuSigned by:
Signature on file

5/15/2024 | 18:30 EDT

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Charles Perusse

Interim Executive Vice President for Finance and Administration and Chief Financial Officer

Signature on file

Kim Schatzel, PhD

President, University of Louisville

***After the above signatures are obtained, please note that this request still requires the approval of the University of Louisville Board of Trustees and the Board of the University of Louisville Foundation, Inc. The Office of Philanthropy and Alumni Engagement will coordinate obtaining these final approvals.**

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING AN EXEMPTION FOR THE CLIFFORD B. ERNST ESTATE
QUASI-ENDOWED FUNDS TO BE USED BY THE SCHOOL OF MEDICINE

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Clifford B. Ernst estate to be used for current use purposes.

See [attached](#) memorandum for more detailed information.

Upon approval by the Board of Trustees, the request will be made to the UofL Foundation Board of Directors.

COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____

Signature on file
Assistant Secretary

Signature on file
Assistant Secretary

BOARD OF TRUSTEE ACTION REQUEST FROM UNIVERSITY ADVANCEMENT:

- 1) Approval for an exemption from the ULF policy on quasi-endowed funds to allow for the funds from the Estate of Clifford B. Ernst to be used for current use purposes.

Background

In March 2001, the ULF Board passed a policy that requires the endowment of all testamentary gifts of \$100,000 or greater received without a clear preference from the donor making them available for current use. In limited circumstances, exceptions to the policy are allowed, provided all appropriate approvals have been received.

Request

The School of Medicine requests the remaining testamentary funds from the **Estate of Clifford B. Ernst** totaling **\$213,391.02** be directed to establish a current use gift fund held centrally in the School of Medicine for an order of magnitude. The order of magnitude will address the design and engineering work of the Fresh Tissue Lab within the Department of Anatomical Sciences & Neurobiology. Based on other donations and sources of funding for the Fresh Tissue Lab, University Planning, Design and Construction will then determine the scope of construction.

The basic science research that is conducted in the Fresh Tissue Lab is the setting for research studies in surgical anatomy and the development of new techniques and/or devices. The renovation will ultimately make the space more efficient with upgraded technology and equipment for the instructional labs, classrooms, freezers, coolers, emergency shower and embalming suite.

The University Planning, Design and Construction estimates the order of magnitude will begin in September 2024 after they have completed a formal RFP and selected the architects and engineers. Funds from the requested gift account will be spent no later than June 30, 2025.

Approvals Needed

Attached is a memo from Jeffrey Bumpous, Interim Dean of School of Medicine with the full request including budget. Per the ULF policy for these exemptions, the request has been approved by Charlie Perusse, Interim Executive VP for Finance and Administration and Kim Schatzel, President. Following approval of the Board of Trustees, the final approval will move to the ULF Board.



MEMORANDUM

May 14, 2024

To: Kim Schatzel, President; Charles Perusse, Interim Executive Vice President for Finance and Administration and Chief Financial Officer; Cynthia Clemons, Vice President for VP for Finance and Administration-HSC

From: Interim Dean Jeffrey M. Bumpous, MD FACS

Cc: Julie Dials, Interim Vice President for University Advancement

Re: Request for Exemption from ULF Policy on Quasi-Endowments for **Estate of Clifford B. Ernst**

The School of Medicine requests the remaining testamentary funds from the **Estate of Clifford B. Ernst** totaling **\$213,391.02** be directed to establish a current use gift fund held centrally in the School of Medicine for an order of magnitude. The order of magnitude will address the design and engineering work of the Fresh Tissue Lab within the Department of Anatomical Sciences & Neurobiology. Based on other donations and sources of funding for the Fresh Tissue Lab, University Planning, Design and Construction will then determine the scope of construction.

The basic science research that is conducted in the Fresh Tissue Lab is the setting for research studies in surgical anatomy and the development of new techniques and/or devices. The renovation will ultimately make the space more efficient with upgraded technology and equipment for the instructional labs, classrooms, freezers, coolers, emergency shower and embalming suite.

The University Planning, Design and Construction estimates the order of magnitude will begin in September 2024 after they have completed a formal RFP and selected the architects and engineers. Funds from the requested gift account will be spent no later than June 30, 2025.

Approved by:*

DocuSigned by:
Signature on file

5/15/2024 | 17:46 EDT

Cynthia Clemons
VP for Finance and Administration-HSC



DocuSigned by:

Signature on file

5/15/2024 | 18:30 EDT

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Charles Perusse

Interim Executive Vice President for Finance and Administration and Chief Financial Officer

Signature on file

Kim Schatzel, PhD

President, University of Louisville

*After the above signatures are obtained, please note that this request still requires the approval of the University of Louisville Board of Trustees and the Board of the University of Louisville Foundation, Inc. The Office of Philanthropy and Alumni Engagement will coordinate obtaining these final approvals.

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING AN EXEMPTION FOR THE ROBERT HOLBROOK NIXON
ESTATE QUASI-ENDOWED FUNDS TO BE USED BY THE SCHOOL OF LAW

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve a request for an exemption to the UofL Foundation, Inc., board policy on quasi-endowed funds to allow for the funds from the Robert Holbrook Nixon estate to be used for current use purposes.

See [attached](#) memorandum for more detailed information.

Upon approval by the Board of Trustees, the request will be made to the UofL Foundation Board of Directors.

COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____

____ Signature on file ____
Assistant Secretary

____ Signature on file ____
Assistant Secretary

BOARD OF TRUSTEE ACTION REQUEST FROM UNIVERSITY ADVANCEMENT:

- 1) Approval for an exemption from the ULF policy on quasi-endowed funds to allow for the funds from the Estate of Robert Holbrook Nixon to be used for current use purposes.

Background

In March 2001, the ULF Board passed a policy that requires the endowment of all testamentary gifts of \$100,000 or greater received without a clear preference from the donor making them available for current use. In limited circumstances, exceptions to the policy are allowed, provided all appropriate approvals have been received.

Request

Brandeis School of Law anticipates receiving at least **\$435,000** from the **Estate of Robert Holbrook Nixon**. As of today, \$100,000 has been received as an initial distribution. Most of the remaining funds are expected by calendar year-end 2024.

This request focuses on Brandeis School of Law's need for significant renovation and capital improvements to refresh the lobby, student areas, and bathrooms. A portion of the law school is housed in a beautiful historic building while newer areas have cinder block walls and dim lighting. The interior is dated and furnished with mismatched chairs, couches, and tables pieced together from remnants. Modest improvements will greatly enhance our interior and have a twofold impact: (1) our renovations will modernize our space and enable us to compete for students also looking at neighboring law schools housed in new buildings, and (2) simultaneously create student success spaces for group interactions and community building amongst our current law students.

The capital renovations we propose funding through the Nixon Estate gift include:

- The Mosaic Lobby. The Mosaic Lobby is the primary entrance to Brandeis School of Law for all students and visitors. The vision for the lobby is to update lighting, paint, and furniture. We will modernize our highest-used space in the building and extend these improvements to the general spaces connected to the lobby on the 2d floor and in the basement (which is used for classrooms and our student eating area). These areas will also be updated with lighting, paint, and new furnishings. The furniture – including charging ports and stations – in these connected areas will create pods where students can continue class debates, eat their lunch, or simply have a nook where they can prepare for their next class.
- Student Lounge: Law libraries have changed; hardcover books are used less since students rely on online databases for case and statutory citations. Repurposing a portion of the law library into a student lounge will be transformational for our building and our students. Brandeis School of Law needs student group study areas where students can work together or take a break between classes. The Nixon gift will enable us to repurpose space no longer needed for physical texts into a student lounge complete with paint, lighting, modular furniture, and updated technology so students can remain in the building between classes, while using their time efficiently. A current complaint amongst students is that they have no comfortable area, where they can stay between classes. Thus, our students either leave the building or choose consecutive classes so they can come, leave, and never interact with their peers. This impacts our ability to create a community of law students which has

lasting implications from difficulty in connecting for study groups to a lack of ties for alumni engagement.

Approvals Needed

Attached is a memo from Melanie Jacobs, Dean of Brandeis School of Law with the full request including budget. Per the ULF policy for these exemptions, the request has been approved by Charlie Perusse, Interim Executive VP for Finance and Administration and Kim Schatzel, President. Following approval of the Board of Trustees, the final approval will move to the ULF Board.



MEMORANDUM

May 24, 2024

To: Kim Schatzel, President; Charles Perusse, Interim Executive Vice President for Finance and Administration

From: Melanie B. Jacobs, Dean Louis D. Brandeis School of Law

Cc: Julie Dials, Interim Vice President for University Advancement

Re: Request for Exemption from ULF Policy on Quasi-Endowments for Gift from the Estate of Robert Holbrook Nixon

Brandeis School of Law anticipates receiving at least \$435,000 from the Estate of Robert Holbrook Nixon. As of today, \$100,000 has been received as an initial distribution. Most of the remaining funds are expected by calendar year-end 2024.

This request-for exemption from establishing a quasi-endowment with the funds focuses on Brandeis School of Law's need for significant renovation and capital improvements to refresh the lobby, student areas, and bathrooms. A portion of the law school is housed in a beautiful historic building while newer areas have cinder block walls and dim lighting. The interior is dated and furnished with mismatched chairs, couches, and tables pieced together from remnants. Modest improvements will greatly enhance our interior and have a twofold impact: (1) our renovations will modernize our space and enable us to compete for students also looking at neighboring law schools housed in new buildings, and (2) simultaneously create student success spaces for group interactions and community building amongst our current law students.

The capital renovations we propose funding through the Nixon Estate gift include:

- **The Mosaic Lobby.** The Mosaic Lobby is the primary entrance to Brandeis School of Law for all students and visitors. The vision for the lobby is to update lighting, paint, and furniture. We will modernize our highest-used space in the building and extend these improvements to the general spaces connected to the lobby on the 2d floor and in the basement (which is used for classrooms and our student eating area). These areas will also be updated with lighting, paint, and new furnishings. The furniture – including charging ports and stations – in these connected areas will create pods where students can continue class debates, eat their lunch, or simply have a nook where they can prepare for their next class.
- **Student Lounge:** Law libraries have changed; hardcover books are used less since students rely on online databases for case and statutory citations. Repurposing a portion of the law library into a student lounge will be transformational for our building and our students. Brandeis School of Law needs student group study areas where students can work together or take a break between classes. The Nixon gift will enable us to repurpose space no longer needed for physical texts into a student lounge complete with paint, lighting, modular furniture, and updated technology so students can remain in the building between classes,



while using their time efficiently. A current complaint amongst students is that they have no comfortable area, where they can stay between classes. Thus, our students either leave the building or choose consecutive classes so they can come, leave, and never interact with their peers. This impacts our ability to create a community of law students which has lasting implications from difficulty in connecting for study groups to a lack of ties for alumni engagement.

Budget:

Mosaic Lobby and connecting space:
\$202,828

(This is from a quote from August 2023. If the costs exceed the quote, the balance will be covered by additional money received from the estate or by the Law School.)

Student Lounge in unused law library space:
\$231,929

(This is from a quote from October 2023. If the costs exceed the quote, the balance will be covered by additional money received from the estate or by the Law School.)

Any additional funds received from the estate will be used to cover cost increases on these two projects, and, if possible, toward creating a bathroom for female students in the basement, which currently only has a bathroom for male students.

Timeline:

We have contacted Planning, Design, and Construction for updated estimates. We would like to begin as soon as possible.

Approved by:*

DocuSigned by:

Signature on file

5/28/2024 | 21:03 EDT

A71D5873808A46D

Charles Perusse
Interim Executive Vice President for Finance and Administration

Signature on file

Kim Schatzel, PhD
President, University of Louisville

**After the above signatures are obtained, please note that this request still requires the approval of the University of Louisville Board of Trustees and the Board of the University of Louisville Foundation, Inc. The Office of Philanthropy and Alumni Engagement will coordinate obtaining these final approvals.*

RECOMMENDATION TO THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES
CONCERNING A RESOLUTION TO RENEW A LINE OF CREDIT

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve a resolution concerning the renewal of a line of credit, as [attached](#).

BACKGROUND:

The Board of Trustees originally approved the line of credit on April 18, 2019. It was most recently renewed by the board on June 22, 2023.

COMMITTEE ACTION:

Passed _____
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary

BOARD ACTION:

Passed _____
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary

A RESOLUTION AUTHORIZING THE ISSUANCE OF A REVENUE ANTICIPATION NOTE, SERIES 2025 OF THE UNIVERSITY OF LOUISVILLE; APPROVING THE FORM OF THE NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTE; AUTHORIZING THE AWARD OF THE SALE OF THE NOTE TO PNC BANK, NATIONAL ASSOCIATION; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the University of Louisville, a public body corporate and an educational institution and agency of the Commonwealth of Kentucky (the “Governmental Agency”) expects to receive general revenues during its fiscal year ending June 30, 2025 (the “2025 Fiscal Year”); and

WHEREAS, the Governmental Agency desires to provide for the borrowing of funds, if required, for the purpose of paying current expenses during its 2025 Fiscal Year through the issuance of a revenue anticipation note limited in principal amount outstanding at any time to \$25,000,000, the note to be repaid from current revenues received in the 2025 Fiscal Year, all in accordance with §§ 65.7703 to 65.7721, inclusive, of the Kentucky Revised Statutes (the “Act”); and

WHEREAS, as required by the Act, the Chair, Treasurer, Secretary, or Assistant Secretary of the Board of Trustees (the “Governing Body”) of the Governmental Agency, or the duly appointed President, Chief Financial Officer, or Treasurer of the Governmental Agency (each a “Designated Officer”), has, not more than thirty days before this date on which this Resolution is being adopted and furthermore hereby confirmed on this date, made an estimate, from budgeted revenues, of the revenues to be received during the period when the note will be outstanding and has certified that estimate by a duly executed document, attached hereto as Exhibit B (the “Collections Certificate ”); and

WHEREAS, PNC Bank, National Association (the “Purchaser”), has submitted an acceptable proposal to the Governmental Agency to provide funds as needed by the Governmental Agency during the 2025 Fiscal Year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE, AS FOLLOWS:

Section 1. Preambles. It is hereby found, determined, and declared that the facts, recitals, and definitions set forth in the recitals of this Resolution are true and correct and are hereby affirmed, and all acts described in the recitals of this Resolution are hereby ratified. Such facts, recitals, and definitions are hereby adopted and incorporated as a part of this Resolution.

Section 2. Authorization. The Governmental Agency hereby authorizes the issuance of a revenue anticipation note (the “Note”) limited in principal amount outstanding at any time to \$25,000,000, substantially in the form of Note attached hereto as Exhibit A, with such changes therein not inconsistent with this Resolution and not substantially adverse to the Governmental Agency as may be approved by the Designated Officers executing the same on behalf of the Governmental Agency. The approval of such changes by the Designated Officers, and that such are

not substantially adverse to the Governmental Agency, shall be conclusively evidenced by the execution of the Note by the Designated Officers.

Section 3. Form. The Note shall be designated “University of Louisville Revenue Anticipation Note, Series 2025” and shall be substantially in the form set forth in Exhibit A attached hereto. The maximum principal amount to be outstanding under the Note at any time shall be \$25,000,000. The Note shall mature June 30, 2025 and the Note shall bear interest at the stated interest rate on the outstanding principal amount thereof, payable at maturity or, upon prior redemption, the date of redemption.

The Note shall be subject to redemption, at the Governmental Agency’s sole discretion, before maturity on any date at the redemption price equal to the principal amount redeemed plus interest accrued to the redemption date. The Note shall be in registered form without coupons, shall be negotiable, shall be dated the date of delivery, and shall be payable as to principal on June 30, 2025, upon presentation by the owner at the offices of the Governmental Agency, in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time and place of payment.

The exact form of the Note shall contain an unconditional promise to pay the principal of and interest on the Note to the owner, shall pledge and grant a security interest in the current revenues of the Governmental Agency to the payment of the Note (pursuant to Section 6 herein), shall recite the valid issuance of the Note under the Act, shall provide for events of default, shall prohibit personal recourse against officials of the Governmental Agency, and shall certify proper achievement of all conditions precedent to the issuance of the Note.

Section 4. Execution and Delivery. The Note shall be executed by manual or facsimile signature of the President and duly attested by the Secretary or Assistant Secretary of the Governing Body. Any one of the Designated Officers are further authorized and directed to deliver the Note to the Purchaser, upon the terms and conditions hereinafter and in the Proposal provided, receive the proceeds therefor from time to time, execute and deliver such certificates and other closing documents, and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale, and delivery of the Note, including draws from time to time under the Note.

Section 5. Filing. Any one of the Designated Officers are hereby authorized and directed to certify and deliver, together with the Note, copies of this Resolution, and the Certificate as to Collections, the contents of which are hereby approved. Any one of the Designated Officers is hereby further authorized to undertake and cause all filings which may be required by law to be filed by the Governmental Agency with the State Local Debt Officer, if any, with respect to the issuance of the Note.

Section 6. Security. As security for payment of the Note, the Governmental Agency pledges and grants to the owner of the Note, a lien and charge on, and security interest in, all of the current revenues to be received during the period that the Note will be outstanding, subject and subordinate only to the pledge of, and security interest in, current revenues constituting General Receipts (as defined in the Trust Agreement hereinafter defined) granted for the benefit the holders of obligations issued under the provisions of a certain Trust Agreement dated as of March 1, 2007,

as amended and supplemented (collectively, the “Trust Agreement”) between the Governmental Agency and U.S. Bank National Association (the “Bond Trustee”).

In the event of any default on the Note or hereunder, to the extent not in conflict with the law of the Commonwealth of Kentucky, the Governmental Agency agrees to pay the reasonable expenses of the Purchaser and the owner (including courts costs and attorney’s fees) incurred in collecting the amounts due.

Section 7. Note Retirement Fund; Payment of Note. PNC Bank, National Association is hereby appointed Note Retirement Fund Depository with respect to the Note.

There is hereby established with the Note Retirement Fund Depository a note retirement fund in the name of the Governmental Agency to be known as the “University of Louisville Revenue Anticipation Note, Series 2025 - Note Retirement Fund” (the “Note Retirement Fund”) into which the Governmental Agency covenants to deposit, and into which the Designated Officer, acting in the additional capacity of paying agent and registrar for the Note (the “Paying Agent and Registrar”) is hereby authorized and directed to deposit, on or before the date of prior redemption or maturity, as applicable, adequate amounts as necessary to pay the obligations of the Note. The Note Retirement Fund Depository, being the Purchaser, shall, without further authorization from the Governmental Agency, withdraw from the Note Retirement Fund the amounts necessary to pay principal of, and interest on, the Note to the registered owner thereof. Notwithstanding the foregoing, so long as the Purchaser shall be the registered owner of the Note, payments by the Governmental Agency may, in lieu of deposit to the Note Retirement Fund, be made directly by the Governmental Agency to the Purchaser at the notice address specified in the Note.

If the Governmental Agency shall fail or refuse to make any required deposit in the Note Retirement Fund, the Purchaser as Note Retirement Fund Depository: (a) shall notify any agency of the Commonwealth of Kentucky or any political subdivision thereof which may collect and distribute revenues for the Governmental Agency to seek any available necessary or proper remedial action; and (b) may exercise any remedy provided in the Act, at law, or in equity for its benefit and shall disburse all funds so collected to the Purchaser.

Section 8. Note Retirement Fund; Investments. Any moneys in the Note Retirement Fund not required for prompt expenditure may, at the direction of the Designated Officer of the Governmental Agency, be invested in obligations which are permitted investments for the Governmental Agency. Any such investments or deposits shall mature or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the owner of the Note.

Section 9. Revenue Obligation. The Note issued pursuant to this Resolution shall be a revenue obligation of the Governmental Agency. The Governmental Agency hereby covenants with the owner from time to time of the Note that if funds are not available for the full payment of the Note within the 2025 Fiscal Year, then the Governmental Agency will include the amounts necessary to pay all principal of and interest on the Note in its budget in the fiscal year beginning July 1, 2025, to the extent then permitted by applicable law.

Section 10. Award. The Note is hereby awarded and sold at private sale by negotiation to PNC Bank, National Association, in accordance with the Proposal, which, as presented at this meeting, is hereby accepted and directed to be executed by the Designated Officers.

Section 11. Costs. All notice, filing, and legal fees properly incurred in connection with issuance of the Note will be paid by the Governmental Agency. The Designated Officers are hereby authorized and directed to pay all such reasonable expenses at the time of delivery of the Note.

Section 12. Information to Purchaser. As set forth in the Proposal, the Governmental Agency agrees to provide to Purchaser such documents, financial statements, and other information related to the Note and its repayment as may reasonably be required by the Purchaser.

Section 13. Resolution a Contract. This Resolution shall be a contract with the Purchaser of the Note.

Section 14. Inconsistent Actions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

[Signature page to follow]

SIGNATURE PAGE TO RESOLUTION APPROVING REVENUE ANTICIPATION NOTE

INTRODUCED, SECONDED, AND DULY ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE at a duly convened meeting of the Board of Trustees of the Governmental Agency held on the date set forth below.

Dated June 27, 2024.

Chair
Board of Trustees
University of Louisville

Attest:

Assistant Secretary
Board of Trustees
University of Louisville

CERTIFICATION

The undersigned, Assistant Secretary of the Board of Trustees of the University of Louisville, Louisville, Kentucky, hereby certifies that the foregoing is a true copy of a Resolution adopted by the Board of Trustees of the University on June 27, 2024, as recorded in the official Minute Book of the Board of Trustees, which is in my custody and under my control, that the meeting was held in accordance with all applicable requirements of Kentucky law, including KRS §§ 61.800 to 61.850, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

WITNESS my signature this _____.

Assistant Secretary
Board of Trustees
University of Louisville

EXHIBIT A
to
RESOLUTION AUTHORIZING REVENUE ANTICIPATION NOTE
FORM OF REVENUE ANTICIPATION NOTE

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
UNIVERSITY OF LOUISVILLE
REVENUE ANTICIPATION NOTE, SERIES 2025

Issuance Date: July 1, 2024
Maturity Date: June 30, 2025
Interest Rate: Variable, as described herein
Outstanding Principal Amount: See Annex A
Maximum Principal Amount: \$25,000,000

The University of Louisville (the “Governmental Agency”), for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay to PNC Bank, National Association (the “Registered Owner”) the Outstanding Principal Amount set forth above, on the Maturity Date hereof, at the designated corporate office of PNC Bank, National Association upon presentation and surrender of this Note, and to pay interest thereon from the Issuance Date monthly on the first day of each month, or the next succeeding Business Day if such date is not a Business Day, and on the Maturity Date. Interest shall be payable on the then Outstanding Principal Amount and shall bear interest at a floating rate per annum equal to the Standard Rate (as defined herein). Interest shall be calculated based on a 360-day year and charged for the actual number of days elapsed. The interest rate applicable to this Note, whether the Standard Rate or otherwise, shall initially be determined as of July 1, 2024, and shall be adjusted automatically each day thereafter.

If the applicable interest rate is based on a Benchmark (as defined below) and the Registered Owner determines (which determination shall be final and conclusive) that (A) such Benchmark cannot be determined pursuant to its definition other than as a result of a Benchmark Transition Event (as defined below), or (B) any enactment, promulgation, or adoption of or any change in any applicable law, rule, or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by the Registered Owner with any guideline, request, or directive (whether or not having the force of law) of any such authority, central bank, or comparable agency shall make it unlawful or impracticable for the Registered Owner to make or maintain or fund loans based on such Benchmark, then the Registered Owner shall give notice thereof to the Governmental Agency. Thereafter, until the Registered Owner notifies the Governmental Agency that the circumstances giving rise to such determination no longer exist, the interest rate for all amounts outstanding under this Note that otherwise would bear interest based on such Benchmark shall be equal to the Base Rate.

Notwithstanding anything to the contrary herein or in the Resolution (as defined below), if the Registered Owner determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Registered Owner may amend this Note to replace such Benchmark with a Benchmark Replacement (as defined below); and any such amendment shall be in writing, shall specify the date that the Benchmark Replacement is effective and will not require any further action or consent of the Governmental Agency. Until the Benchmark Replacement is effective, amounts bearing interest with reference to a Benchmark will continue to bear interest with reference to such Benchmark as long as such Benchmark is available, and otherwise such amounts automatically will bear interest at the Base Rate. In connection with the implementation and administration of a Benchmark Replacement, the Registered Owner will have the right to make technical, administrative, or operational changes from time to time that the Registered Owner decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Registered Owner in a manner substantially consistent with market practice or as reasonably necessary as determined by the Registered Owner (which determination shall be final and conclusive) and, notwithstanding anything to the contrary herein or in the Resolution, any amendments implementing such technical, administrative, or operational changes will become effective without any further action or consent of the Governmental Agency. The Registered Owner will promptly notify the Governmental Agency of any such technical, administrative, or operational changes.

Capitalized terms used and not defined elsewhere in this Note shall have the following meanings:

“Benchmark” means, at any time, any interest rate index then used in the determination of an interest rate under the terms of this Note. Once a Benchmark Replacement becomes effective under this Note, it is a Benchmark. The initial Benchmark under this Note is Daily Simple SOFR.

“Base Rate” means the greater of (A) the Prime Rate, and (B) the sum of the Overnight Bank Funding Rate plus fifty (50) basis points (0.50%); provided, however, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amount to which the Base Rate applies will change automatically without notice to the Governmental Agency, effective on the date of any such change.

“Benchmark Replacement” means, for any Benchmark, the sum of (a) an alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case that has been selected by the Registered Owner as the replacement for such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the official sector or any official sector-sponsored committee or working group, for U.S. dollar-denominated credit facilities at such time; provided that, if the Benchmark Replacement as determined pursuant to the foregoing would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Note.

“Benchmark Transition Event” means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority

with jurisdiction over the administrator for such Benchmark, or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

“Business Day” means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Louisville, Kentucky; provided that, when used in connection with an amount that bears interest at a rate based on SOFR or any direct or indirect calculation or determination involving SOFR, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), the interest rate per annum determined by the Registered Owner by dividing (the resulting quotient rounded upwards, at the Registered Owner’s discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the “SOFR Determination Date”) that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage, in each case, as such SOFR is published by the NYFRB (or a successor administrator of the secured overnight financing rate) on the website of the NYFRB, currently at <http://www.newyorkfed.org>, or any successor source identified by the NYFRB or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the Floor, then Daily Simple SOFR shall be deemed to be the Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of “SOFR”; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to the Governmental Agency, effective on the date of any such change.

“Default Rate” means the rate per annum equal to the lesser of (A) the sum of 3% plus the interest rate otherwise in effect from time to time under this Note and (B) the Maximum Rate.

“Floor” means a rate of interest per annum equal to zero.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Registered Owner).

“Maximum Rate” means the maximum rate of interest allowed by applicable law.

“NYFRB” means the Federal Reserve Bank of New York.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Registered Owner for the purpose of displaying such rate); provided that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate shall be determined by the Registered Owner at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Governmental Agency.

“Prime Rate” means the rate publicly announced by the Registered Owner from time to time as its prime rate. The Prime Rate is determined from time to time by the Registered Owner as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Registered Owner to any particular class or category of customers.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Reserve Percentage” means, for any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitations, supplemental, marginal and emergency reserve requirements) with respect to SOFR funding.

“Standard Rate” means a rate per annum equal to 0.60% plus Daily Simple SOFR.

“U.S. Government Securities Business Day” means any day except for (A) a Saturday or Sunday or (B) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

The Governmental Agency may borrow, repay, and reborrow hereunder and the Registered Owner may advance and readvance under this Note from time to time (each an “advance” and together the “advances”) until the Expiration Date, subject to the terms and conditions of this Note. The “Expiration Date” shall mean June 30, 2025, or such later date as may be designated by the Registered Owner by written notice from the Registered Owner to the Governmental Agency. The Governmental Agency acknowledges and agrees that in no event will the Registered Owner be under any obligation to extend or renew this Note beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under this Note exceed the Maximum Principal

Amount of this Note and in no event shall the aggregate sum of all principal advances borrowed and reborrowed under this Note exceed \$1,293,000,000.

If permitted by the Registered Owner, a request for advance may be made by telephone or electronic mail, or delivered in accordance with the Registered Owner's security procedures through any automated platform or electronic service provided by the Registered Owner, with such confirmation or verification (if any) as the Registered Owner may require in its discretion from time to time. A request for advance by the Governmental Agency shall be binding upon the Governmental Agency. The Governmental Agency authorizes the Registered Owner to accept telephonic, email, automated and electronic requests for advances, and the Registered Owner shall be entitled to rely upon the authority of any person providing such instructions. The Registered Owner will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, as well as the date and amount of each payment made by the Governmental Agency.

From and after the Issuance Date until the Maturity Date or earlier termination of this Note, the Governmental Agency shall pay to the Registered Owner an unused facility fee (the "Unused Fee"), computed at a rate equal to 0.15% per annum, on the average daily difference between (i) the Outstanding Principal Amount of this Note and (ii) the Maximum Principal Amount of this Note, such Unused Fee to be payable monthly in arrears on the first Business Day of the following month and on the Maturity Date of this Note and/or the earlier date this Note is terminated.

If the Governmental Agency fails to make any payment of principal, interest, or other amount coming due pursuant to the provisions of this Note within fifteen calendar days of the date due and payable, the Governmental Agency also shall pay to the Registered Owner a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$100.00 (the "Late Charge"). Such fifteen day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand, or otherwise, and at the Registered Owner's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Note shall bear interest at the Default Rate based on the actual number of days that principal is outstanding over a year of 360 days. The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Registered Owner's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Registered Owner's exercise of any rights and remedies hereunder or under applicable law, and any fees and expenses of any agents or attorneys which the Registered Owner may employ. In addition, the Default Rate reflects the increased credit risk to the Registered Owner of carrying a loan that is in default. The Governmental Agency agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Registered Owner, and that the actual harm incurred by the Registered Owner cannot be estimated with certainty and without difficulty.

To the extent not in conflict with the law of the Commonwealth of Kentucky, on written demand, together with written evidence of the justification therefor, the Governmental Agency agrees to pay the Registered Owner all reasonable direct costs incurred, any losses suffered, or payments made by the Registered Owner as a result of any Change in Law (hereinafter defined),

imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Registered Owner, its holding company, or any of their respective assets relative to the loan evidenced by this Note. “Change in Law” means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, or treaty; (b) any material change in any law, rule, regulation, or treaty or in the administration, interpretation, implementation, or application thereof by any governmental authority; or (c) the making or issuance of any request, rule, guideline, or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary: (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith; and (ii) all requests, rules, guidelines, or directives promulgated by the Registered Owner for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, or issued.

The occurrence of any of the following events will be deemed to be an “Event of Default” under this Note: (i) the nonpayment of any principal, interest, or other indebtedness under this Note when due, which nonpayment shall continue for five Business Days after written notice from Registered Owner; (ii) the occurrence and continuance of any event of default or any default and the lapse of any notice or cure period, or the Governmental Agency’s failure to observe or materially perform any covenant or other agreement, under or contained in any document evidencing or securing any debt, liability, or obligation of the Governmental Agency to the Registered Owner; (iii) the filing by or against the Governmental Agency of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship, or similar proceeding (and, in the case of any such proceeding instituted against the Governmental Agency, such proceeding is not dismissed or stayed within sixty days of the commencement thereof, provided that the Registered Owner shall not be obligated to advance additional funds hereunder during such period); (iv) any assignment by the Governmental Agency for the benefit of creditors, or any levy, garnishment, attachment, or similar proceeding is instituted against any property of the Governmental Agency held by or deposited with the Registered Owner as security for any obligation of the Governmental Agency; (v) a default with respect to any other indebtedness of the Governmental Agency for borrowed money, if the effect of such default is to cause or permit the acceleration of such debt; or (vi) any representation or warranty made by the Governmental Agency to the Registered Owner in this Note or any other documents now or in the future evidencing the obligation to the Registered Owner, is false, erroneous or misleading in any material respect.

Upon the occurrence and during the continuance of an Event of Default: (a) the Registered Owner shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur and be continuing, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur and be continuing, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Registered Owner’s option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Registered Owner’s option, this Note will bear interest at the Default

Rate from the date of the occurrence of the Event of Default and during the continuance of such Event of Default; and (e) the Registered Owner may exercise from time to time any of the rights and remedies available hereunder or under applicable law.

The Governmental Agency represents and certifies to the Registered Owner, as of the date of this Note, the date of each advance of proceeds under this Note, the date of any renewal, extension or modification of this Note, and at all times until this Note has been terminated and all amounts thereunder have been indefeasibly paid in full, that, to the Governmental Agency's knowledge, after reasonable inquiry: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody, or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order, or directive enforced by any Compliance Authority; (b) the proceeds of this Note will not be used to fund any operations in, finance any investments or activities in, or make any payments to a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order, or directive enforced by any Compliance Authority; (c) the funds used to repay this Note are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. The Governmental Agency covenants and agrees that it shall immediately notify the Registered Owner in writing upon the occurrence of a Reportable Compliance Event.

As used herein: "Anti-Terrorism Laws" means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented, or replaced from time to time; "Compliance Authority" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "Covered Entity" means the Governmental Agency, its affiliates and subsidiaries, and all brokers or other agents of the Governmental Agency acting in any capacity in connection with the loan evidenced by this Note; "Reportable Compliance Event" means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated, or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; "Sanctioned Country" means a country subject to a sanctions program maintained by any Compliance Authority; and "Sanctioned Person" means any individual person, group, regime, entity, or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned, or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder ("Notices") must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Note) and will be effective upon

receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission, and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices shall be sent to the parties' respective addresses as follows:

Governmental Agency: University of Louisville
Service Complex, 2nd Floor
Louisville, Kentucky 40292
Attention: Controller/Treasurer
Phone: 502-852-6272
E-Mail: michelle.comer@louisville.edu

Registered Owner: PNC Bank, National Association
101 South Fifth Street
Louisville, Kentucky 40202
Floor 37
Louisville, Kentucky 40202
Attention James Ritter, Vice President
Phone: 502-581-4993
E-Mail: james.ritter@pnc.com

No delay or omission on the Registered Owner's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Registered Owner's action or inaction impair any such right or power. The Registered Owner's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Registered Owner may have under other agreements, at law or in equity. No modification, amendment, or waiver of, or consent to any departure by the Governmental Agency from, any provision of this Note will be effective unless made in a writing signed by the Registered Owner, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Registered Owner may modify this Note for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Registered Owner shall send a copy of any such modification to the Governmental Agency (which notice may be given by electronic mail). The Governmental Agency agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Registered Owner in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Registered Owner's counsel. If any provision of this Note is found to be invalid, illegal, or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Governmental Agency and all other makers and endorsers of this Note hereby forever waive presentment, protest, notice of dishonor, and notice of non-payment. This Note shall bind the Governmental Agency and its successors and assigns, and the benefits hereof shall inure to the benefit of the Registered Owner and its successors and assigns; provided, however, that the Governmental Agency may not assign this Note in whole or in part without the Registered Owner's written consent and the Registered Owner at any time may assign this Note in whole or in part.

Principal and interest on this Note is payable in such coin or currency of the United States of America as at the time and place of payment is legal tender for the payment of public and private debts all as hereinafter contained and in the Resolution authorizing the same adopted within thirty days of the date hereof. This Note is subject to early redemption, on any date, upon reasonable notice, at a redemption price equal to the principal amount redeemed, plus interest accrued to the redemption date.

This Note is issued under and pursuant to §§ 65.7703 to 65.7721, inclusive, of the Kentucky Revised Statutes (the “Act”). The indebtedness evidenced hereby is a borrowing in anticipation of current revenues to be received by the Governmental Agency during the fiscal year in which this Note has been issued and is to be repaid from such revenues once received.

In order to secure the payment of the principal indebtedness evidenced hereby and the interest hereon, the Governmental Agency hereby pledges and grants (equally and ratably with all other revenue anticipation notes issued by the Governmental Agency for the current fiscal year) to the Registered Owner of this Note, a lien and charge on, and security interest in, its current revenues to be received during the period when this Note is outstanding, subject and subordinate only to the pledge of, and security interest in, current revenues constituting General Receipts (as defined in the Trust Agreement hereinafter defined) granted for the benefit of the holders of obligations issued under the provisions of a certain Trust Agreement dated as of March 1, 2007, as amended and supplemented (collectively, the “Trust Agreement”) between the Governmental Agency and U.S. Bank National Association (the “Bond Trustee”).

This Note is executed and delivered pursuant to a Resolution adopted by the Governmental Agency upon the affirmative vote of at least a majority of the members of its Governing Body at a public meeting duly and regularly held, and after filing proper notice with the State Local Debt Officer of the Commonwealth of Kentucky (the “Resolution”).

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent, or employee, past, present, or future, of the Governmental Agency, as such, either directly or through the Governmental Agency, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents, or employees is hereby renounced, waived, and released as a condition of and as consideration for the issuance, execution, and acceptance of this Note.

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Kentucky (the “State”). THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE REGISTERED OWNER AND THE GOVERNMENTAL AGENCY DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN EFFECT IN THE COMMONWEALTH OF KENTUCKY (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each borrower that opens an account. What this means: when the Governmental Agency opens an account, the Registered Owner will ask for the business name, business address, taxpayer identifying number, and other information that will allow the Registered Owner to identify the Governmental Agency, such as organizational documents. For some businesses and organizations, the Registered Owner may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

THE GOVERNMENTAL AGENCY IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE GOVERNMENTAL AGENCY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GOVERNMENTAL AGENCY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

It is hereby certified that all acts, conditions, and things required to be done, to occur, or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred, and have been performed in regular and due form and manner as required by law, and that the repayment obligation represented by this Note is not in excess of any constitutional or statutory limitation.

[Signature page to follow]

SIGNATURE PAGE TO REVENUE ANTICIPATION NOTE

IN WITNESS WHEREOF, the Governmental Agency has caused this Note to be signed in its name by its President, duly attested by the Assistant Secretary of the Governing Body of the Governmental Agency, all as of the date set forth above.

UNIVERSITY OF LOUISVILLE

By: _____
President

Attest:

Assistant Secretary
Board of Trustees

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below, and upon notation of the same upon the books of the University of Louisville, acting by and through its Designated Officer as Registrar for this Note, maintained for such purpose, unless this Note shall be registered to bearer, in which case it shall be validly negotiated by delivery only. The Governmental Agency and the Registrar shall treat the Registered Owner of this Note, as noted hereon and on said books, or the bearer, if registered as to bearer, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner
PNC Bank, National Association

| <u>Date</u> | <u>Transferor</u> | <u>Subsequent Purchaser</u> | <u>Acknowledgement of Registrar</u> |
|-------------|-------------------|-----------------------------|-------------------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

For value received, the last-named Transferor, by its due execution above, does hereby, on the above-stated date, sell, transfer and negotiate this Note unto the last-named Subsequent Purchaser identified above (the "Subsequent Purchaser"), warranting that this transfer is effective and rightfully; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note, and further irrevocably authorizes and directs the University of Louisville, acting through its Designated Officer as Registrar, to make this transfer on its books maintained for such purpose.

The University of Louisville, acting through its Designated Officer as Registrar, by its due execution above, on the above stated date, acknowledges the transfer of this Note unto the Subsequent Purchaser, who shall now be recognized as Registered Owner, and has noted such transfer on its books.

EXHIBIT B
to
RESOLUTION AUTHORIZING REVENUE ANTICIPATION NOTE

COLLECTIONS CERTIFICATE
FOR
UNIVERSITY OF LOUISVILLE
REVENUE ANTICIPATION NOTE, SERIES 2025

The undersigned Controller/Treasurer of the University of Louisville (the “Governmental Agency”), who is charged, among others, with the responsibility of issuing and delivering the University of Louisville Revenue Anticipation Note, Series 2025 (the “Note”), certifies that:

1. It has been estimated that the amounts of moneys shown in Schedule A attached hereto, will be received by the Governmental Agency current revenues (including without limitation subsidies, reimbursements, and interest earnings, including interest earnings on Note proceeds) during the fiscal year ending June 30, 2025 (the “2025 Fiscal Year”).

2. The aggregate principal amount of the Note, plus the principal amount of any and all other borrowings pursuant to revenue anticipation notes currently outstanding in the fiscal year ending June 30, 2025, does not exceed 75% of the sum of the estimated receipts set out in Schedule A attached hereto, during the period beginning on the date hereof and ending on the last day of the 2025 Fiscal Year.

3. The estimates set out on Schedule A attached hereto, are in accordance with the duly adopted budget of the Governmental Agency and take into account the past and anticipated collection experience of the Governmental Agency and current economic conditions.

4. To the best of my knowledge and belief, the expectations stated herein are reasonable and there are no other facts, estimates, or circumstances which would materially change the conclusions set out herein.

5. The certifications contained herein are made pursuant to §§ 65.7703 to 65.7721, inclusive, of the Kentucky Revised Statutes (the “Act”) and Section 148 of the Code and the Regulations thereunder.

DULY EXECUTED as of a date not more than thirty days before the date of adoption of the Resolution authorizing the Note and to be confirmed on the date of such adoption.

UNIVERSITY OF LOUISVILLE

By: _____
Controller/Treasurer

Dated: _____

SCHEDULE A
to
COLLECTIONS CERTIFICATE
FOR
UNIVERSITY OF LOUISVILLE
REVENUE ANTICIPATION NOTE, SERIES 2025

CALCULATION OF BORROWING LIMIT FOR NOTE

| <u>Date</u> | <u>Revenues</u> |
|------------------------------|------------------------|
| July 1, 2024 – June 30, 2025 | <u>\$1,724,000,000</u> |
| Total | <u>\$1,724,000,000</u> |
| x 75% = | <u>\$1,293,000,000</u> |

UNIVERSITY OF LOUISVILLE
REVENUE ANTICIPATION NOTE, SERIES 2025

TRANSCRIPT OF PROCEEDINGS

Dinsmore & Shohl LLP
Louisville, Kentucky
July 1, 2024

TRANSCRIPT OF PROCEEDINGS

UNIVERSITY OF LOUISVILLE
REVENUE ANTICIPATION NOTE, SERIES 2025

Dated: July 1, 2024

1. Opinion of Dinsmore & Shohl LLP
2. Opinion of University General Counsel
3. Settlement Certificate and Receipt
4. Evidence of Notice to State Local Debt Officer
5. Specimen Revenue Anticipation Note, Series 2025
6. Loan and Note Purchase Agreement
7. Note Resolution (including Certificate as to Collections)
8. Investment Letter of Original Purchaser

DISTRIBUTION LIST

Charles Perusse
University of Louisville
Interim Chief Financial Officer
2301 South 3rd Street, Suite 108
Louisville, Kentucky 40292

Angela Curry
General Counsel
Office of University Counsel
University of Louisville
2301 South 3rd Street
206 Grawemeyer Hall
Louisville, Kentucky 40292

Mr. Jim Ritter
Vice President, Public Finance
PNC Financial Services Group
101 South Fifth Street
Louisville, Kentucky 40202

(Unbound Originals)
Document Control Center/PNC Bank, N.A.
Commercial Lending Services
500 First Avenue
4th Floor (P7-PFSC-04-L)
Pittsburgh, Pennsylvania 15219

Alex P. Herrington, Jr.
Stites & Harbison, PLLC
400 West Market Street, Suite 1800
Louisville Kentucky 40202-3352

Mark S. Franklin
Dinsmore & Shohl LLP
101 South Fifth Street, Suite 2500
Louisville, Kentucky 40202



July 1, 2024

PNC Bank, National Association
Louisville, Kentucky

Re: University of Louisville Revenue Anticipation Note, Series 2025

Ladies and Gentlemen:

We have examined the transcript submitted relating to the issue of the referenced note (the "Note") of the University of Louisville (the "Governmental Agency"), dated the date hereof, and maturing June 30, 2025.

The Note is issued under the general laws of the Commonwealth of Kentucky, particularly §§ 65.7703 to 65.7721, inclusive, of the Kentucky Revised Statutes, and by virtue of certain resolutions and proceedings of the governing body of the Governmental Agency in relation thereto, in anticipation of the collection of current revenues during the period from July 1, 2024 through June 30, 2025 (the "2025 Fiscal Year"), to provide funds to meet current expenses.

We are of the opinion that the laws under which the Note is issued are constitutional and the proceedings regular and in due form.

The form of Note submitted we deem proper and correct, and the Note, when issued and paid for, will, in our opinion, be a valid and binding special obligation of the Governmental Agency, payable solely from such current revenues collected by the Governmental Agency during the 2025 Fiscal Year.

Under the laws, regulations, rulings, and judicial decisions in effect as of the date hereof, interest on the Note is includable in gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). We express no other opinion as to the federal tax consequences of purchasing, holding, or disposing of the Note.

Interest on the Note is exempt from income taxation by the Commonwealth of Kentucky, and the Note is exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

This opinion is based upon laws, regulations, rulings, and decisions in effect on the date hereof. In giving this opinion, we have relied upon covenants and certifications of facts, estimates, and expectations made by the Governmental Agency and others which we have not independently verified. It is to be understood that the enforceability of the Note may be subject to bankruptcy, insolvency, reorganization, moratorium, and other laws in effect from time to time affecting

Page 2

creditors' rights, and to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

[On Letterhead of University General Counsel]

July 1, 2024

PNC Bank, National Association
Louisville, Kentucky

Dinsmore & Shohl LLP
Louisville, Kentucky

Re: University of Louisville Revenue Anticipation Note, Series 2025

Ladies and Gentlemen:

I am an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky (the “Commonwealth”) and as General Counsel for the University of Louisville (the “Governmental Agency”), I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the above-identified Note (the “Note”) and the Resolution of the Governmental Agency adopted on June 27, 2024 authorizing the Note (the “Note Resolution”).

I have reviewed the form of the Note, the Note Resolution authorizing the execution and delivery of the Note, and the proceedings of the Governmental Agency with respect to the Note. As to certain questions of fact, I have relied upon statements and certifications of certain of the officers, officials, and employees of the Governmental Agency. I express no opinion as to the laws of any jurisdiction other than the laws of the Commonwealth of Kentucky.

Based upon my review, I am of the opinion that:

1. The Governmental Agency is a validly existing public body corporate and an agency and instrumentality and public educational institution of the Commonwealth of Kentucky with full power to own its properties and conduct its affairs.

2. The Note Resolution has been duly and properly adopted by the Governmental Agency and the Note has been duly authorized, executed, and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency, or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors’ rights or remedies generally.

3. The Governmental Agency has all necessary power and authority to adopt the Note Resolution and to perform and consummate all transactions contemplated thereby, and to execute

and deliver the documents and instruments to be executed and delivered by it in connection with the issuance of the Note.

4. The issuance of the Note does not and will not conflict with, violate, or constitute a default under any court or administrative order, decree, or ruling, or any law, statute, order, resolution, or regulation, or any agreement, indenture, mortgage, lease, note, or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets, and the Governmental Agency has obtained each and every authorization, consent, permit, approval, or license of, or filing or registration with (other than filings related to securities laws, if any), any court or governmental department, commission, board, bureau, agency, or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution and delivery of the Note.

5. To the best of my knowledge after due inquiry there is no action, suit, proceedings, or investigation at law or in equity before any court, public board, or body pending or threatened against, affecting, or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery, or enforceability of the Note or the application of any monies or security therefor, or (iv) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Note or Note Resolution.

6. None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution, or delivery of the Note has or have been repealed, rescinded, or revoked.

7. All proceedings and actions of the Governmental Agency with respect to which the Note is to be issued and delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of §§ 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

SETTLEMENT CERTIFICATE AND RECEIPT

Dated July 1, 2024

I, the undersigned Assistant Secretary of the Board of Trustees (the “Governing Body”) of the University of Louisville (the “Governing Agency”), do hereby certify in connection with the issuance of its Revenue Anticipation Note, Series 2025 (the “Note”), that:

1. The persons named below are now, and have been at all times relevant to the authorization and issuance of the Note, the duly elected or appointed incumbents of the designated offices of the Governmental Agency, and the signature, if any, appearing on any and all documents related to this transaction, including particularly the Note, is such person’s genuine signature:

| <u>Print Name</u> | <u>Signature</u> | <u>Official Title</u> |
|-------------------|------------------|-----------------------|
| _____ | _____ | President |
| _____ | _____ | Treasurer |
| _____ | _____ | Assistant Secretary |

2. The attached is a complete and accurate transcript (the “Transcript”) of all of the proceedings of the Governmental Agency taken with regard to the authorization, issuance and sale of the Note; that the copies of the Resolution authorizing the Note (the “Note Resolution”) and agreements, certifications, and other proceedings of the Governmental Agency contained in this Transcript are true, complete and correct as of this date; and that neither the Note Resolution or other proceedings have been rescinded, repealed, or amended and all are as of this date in full force and effect.

3. All meetings of the Governing Body, and of its committees and any other public bodies, at which the formal actions contained in the Transcript were taken, or at which deliberations that resulted in such formal actions were held, were open meetings, and such formal actions were taken and any such deliberations took place while such meetings, after proper notice, were open to the public, in compliance with all legal requirements including KRS §§ 61.810, 61.815, 61.820, and 61.823.

4. The Collections Certificate attached to the Note Resolution is hereby reaffirmed and republished as of the date hereof.

5. The Note has been sold pursuant to the Note Resolution upon receipt of an acceptable proposal at negotiated sale to PNC Bank, National Association for a price equal to the principal amount drawn thereunder from time to time.

6. There is no litigation pending or threatened affecting the Governmental Agency, the validity of the incurring of indebtedness of the Governmental Agency in respect of the Note or affecting the validity of any action taken by the Governing Body of the Governmental Agency in connection with the authorization or issuance of the Note or otherwise affecting the validity of the Note or the security thereof.

[Signature page to follow]

SIGNATURE PAGE TO SETTLEMENT CERTIFICATE AND RECEIPT

IN WITNESS WHEREOF, I have hereunto set my hand as the Assistant Secretary of the Governing Body of the Governmental Agency as of the date first set out above.

UNIVERSITY OF LOUISVILLE,
Governmental Agency

By: _____

Jake Beamer
Assistant Secretary
Board of Trustees

[On Letterhead of PNC Bank, National Association]

July 1, 2024

University of Louisville
Louisville, Kentucky

Dinsmore & Shohl LLP
Louisville, Kentucky

Re: University of Louisville 2025 Revenue Anticipation Note

Ladies and Gentlemen:

The undersigned, purchaser of the above-captioned issue (the “Note”), hereby represents to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note.
2. We are aware that the operations of the University of Louisville (the “University”) involve certain economic variables and risks that could affect adversely the security of our investment in the Note.
3. We are able to bear the economic risks of such investment.
4. We acknowledge that no offering circular, official statement, prospectus, or other comprehensive offering statement containing material information with respect to the University or the Note, has been provided to us and we have made our own inquiry and analysis with respect to the University, the Note and the security therefor, and other material factors affecting the security and payment of the Note.
5. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making its investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the University, the Note and the security therefor, so that as a reasonable investor, we have been able to make our decisions to purchase the Note.
6. We understand that the Note (a) is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) will carry no rating from any rating service.

7. We do not intend to divide the Note purchased by us nor to resell or otherwise dispose of all or any part of the Note purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Note and subject to applicable banking and securities laws and regulations thereunder. The disposition of our property, of course, shall at all times remain within our control.

PNC BANK, NATIONAL ASSOCIATION

By: _____
Vice President

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE PROPOSED ASSET PRESERVATION PROJECTS FOR FY25 & FY26

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve the Asset Preservation Project Plan to spend \$86,382,000 to preserve, repair, or adaptively re-use the university’s current facility and infrastructure assets.

BACKGROUND:

An itemized list of project costs is [attached](#).

As part of the 2024-26 biennial budget, the 2024 Regular Session House Bill 1 authorized \$563.0 million in General Fund support for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky institutions. The University of Louisville’s allotment from that authorization is \$69,106,000 and the University is required to contribute \$17,276,000 for a total of \$86,382,000 in authorized spending. Expenditures for asset preservation are intended to keep the physical plant and infrastructure in reliable operating condition for their present use and must adhere to the Council on Postsecondary Education Asset Preservation guidelines and applicable state law.

COMMITTEE ACTION:

Passed X
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary

BOARD ACTION:

Passed X
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary

PROPOSED ASSET PRESERVATION PROJECTS FOR FY25 & FY26

| Category | Buildings | Campus | Description | Category Total Budget | FY25 Budget | FY26 Budget |
|---|-------------------------|-------------|--|-----------------------|-------------|-------------|
| Recruitment and Retention (Space Improvements) including HVAC upgrades in Humanities | | | | 31,600,000 | | |
| | Miller IT (MITC) | Belknap | Refresh and repurpose spaces in MITC. This includes the following in select rooms: painting, flooring, lighting, ceilings, replacing old/damaged furniture. Includes reconfigure of spaces for student facing spaces, which will involve demolition of walls to redesign for student facing spaces. | | 2,000,000 | 3,000,000 |
| | Humanities | Belknap | Refresh and repurpose spaces in Humanities. This includes the following in select rooms: painting, flooring, lighting, replacing old/damaged furniture. Includes reconfigure of current classrooms to right size for class schedule needs, which will involve demolition of walls to redesign for student facing spaces. | | 2,000,000 | 4,000,000 |
| | Humanities | Belknap | HVAC upgrades | | 7,000,000 | 8,000,000 |
| | Humanities | Belknap | Electrical Upgrade | | 1,000,000 | 1,500,000 |
| | Humanities | Belknap | Sprinkler Systems Upgrade | | 100,000 | |
| | Strickler | Belknap | Refresh and repurpose public spaces in Strickler Hall. This includes the following in select spaces: painting, flooring, lighting, replacing old/damaged furniture. | | 500,000 | 500,000 |
| | Life Sciences | Belknap | Refresh lab spaces in Life Sciences. This would include completing refresh in spaces that were partially updated with the FY23 and FY24 asset preservation funds and other untouched lab spaces. Additional refresh would be included for other select rooms: painting, flooring, lighting, replacing old/damaged furniture. | | | 1,500,000 |
| | Houchens | Belknap | Refresh the exterior of the Houchens building on the side of the service road. | | | 250,000 |
| | Various Bldgs | HSC/Belknap | Refresh and refurbishment of student facing spaces in various buildings | | | 250,000 |
| | | | | | | |
| ADA | | | | 1,000,500 | | |
| | Various Bldgs | | ADA Upgrades in various buildings | | 500,250 | 500,250 |
| Steam & Chill Upgrade | | | | 32,000,000 | | |
| | Steam and Chiller Plant | Belknap | | | 18,000,000 | 14,000,000 |

PROPOSED ASSET PRESERVATION PROJECTS FOR FY25 & FY26

| Category | Buildings | Campus | Description | Category Total Budget | FY25 Budget | FY26 Budget |
|------------------------------|---------------------------|---------|--|-----------------------|-------------|-------------|
| HVAC | | | | 8,126,500 | | |
| | 55B School of Medicine | HSC | 55B School of Medicine - Fresh Tissue and Morgue HVAC/Electrical Upgrades | | 1,900,000 | |
| | CMRU | HSC | Replace energy recovery unit | | 400,000 | |
| | Floyd St. Parking Garage | Belknap | Replace AHU and Condenser; Cooling drainage system | | 400,000 | |
| | Donald Baxter Research | HSC | 55E Donald Baxter Building - HVAC (Refurbish AHU-1)/Electrical Upgrades | | 1,000,000 | 856,500 |
| | Delia Baxter Research | HSC | 55F Delia Baxter Building - HVAC/Electrical Upgrades, Replace 2002 (2) AHU belt drive supply fans with fan array, 100hp and chilled water coil; Eight 1995 belt drive fume hoods and general exhaust fans | | 1,120,750 | 649,250 |
| | Medical Dental Research | HSC | MDR, replace AHU-1B, 20 ton RTU serving inhalation lab | | 400,000 | |
| | WS Speed Bldg | Belknap | Replace building pumps and fan coil units | | 400,000 | |
| | Center for Predictive Med | Shelby | Replace RO System for steam generator, plantwide controller for fuel oil system, thermal balance tuning of loops; rust protection for ductwork on roof; 2 displays on chillers, repiping of trim humidification; 10 drums of glycol for water system; all ACH550 frequency drives (24). Replace obsolete Siemens MEC | | | 1,000,000 |
| Electrical/Generators | | | | 1,930,000 | | |
| | CMRU | HSC | 57 Research Resource Center - Electrical updates (Main switchgear, generator, panelboards, lighting) \$1,500,000 | | 930,000 | 600,000 |
| | Ekstrom Library | Belknap | Replace & Relocate Emerg Generator and Automatic transfer switch | | | 400,000 |
| Life Safety/Elevators | | | | 1,740,000 | | |
| | CMRU | HSC | Replace RRC (2) Elevators | | 400,000 | |
| | 55A - HSC Tower | HSC | Replace 55A Freight Elevator | | 200,000 | |
| | MDR | HSC | Replace 51 Freight Elevator | | 140,000 | 60,000 |
| | Ekstrom Library | Belknap | Upgrade Freight Elevator | | | 175,000 |
| | WS Speed Bldg | Belknap | Fire Alarm System Upgrades | | | 90,000 |
| | Burhans Hall | Shelby | Fire Alarm System Upgrades | | | 150,000 |
| | Brigman Hall | Belknap | Sprinkler Systems Upgrade | | | 100,000 |
| | Chemistry Bldg | Belknap | Upgrade Elevators | | | 200,000 |
| | Duthie Center | Belknap | Upgrade Elevator Cab only | | | 80,000 |
| | Vogt Bldg | Belknap | Upgrade Elevators | | | 145,000 |
| Plumbing | | | | 2,185,000 | | |
| | CMRU | HSC | 57 Research Resource Center - Plumbing updates (Domestic water, sanitary piping, fixtures) | | 765,000 | |

PROPOSED ASSET PRESERVATION PROJECTS FOR FY25 & FY26

| Category | Buildings | Campus | Description | Category Total Budget | FY25 Budget | FY26 Budget |
|--|-------------------------|---------|---|-----------------------|-------------------|-------------------|
| | Medical Dental Research | HSC | 51 Medical Dental Research - Plumbing updates (Domestic water, sanitary piping, fixtures), Replace 1961 rotted cast iron sanitary waste lines | | 235,000 | 785,000 |
| | School of Dentistry | HSC | Replace 1970 rotted cast iron sanitary waste lines | | | 400,000 |
| Roofs | | | | 1,800,000 | | |
| | Davidson Hall | Belknap | Replace Roof | | 700,000 | |
| | Brigman Hall | Belknap | Replace Roof | | 100,000 | 300,000 |
| | KY Lions Eye | HSC | Replace Roof | | | 700,000 |
| Utility Infrastructure including tunnel | | | | 2,000,000 | | |
| | | Belknap | | | 1,000,000 | 1,000,000 |
| Deferred Maintenance | | | | 4,000,000 | | |
| | | | | | 2,000,000 | 2,000,000 |
| | | | PROJECT BUDGET ESTIMATE | 86,382,000 | | |
| | | | FY25 AND FY26 BUDGETS | | 43,191,000 | 43,191,000 |
| | | | | | | |
| | | | BUDGET ESTIMATE | 86,382,000 | 8,638,200 | 8,638,200 |
| | | | STATE APPROVAL | 86,382,000 | 34,552,800 | 34,552,800 |

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING TUITION INCREASES AND RELATED CHANGES FOR
ACADEMIC YEAR 2024-2025

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve tuition rates and changes per the attached schedules for Academic Year (AY) 2024-2025. The recommendation is the result of much deliberation and consultation with the various constituency groups across campus and is consistent with the tuition rate increase parameters established by the Council on Postsecondary Education.

Bundled tuition and mandatory fees for undergraduate, graduate, and professional degree programs are listed in the following table and incorporated in the proposed budget. The total bundled mandatory fee amount for full-time students remains unchanged at \$276 per semester.

| (amounts in dollars) | AY 2024 | AY 2025 | \$ Change | % Change |
|---|-----------------------|------------|-----------|----------|
| Undergraduate (In-Person and Online) | Semester Rates | | | |
| Resident | 6,316 | 6,470 | 154 | 2.44% |
| Nonresident | 14,489 | 14,643 | 154 | 1.06% |
| Military* | 3,000 | 3,000 | 0 | 0.00% |
| Graduate (In-Person and Online) | | | | |
| Resident | 7,111 | 7,466 | 355 | 5.0% |
| Nonresident | 14,453 | 15,175 | 722 | 5.0% |
| Military* | 2,250 | 2,250 | 0 | 0.0% |
| Law (In-Person and Online) | | | | |
| Resident | 12,700 | 13,208 | 508 | 4.0% |
| Nonresident | 15,200 | 15,708 | 508 | 3.3% |
| Medicine | | | | |
| Resident | 22,241 | 23,353 | 1,112 | 5.0% |
| Nonresident | 33,782 | 35,471 | 1,689 | 5.0% |
| Dentistry | | | | |
| Resident | 18,929 | 19,875 | 946 | 5.0% |
| Nonresident | 39,406 | 41,376 | 1,970 | 5.0% |

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

Tuition and bundled fee amounts for special academic programs are listed in the following table and are also incorporated in the proposed budget.

| (amounts in dollars) | AY | AY | Change | |
|--|--------|--------|--------|---------|
| | 2024 | 2025 | Amount | Percent |
| Semester Rates | | | | |
| College of Education and Human Development | | | | |
| Advanced Educator Preparation - Resident | 5,333 | 5,599 | 266 | 5.0% |
| Advanced Educator Preparation - Nonresident | 10,839 | 11,381 | 542 | 5.0% |
| School of Nursing | | | | |
| Doctor of Nursing Practice - Resident | 7,111 | 7,466 | 355 | 5.0% |
| Doctor of Nursing Practice - Nonresident | 8,269 | 8,682 | 413 | 5.0% |
| MSN APRN Program - Nonresident | 8,269 | 8,682 | 413 | 5.0% |
| PhD Nursing - Nonresident | 8,269 | 8,682 | 413 | 5.0% |
| School of Engineering (In-Person) | | | | |
| M.S. in Engineering - Nonresident | 7,111 | 7,466 | 355 | 5.0% |
| College of Arts & Sciences - Urban Planning and Public Admin. (In-Person) | | | | |
| Resident | 8,011 | 8,366 | 355 | 4.4% |
| Nonresident | 15,353 | 16,075 | 722 | 4.7% |
| Per Credit Hour | | | | |
| Online Education | | | | |
| Undergraduate Online-Only Programs | 527 | 540 | 13 | 2.4% |
| Graduate Online-Only Programs | 791 | 830 | 38 | 4.9% |
| CBE Healthcare Leadership | 527 | 540 | 13 | 2.5% |
| Graduate - Advanced Educator Preparation | 593 | 622 | 29 | 4.9% |
| Graduate Certificates - College of Business | 800 | 800 | 0 | 0.0% |
| Military* | 600 | 600 | 0 | 0.0% |
| Graduate - Urban Planning & Public Admin. | 964 | 1,010 | 46 | 4.8% |
| M.S. in Health Administration | 492 | 517 | 25 | 5.1% |
| RN to BSN | 375 | 375 | 0 | 0.0% |
| Fixed Price, Multi-Year | | | | |
| College of Business^ | | | | |
| Dual MBA | 30,800 | 30,800 | 0 | 0.0% |
| Entrepreneurship MBA | 38,500 | 38,500 | 0 | 0.0% |
| Military* | 22,500 | 22,500 | 0 | 0.0% |
| Full-Time MBA | 38,500 | 38,500 | 0 | 0.0% |
| Military* | 22,500 | 22,500 | 0 | 0.0% |
| Global MBA | 38,500 | 38,500 | 0 | 0.0% |
| Military* | 22,500 | 22,500 | 0 | 0.0% |
| Online MBA | 38,500 | 38,500 | 0 | 0.0% |
| Military* | 22,500 | 22,500 | 0 | 0.0% |
| Professional MBA (Evenings) | 38,500 | 38,500 | 0 | 0.0% |
| Military* | 22,500 | 22,500 | 0 | 0.0% |
| Master of Accountancy | 28,000 | 28,000 | 0 | 0.0% |
| M.S. in Business Analytics | 34,500 | 34,500 | 0 | 0.0% |
| College of Education and Human Development | | | | |
| Ed.D. in Educational Leadership and Org. Development | 18,900 | 18,900 | 0 | 0.0% |
| M.S. in Human Resources and Org. Development | 16,500 | 16,500 | 0 | 0.0% |
| Military* | 2,250 | 2,250 | 0 | 0.0% |
| Ed.S. in Educational Administration | 15,000 | 15,000 | 0 | 0.0% |
| EAL Superintendent Certification Program | 6,930 | 6,930 | 0 | 0.0% |

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

COMMITTEE ACTION:

Passed X

Did Not Pass _____

Other _____

[Signature]

 Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

[Signature]

 Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2024-25

Finance Committee – June 27, 2024
Board of Trustees – June 27, 2024

RECOMMENDATION:

The President recommends that the Board of Trustees approve the University’s proposed budget for Fiscal Year 2025 as [attached](#).

BACKGROUND:

The proposed Fiscal Year 2025 budget totals \$1,726,534,737 which includes general and non-general funds. The general fund portion of the budget equals \$627,073,575.

The Fiscal Year 2025 budget is structurally balanced and linked to the University’s strategic plan. The top budget priorities are: 1) improving student success, retention, enrollment growth, and access; 2) investing and execution of a competitive compensation plan for faculty and staff; and 3) advancing research and innovation through investments in computing productivity and community health efforts; and 4) improving the university’s physical infrastructure.

COMMITTEE ACTION:

Passed _____
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary

BOARD ACTION:

Passed _____
Did Not Pass _____
Other _____

____ Signature on file _____
Assistant Secretary



FY 2025 BUDGET

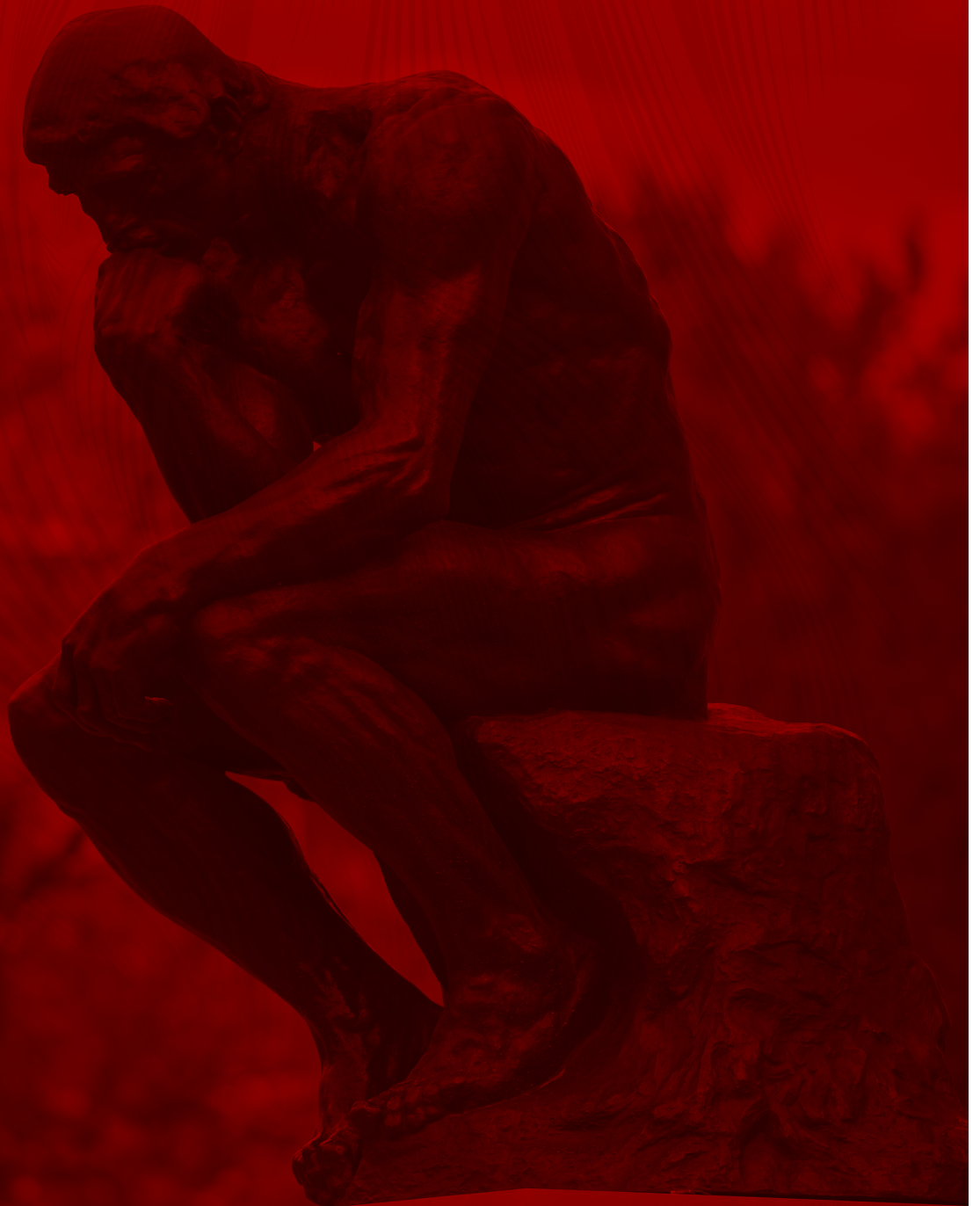


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To the University of Louisville Board of Trustees:

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 2025. Sound financial and student-centered strategies have enabled the university to continue its positive momentum and overcome the significant challenges facing higher education. This budget represents a major step toward accomplishing many of our shared goals and is balanced, responsible, and sustainable.

This budget is laser-focused on funding priorities outlined in our strategic plan, including:

Students - Student success, retention, enrollment growth and access

Faculty and Staff - Execution of a competitive compensation plan

Research and Innovation - Investing in computing productivity and community health efforts

In fact, well over 80 percent of the incremental investments in this budget are directed to these areas.

In fiscal year 2025, additional student funding totals \$11.3 million. This includes honoring our financial aid requirements related to the Cardinal Commitment, the UofL Health collaboration, and Border Benefit. It continues our effort to increase graduate stipends by providing an additional \$1,000 for the third consecutive year of a four-year commitment. We are also investing in our successful student recruitment activities, coordinated advising efforts, and the Center for Engaged Learning programs.

To stay competitive in recruiting and retaining topflight faculty and staff, we will implement a 2.5 percent cost-of-living salary increase on July 1, 2024, along with investing \$6 million to implement the recommendations outlined in our faculty 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.

The university's emphasis on scholarly research and attention to preserving its R1 status is also prioritized in this budget through technology investments, including upgrades to our research performance computing capacity and enhanced IT security. These investments, along with continued funding for faculty mentoring and modern equipment, will expand the impact of our programs across science.

In fiscal year 2025, we were successful in obtaining over \$300 million from the Kentucky General Assembly for asset preservation and new construction projects. New asset preservation investments will be focused on updating classrooms and labs in high use areas, life safety improvements to roofs, HVAC, and mechanical systems, and chilled water plant upgrades. We also received a historical investment of \$260 million for our Health Sciences Campus Simulation Center and Collaboration Hub that will transform our health sciences campus and the important role it plays for the university and the Commonwealth.

Thank you for your review of this budget proposal. I hope you share 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,

Signature on file

Kim Schatzel, PhD
President

SUMMARY OF FY 2025 BUDGET

The Fiscal Year (FY) 2025 operating budget for the University of Louisville is \$1,726,534,737 making it the largest operating budget in the university's history. The main drivers and components of the budget are detailed in this document along with the budget's division between its operating and capital sections. The former recognizes the day-to-day activities necessary to operate the university—instruct and serve students, conduct research and scholarly activities, and connect with the community and the latter reflects major construction activities. 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 2025 operating budget includes only those funds received from its separately governed units (University of Louisville Health, University of Louisville Foundation, and University of Louisville Real Estate Foundation). While the full activity for these 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 contains the university's all funds operating budget for FY 2025. General funds for FY 2025 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 2025 total \$1,685,612,587. Tuition and fee revenues of \$373.1 million and clinical/hospital revenues of \$449.2 million are the two largest revenue sources and represent 48.8 percent of the total. State asset preservation funding of \$117.6 million includes the FY 2025 authorization plus the unused FY 2024 authorization. Long supply chain lead times and limited labor pools pushed out asset preservation project timelines from original expectations but projects are now moving forward. These funds are designated for needed repairs and maintenance as well as improvements in learning spaces in campus facilities. The FY 2025 budget also includes the use of \$40.9 million in prior year funds that are associated with one-time expenses. Examples include one-time use of prior year funds in Athletics for one-time contract payouts, 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 \$829.4 million or 48.0 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 \$180.7 million, a \$12.5 million increase from FY 2024.

The FY 2025 operating budget is balanced in that budgeted expenditures match available resources.

TABLE 1: FY 2025 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 | 373,106,456 | - | - | - | - | 373,106,456 |
| State Funds | 176,483,300 | - | - | - | - | 176,483,300 |
| Transfers to General Fund | 24,956,605 | - | - | - | - | 24,956,605 |
| Auxiliaries | 21,677,885 | - | - | - | - | 21,677,885 |
| Clinical (including Hospital support) | 1,187,973 | - | - | 447,984,551 | - | 449,172,524 |
| Sponsored Agreements | - | - | - | 190,500,000 | - | 190,500,000 |
| Pass Through Financial Aid | - | - | - | 60,677,251 | - | 60,677,251 |
| Other Revenue | 28,701,845 | 79,860,362 | 21,025,022 | - | 141,821,812 | 271,409,041 |
| Asset Preservation | - | - | 117,629,525 | - | - | 117,629,525 |
| Total Fiscal Year Revenues | 626,114,064 | 79,860,362 | 138,654,547 | 699,161,802 | 141,821,812 | 1,685,612,587 |
| Plus use of prior year funds | 959,511 | 125,000 | 14,553,691 | 22,125,186 | 3,158,762 | 40,922,150 |
| Total Sources of Funds | \$ 627,073,575 | \$ 79,985,362 | \$ 153,208,238 | \$ 721,286,988 | \$ 144,980,574 | \$ 1,726,534,737 |
| Uses of Funds | | | | | | |
| Salary | 304,010,794 | 20,559,655 | 5,464,345 | 273,031,162 | 49,039,440 | 652,105,396 |
| Fringe Benefits | 89,333,175 | 5,314,474 | 1,588,831 | 71,648,924 | 9,383,749 | 177,269,153 |
| Operating | 101,734,612 | 39,607,882 | 26,320,593 | 282,153,374 | 65,339,672 | 515,156,133 |
| Scholarships | 77,867,203 | 14,503,351 | 981,914 | 69,304,475 | 18,070,388 | 180,727,331 |
| Capital Asset plus Debt Service | 29,244,285 | - | 1,037,350 | 2,064,859 | - | 32,346,494 |
| Transfers to General Fund | - | - | - | 23,000,000 | 1,956,605 | 24,956,605 |
| Asset Preservation | - | - | 117,629,525 | - | - | 117,629,525 |
| Utilities | 24,883,506 | - | 185,680 | 84,194 | 1,190,720 | 26,344,100 |
| Total Uses of Funds | \$ 627,073,575 | \$ 79,985,362 | \$ 153,208,238 | \$ 721,286,988 | \$ 144,980,574 | \$ 1,726,534,737 |
| Sources less Uses of Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

CONNECTION TO THE STRATEGIC PLAN

Students, faculty, staff, and research are the engines that propel the University of Louisville forward. The FY 2025 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 2025 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.

We unleash students' potential and prepare them for the careers, workplaces and complex challenges of tomorrow. We are committed to closing the opportunity gap for all students and radically altering the paths of generations to come. We expand learning beyond the classroom by collaborating with campus, community and industry partners to provide students engaged learning experiences.

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 2025 budget includes the following investments:

- **Increase** in general fund institutional financial aid by \$5.7 million, including funding for a Cardinal Commitment grant for new first-time students residing in Kentucky to close the gap between financial aid and the cost of attendance. Students receiving a financial aid package that includes a Pell and CAP Grant will have 100% of their tuition covered.
- College of Arts & Sciences included plans to refine and **grow** General Studies tracks and improve outreach, with additional funds to expand the creative arts department.
- **Increasing** number of instructors and college readiness courses in REACH (Resources for Academic Achievement) services to assist in building a solid foundation for student success.
- College of Business plans to **start** a certificate program in supply chain management, with support from the Office of the Provost.
- A new executive director in advising was **hired** to coordinate advising across the campus.
- Financial counselors **added** to assist financial counseling, FAFSA and state benefits.
- A \$2.0 million commitment to **support** online initiatives.
- A scholarship program for international students **launches** in the Fall of 2024 with additional resources for agent fees to increase international enrollment.
- Hire a new English as a Second Language (ESL) director to **develop** a new program that will assist international students.
- Hire an additional advisor to be placed in the Elizabethtown Community and Technology College (ECTC) to **increase** adult and transfer students.
- School of Dentistry is implementing over \$500,000 in digital dentistry and software to **promote and integrate** emerging technologies into their program.
- Speed School of Engineering and the School of Public Health and Information Sciences have **created** an interdisciplinary MS in AI in Medicine.

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. The Office of the Provost has planned \$400,000 additional support to Libraries FY 2025 budget.
- School of Music provides opportunities by **supporting** performances, travel, scholarship, conference presentations, summer grant opportunities, and other initiatives that facilitate the creative and scholarly productivity of students.
- Kent School of Social Work is implementing a new study abroad program as well as continue to **collaborate** with Practicum Office to ensure students receive high quality practicum education experiences in their Bachelor of Social Work program.

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.

The University of Louisville excels in research and innovation that drive the economic development of the city and Commonwealth by creating new businesses, greater employment, and greater prosperity for all citizens.

Strategy 1 focuses to increase efforts and support in innovation, research, scholarship, and creative activities. To achieve success, the FY 2025 budget investments include:

- Bolstering high-performance computing and building a robust Research Computing function will **increase** research productivity and external funding, allowing the university to maintain eligibility to conduct regulated research, and enable new research in cutting edge fields (e.g., microbiomics, machine learning, AI, health and medical informatics). This investment will further the academic and research missions of the university and provide financial and reputational benefit to the university.
- Investment of \$100,000 to **facilitate and strengthen** compliance with animal welfare regulations and meet this increasing need associated with the recently expanded facility. This allows the university to retain accreditation from the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) thereby allowing for the continuation of National Institutes of Health (NIH) and other externally funded research and improved Blue Ridge rankings.
- Continued **growth** in the School of Nursing Simulation lab expansion by purchasing nursing simulation equipment.
- School of Dentistry will **expand** research efforts through the strategic hiring of three new faculty research positions, along with associated start-up funds.

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

- College of Arts & Sciences is increasing training and mentoring opportunities for faculty to **improve** success in obtaining extramural funding and increase confidence in post-award management.

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 the 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** \$85,000 in a Faculty Fellows program designed to provide an interdisciplinary team of faculty members the opportunity to participate in one or multiple community-engaged research projects. The program will allow Fellows to participate in and benefit from the interdisciplinary community of scholars and to integrate community-engaged learning into their teaching and research.
- Kent School of Social Work will **enhance** capacity for provision of culturally responsive social and human services in the geographic region defined by the Signature Partnership.
- School of Music continues to **support** community connections, including connections to underserved Louisville communities: Sanders Elementary, Redeemer Lutheran, Music Therapy Clinic, AAMHI, String Preparatory Center camps, Honor ensembles, and Wind Band Institutes.
- Office of Institutional Equity will open Cardinals Rising, a transformative college readiness program for students in grades 8-12, and begin accepting students in Fall 2024. This exceptional program will **bridge** the educational divide by fostering a college-going culture among underserved, low-income, and first-generation students. Through a robust collaboration with various UofL academic units and local middle and high schools, Cardinals Rising is not just a program; it's a movement toward educational equity.

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.
- Speed School of Engineering will use the STEM+ HUB as a **catalyst** for new partnerships that reach out to underrepresented groups.
- The School of Music **creates** social, cultural, and learning opportunities and will host over 150 concerts throughout the academic year, with both student and faculty performers. All are held in person, with a few concerts offered via a streaming platform open to all.
- University Advancement is **developing** a comprehensive alumni engagement platform to integrate university, alumni, and friends shared interests, expertise and achievements.

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 2025 budget includes the following WORK investments.

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

- Kent School of Social Work **provides** programs to cultivate effective leaders for improving climate and culture outcomes, as well as understanding the university's identity, vision, and values.
- Speed School of Engineering continues to **establish** transparent operational policies and procedures through in-person shared governance events to increase effective communication strategies across campus.
- A major Trust Study across campus is coming to an end, and initiatives within each unit are underway to address the findings of this study.

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 2025 budget include:

- **Allocates** \$7.3 million in general funds for a new 2.5 percent cost-of-living-adjustment (COLA) for eligible faculty and staff effective July 1, 2024, bringing the total COLA increases to 9.0 percent since August 2021.
- Appropriates an additional \$10.5 million in general funds (for a total of \$14.0 million) to begin **implementing** Phase I of the faculty component of the compensation study and annualize the staff component of the compensation study that began in FY 2024.
- **Increasing** the pool for graduate assistant stipends by \$0.6 million; the third 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 \$10.0 million to continue Workday Finance implementation to replace outdated Peoplesoft platform to **improve** workflow and productivity for faculty and staff.
- To support the development and growth of leaders at UofL, the Employee Success Center hired a career development specialist to help **develop and train** the University on employee career ladders.

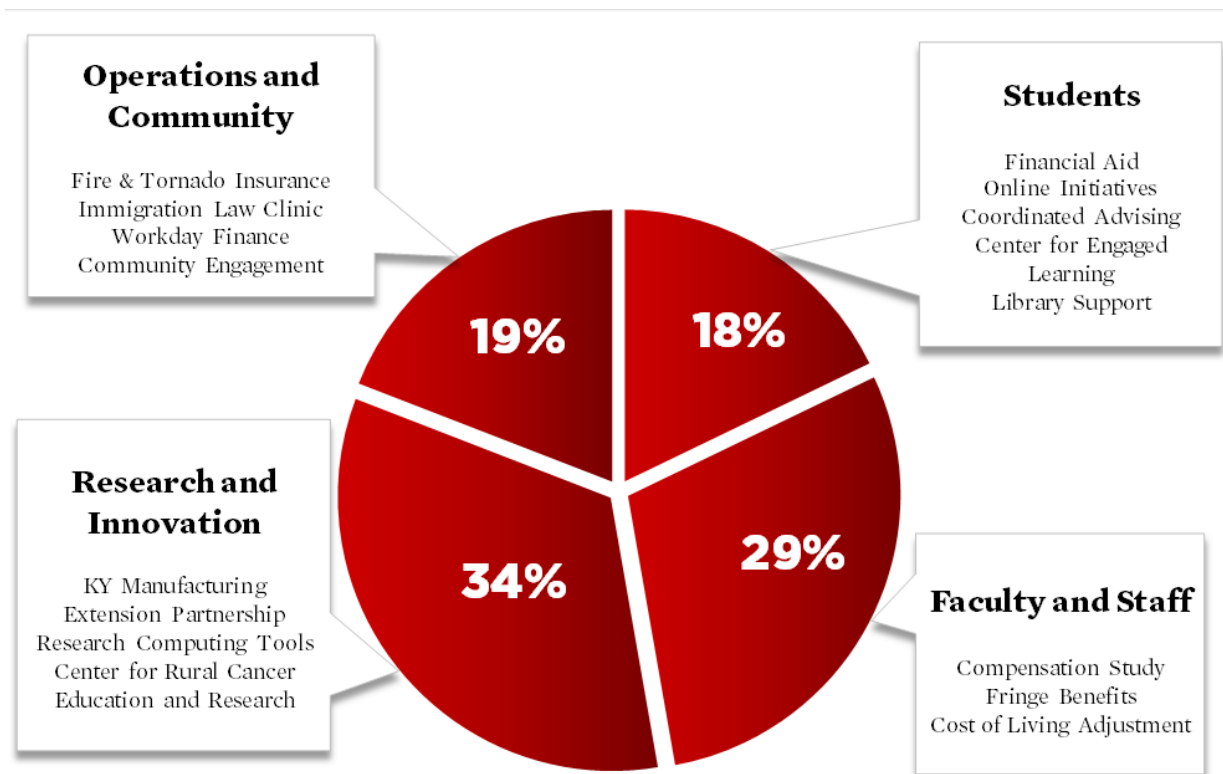
Budget Goals

The university’s budget goals for FY 2025 remain consistent with FY 2024. Maintaining a solid and predictable financial foundation is key to the university’s future success. The FY 2025 budget builds upon the major financial and operational improvements made over the past several years, with keeping its students, people, and research at the forefront. Structurally balanced budgets, along with university-wide efforts to monitor revenue and adjust expenses as needed are evident in the university’s overall financial health and cash position.

Building a sustainable and structurally sound operating budget that advances the university’s mission remains the top budget goal for FY 2025. 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 central contingencies, careful monitoring of one-time available funds and continue real-time monitoring to mitigate unexpected revenue or expense changes; and
- Link the budget to the university’s strategic plan.

FIGURE 1: STRATEGIC GENERAL FUND INVESTMENTS



Budget Priorities

The FY 2025 budget has four priorities. Those priorities, along with examples of how the budget supports them include:

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

- Recruit and hire a neurodivergent specialist to provide additional services and support for autistic students.
- Expansion of the Cardinal Commitment Grant scholarship program (see pages 10 and 22).
- Expands the Border Benefit non-resident program (see page 35).
- Increases pool of funding for graduate student stipends by an additional \$600,000, year 3 of 4 in this commitment (see pages 17 and 20).
- Creates a department in the Office of the Provost and established a Coordinated Undergraduate Advising Center (see pages 10 and 53).

2. Invests in faculty and staff

- Funds a 2.5 percent cost-of-living increase for eligible faculty and staff effective July 1, 2024 (see pages 22 and 33).
- Invests an additional \$10.5 million to improve staff and faculty pay based on results of university compensation study (see pages 22 and 33).
- Maintains full tuition remission for eligible employees and their dependents (see page 33).

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

- Includes \$117.6 million in state appropriations for asset preservation projects (see pages 36 and 76).
- New HSC Simulation Center and Collaboration Hub \$280.0 million building funded by a combination of state and institutional support (see pages 19 and 76).
- Ongoing work to improve the university's website—the first contact point for many potential students and their parents (see page 74).
- Investment in technology infrastructure including firewall, digital storage, third party remote access monitoring and cybersecurity updates (see pages 36 and 77).

4. Advancing research and innovation

- School of Nursing Simulation Lab expansion completed FY 2024; FY 2025 will continue purchasing equipment required for nursing simulation.

Assessment of Financial Risks and Development of Mitigation Plans

Almost two-thirds of the university's unrestricted operating budget is derived from tuition, fees, housing, and dining revenues which makes enrollment the top financial risk. This exposure is not unique to UofL as enrollment pressures exist across the US higher education landscape due to anticipated declines in high school graduates, by as much as 15 percent in Kentucky by 2029. However, UofL's concerted effort of increasing retention rates has allowed the university to mitigate the current enrollment challenges facing higher education.

Although university leadership constantly surveys the higher education landscape, the FY 2025 budget takes a proactive approach to shore up revenue streams, particularly enrollment. This includes:

1. Enhancing financial aid programs for students.
2. Expanding recruitment and scholarship efforts to several more out-of-state markets (e.g., all of Ohio and West Virginia) 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. Focusing on student retention through coordinated undergraduate advising center, and continued expansion of 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 unanticipated revenue or expense shocks, the University has been utilizing a risk-based approach for the past several years. For the FY 2025 budget, it incorporates the following mitigation levers:

- For a multi-pronged approach, the university has created savings programs in every academic and support unit. These savings programs have helped stabilize days of cash on hand. Utilization of savings is structured for one-time use and budget approval.
- A contingency budget of \$2.0 million is established to mitigate any unplanned centrally needed items.
- 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.
- Requires every academic and support unit to set aside one percent of its general fund expense budget into a contingency account. For FY 2025 the university made the strategic decision to reinvest this contingency towards the recruitment and retention of its students, faculty and staff as well as a commitment to research.

General Fund Budget Overview

The FY 2025 general fund budget is structurally and strategically balanced: available resources equal planned expenses and the budget directly supports the strategic plan.

Table 2 displays the progression of FY 2024 to the proposed FY 2025 general fund budget. Highlights of the changes are identified on the following page.

TABLE 2: GENERAL FUND: PROGRESSION FROM FY 2024 ADOPTED TO FY 2025 PROPOSED BUDGET

| | FY 2024 | CHANGE IN SOURCES AND USES | FY 2025 |
|------------------------------------|-----------------------|----------------------------|-----------------------|
| | ADOPTED BUDGET | | PROPOSED BUDGET |
| SOURCES OF FUNDS | | | |
| Tuition and Fees | 349,751,124 | 23,355,332 A | 373,106,456 |
| State Funds | 145,051,400 | 31,431,900 B | 176,483,300 |
| Transfers to General Fund | 30,586,292 | (5,629,687) C | 24,956,605 |
| Auxiliaries | 19,830,610 | 1,847,275 D | 21,677,885 |
| Clinical (inclgd Hospital support) | 1,350,669 | (162,696) E | 1,187,973 |
| Other Revenue | 24,216,493 | 4,485,352 F | 28,701,845 |
| Total Fiscal Year Revenues | 570,786,588 | 55,327,476 | 626,114,064 |
| Plus use of prior year funds | 456,298 | 503,213 G | 959,511 |
| Total Sources of Funds | \$ 571,242,886 | \$ 55,830,689 | \$ 627,073,575 |
| USES OF FUNDS | | | |
| Salary | 286,123,430 | 17,887,364 H | 304,010,794 |
| Fringe Benefits | 88,680,126 | 653,049 I | 89,333,175 |
| Operating | 67,873,533 | 33,861,079 J | 101,734,612 |
| Scholarships | 72,201,382 | 5,665,821 K | 77,867,203 |
| Capital Asset plus Debt Service | 30,016,027 | (771,742) L | 29,244,285 |
| Utilities | 26,348,388 | (1,464,882) M | 24,883,506 |
| Total Uses of Funds | \$ 571,242,886 | \$ 55,830,689 | \$ 627,073,575 |
| Sources less Uses of Funds | \$ - | \$ - | \$ - |

Highlights from Table 2 for FY 2025 include:

- A. Tuition rate increases for undergraduate, graduate, and professional degrees coupled with success in retention in undergraduate enrollment contribute to the budget-over-budget increase. (See pages 23 and 24 for more details.)
 - Mandatory student fees remain unchanged at \$374 per semester for full-time students (pro-rated for part-time students); A \$10 per credit hour fee for all online courses will be implemented in FY 2025.
- B. State appropriations increased \$31.4M after a very successful biennial budget for FY 2025 and FY 2026. Multiple factors explain the change. The state budget bill included inflationary increases to the base appropriation of \$5.1 million plus a \$4.8 million increase to offset a significant cost increase for the Fire and Tornado property insurance premiums. In addition, the university is receiving \$1.2 million more from the state performance funding pool than it did in FY 2024. Additionally, The University also received \$20.7 million for specific capital projects. One example is the state appropriation of \$12.5 million (\$25.0 million over two years) to support the UofL Health building of a Center for Rural Cancer Education and Research in Bullitt County. (See page 26 and 28 for more details.)
- C. Athletics has adjusted their budget to reduce transfers and align expenses with use of funds resulting in the \$5.6 million transfer reduction year over year. (See page 31 for more details.)
- D. Auxiliaries include housing, dining, and parking. A 5.0 percent increase in housing rates and a 5.0 percent increase and dining plan restructure focusing on simplicity, flexibility, convenience and value account for the budget increase. Permit parking rates increased 3.0 percent. (See page 29 and 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 include self-generated programs. Service centers represent a \$1.8 million increase within the Protein Purification Lab and the Biophysics Lab (See page 31 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 page 37 for more details.)
- H. Salary increases due to a 2.5 percent cost-of-living adjustment effective July 1, 2024, for eligible faculty and staff, plus a \$10.5 million increase to continue the implementation of the university's compensation study. (See page 22 and 33 for more details.)
- I. For FY 2025, the general fund fringe benefit budget totals \$89.3 million, which 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. (See page 33 for more details.)
- J. An increase in the state funded projects accounts for \$20.3 million of the year over year increase of \$33.9 million. Additional operating changes are \$4.8 million for tornado and insurance premium, and \$2.9 million in research computing equipment. (See page 26 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, West Virginia and Nashville, as well as increased funding to the Cardinal Commitment program to provide additional funding for Pell-eligible students. (See page 35 for more details.)
- L. The overall general fund debt service in FY 2025 decreases by \$772,000, or 3.0 percent, as the university continues to retire its long-term debt obligations and focus on shorter-term financing options with incremental dedicated revenue streams. (See page 36 for more details.)
- M. Utilities include electricity, water, natural gas, and steam/chilled water expenses for the university's three campuses (Belknap, HSC, and Shelby). For FY 2025 utility expense budgets decreased by \$1.5 million or -5.6 percent from the FY 2024 budget. (See page 35 for more details.)

Revenues

The FY 2025 general fund revenue budget totals \$627.1 million, a \$55.8 million increase from FY 2024. 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 2025, tuition and fee revenues are projected to increase by \$23.4 million, or 6.7 percent, from the FY 2024 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 2024-2025 by degree type. Table 5 presents proposed tuition rates for special programs.

TABLE 3: TUITION AND FEE REVENUES

| CATEGORY | FY 2023 ACTUALS | FY 2024 BUDGET | FY 2024 ESTIMATE | FY 2025 BUDGET | \$ CHANGE | % CHANGE |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-------------|
| Undergraduate | 185,675,194 | 192,215,207 | 198,240,000 | 207,065,129 | 14,849,922 | 7.7% |
| Graduate | 53,668,336 | 54,316,887 | 52,790,000 | 55,324,039 | 1,007,152 | 1.9% |
| Professional | 69,490,625 | 72,522,713 | 72,350,000 | 76,001,626 | 3,478,913 | 4.8% |
| Other Term Based | 6,636,764 | 7,382,407 | 6,800,000 | 7,564,587 | 182,180 | 2.5% |
| Fees | 21,893,096 | 23,313,910 | 22,620,000 | 27,151,075 | 3,837,165 | 16.5% |
| TOTAL | \$ 337,364,015 | \$ 349,751,124 | \$ 352,800,000 | \$ 373,106,456 | \$ 23,355,332 | 6.7% |

Budgeted tuition revenues for FY 2025 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 \$14.8 million from the FY 2024 budget, due in part to a \$154 increase per semester per full time undergraduate student (a 2.4 percent resident rate increase and a 1.1 percent nonresident tuition rate increase), continued non-resident enrollment growth, and improved retention. Strategic investments in institutional financial aid programs are making a strong impact.

Graduate tuition revenue increases by \$1.0 million in FY 2025, resulting from increases to the resident and non-resident tuition rates, but also slight enrollment declines across multiple academic units. Efforts to stimulate graduate enrollment to meet student interest and workforce demands are being made within the academic units.

Professional degree tuition revenue—Medicine, Dentistry, and Law—increases by \$3.5 million in FY 2025. Tuition rate increases (see Table 4) are the primary contributor, along with slight changes in the residency status of the incoming cohorts in Medicine and Dentistry.

Budgeted fees & other revenues increases by \$3.8 million. Growth is attributable to \$2.0 million of anticipated revenue from the new \$10 per credit hour Online Course Fee which will be used to enhance the student learning experiences in online courses. In Fall 2023, 55.0 percent of all students enrolled in at least one online course. This new fee recognizes that as the demand for digital learning grows, the university must commit resources to ensure online courses are delivered at the highest quality. This investment will help the university reach its six-year graduation rate goal. Mandatory fee revenues are expected to grow, driven by retention and enrollment. Other growth in fee revenues is attributable to increased demand for courses that have related course or lab fees.

TABLE 4: PROPOSED AY 2024-25 TUITION RATES AND MANDATORY FEES BY DEGREE TYPE AND RESIDENCY

| (amounts in dollars) | AY 2024 | AY 2025 | \$ Change | % Change |
|---------------------------------|---------|---------|-----------|----------|
| FULL-TIME SEMESTER RATES | | | | |
| UNDERGRADUATE | | | | |
| (In-Person and Online courses) | | | | |
| Resident | 6,316 | 6,470 | 154 | 2.4% |
| Nonresident | 14,489 | 14,643 | 154 | 1.1% |
| Military* | 3,000 | 3,000 | - | - |
| GRADUATE | | | | |
| (In-Person and Online courses) | | | | |
| Resident | 7,111 | 7,466 | 355 | 5.0% |
| Nonresident | 14,453 | 15,175 | 722 | 5.0% |
| Military* | 2,250 | 2,250 | - | - |
| LAW | | | | |
| (In-Person and Online) | | | | |
| Resident | 12,700 | 13,208 | 508 | 4.0% |
| Nonresident | 15,200 | 15,708 | 508 | 3.3% |
| MEDICINE | | | | |
| Resident | 22,241 | 23,353 | 1,112 | 5.0% |
| Nonresident | 33,782 | 35,471 | 1,689 | 5.0% |
| DENTISTRY | | | | |
| Resident | 18,929 | 19,875 | 946 | 5.0% |
| Nonresident | 39,406 | 41,376 | 1,970 | 5.0% |

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

TABLE 5: PROPOSED AY 2024-25 TUITION RATES FOR SPECIAL PROGRAMS

| (amounts in dollars) | AY 2024 | AY 2025 | \$ Change | % Change |
|--|---------|---------|-----------|----------|
| FULL-TIME SEMESTER RATES | | | | |
| COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT | | | | |
| Advanced Educator Preparation - Resident | 5,333 | 5,599 | 266 | 5.0% |
| Advanced Educator Preparation - Nonresident | 10,839 | 11,381 | 542 | 5.0% |
| SCHOOL OF NURSING | | | | |
| Doctor of Nursing Practice - Resident | 7,111 | 7,466 | 355 | 5.0% |
| Doctor of Nursing Practice - Nonresident | 8,269 | 8,682 | 413 | 5.0% |
| MSN APRN Program - Nonresident | 8,269 | 8,682 | 413 | 5.0% |
| PhD Nursing - Nonresident | 8,269 | 8,682 | 413 | 5.0% |
| SCHOOL OF ENGINEERING (In-Person) | | | | |
| M.S. in Engineering - Nonresident | 7,111 | 7,466 | 355 | 5.0% |
| COLLEGE OF ARTS & SCIENCES - URBAN PLANNING AND PUBLIC ADMIN. (In-Person) | | | | |
| Resident | 8,011 | 8,366 | 355 | 4.4% |
| Nonresident | 15,353 | 16,075 | 722 | 4.7% |
| PER CREDIT HOUR | | | | |
| ONLINE EDUCATION | | | | |
| Undergraduate Online-Only Programs | 527 | 540 | 13 | 2.4% |
| Graduate Online-Only Programs | 791 | 830 | 38 | 4.9% |
| CBE Healthcare Leadership | 527 | 540 | 13 | 2.5% |
| Graduate - Advanced Educator Preparation | 593 | 622 | 29 | 4.9% |
| Graduate Certificates - College of Business | 800 | 800 | - | - |
| Military* | 600 | 600 | - | - |
| Graduate - Urban Planning & Public Admin. | 964 | 1,010 | 46 | 4.8% |
| M.S. in Health Administration | 492 | 517 | 25 | 5.1% |
| RN to BSN | 375 | 375 | - | - |
| FIXED PRICE, MULTI-YEAR | | | | |
| COLLEGE OF BUSINESS | | | | |
| Dual MBA | 30,800 | 30,800 | - | - |
| Entrepreneurship MBA | 38,500 | 38,500 | - | - |
| Military* | 22,500 | 22,500 | - | - |
| Full-Time MBA | 38,500 | 38,500 | - | - |
| Military* | 22,500 | 22,500 | - | - |
| Global MBA | 38,500 | 38,500 | - | - |
| Military* | 22,500 | 22,500 | - | - |
| Online MBA | 38,500 | 38,500 | - | - |
| Military* | 22,500 | 22,500 | - | - |
| Professional MBA (Evenings) | 38,500 | 38,500 | - | - |
| Military* | 22,500 | 22,500 | - | - |
| Master of Accountancy | 28,000 | 28,000 | - | - |
| M.S. in Business Analytics | 34,500 | 34,500 | - | - |
| COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT | | | | |
| Ed.D. in Educational Leadership and Org. Development | 18,900 | 18,900 | - | - |
| 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 | 6,930 | 6,930 | - | - |

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

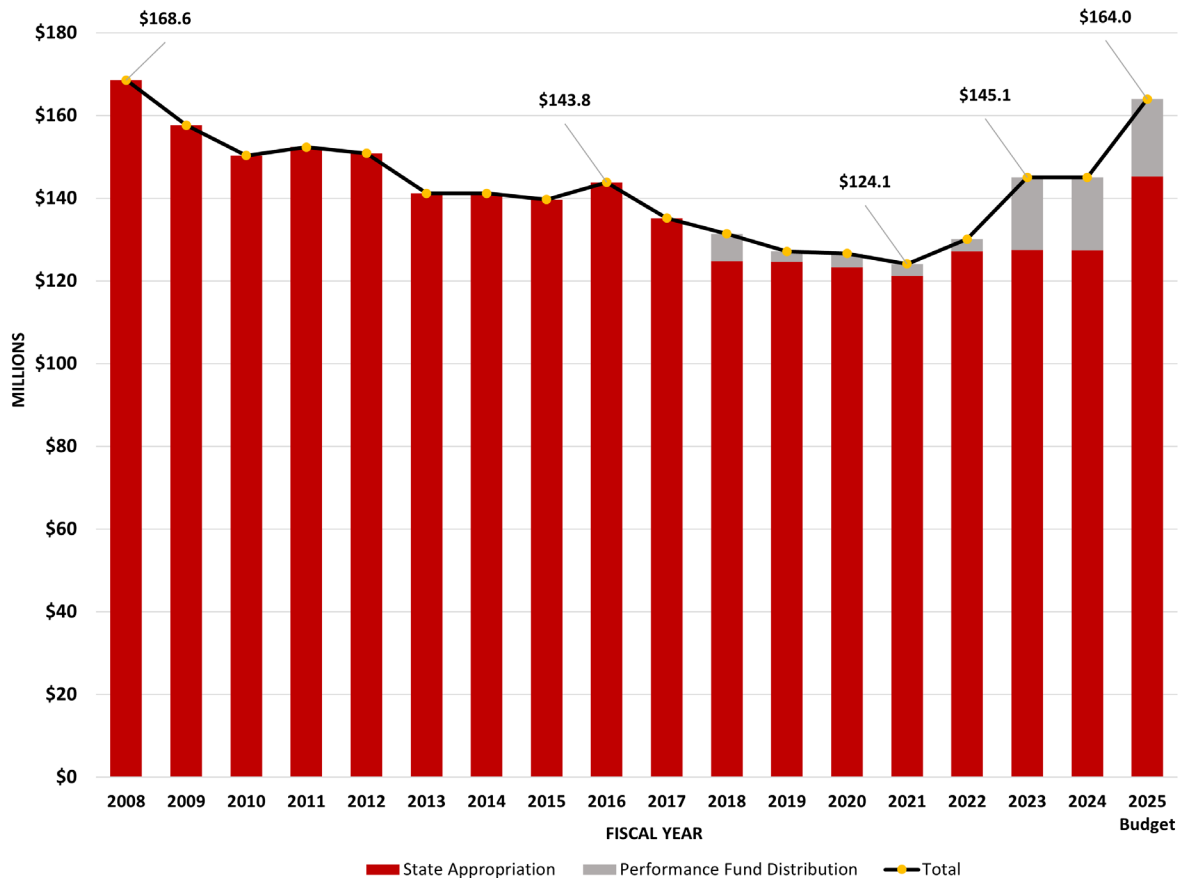
State Operating Appropriations

The overall state appropriations for FY 2025 total \$176,483,300 of which, state operating appropriations represent a total of \$163,983,300 an increase of \$18,931,900 or 13.1 percent from the FY 2024 budget. Multiple factors explain the change. First, the state budget bill included an inflationary adjustment to the base appropriation of \$5.1 million as well as a \$4.8 million increase to offset significant cost increases for Fire and Tornado property insurance premiums. Second, the university is receiving \$1.2 million more from the state performance funding pool than received in FY 2024. Also included in the state appropriation is \$5.3 million to support the Kentucky Manufacturing Extension Partnership, a program to increase service to the state’s manufacturing base and promote the growth, profitability, and competitiveness of small and mid-size manufacturers throughout Kentucky.

Figure 2 shows 17 years of state operating appropriations to UofL from FY 2008 through FY 2025. Growth in State operating appropriations since FY 2022 has brought state support closer to pre-Great Recession levels. The growth from FY 2024 to 2025 is largely an increase in the base appropriation.

FIGURE 2: STATE OPERATING APPROPRIATIONS TO UOFL FROM FY 2008 THROUGH FY 2025

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 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, for a total allocation of \$17.5 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. In addition to the funding being returned to the pool after every year to be redistributed, the state increased the size of the pool by an additional \$7.7 million for FY 2025. The growth in the performance funding pool and UofL’s continued performance will increase the FY 2025 allocation by \$1.2 million, for a total performance funding allocation of \$18.8 million.

Table 6 lists the state performance funding metrics in the performance funding pool. Metrics highlighted in green indicate where UofL’s change in performance outpaced the sector average for FY 2025. 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 - 40% | |
| Bachelor’s Degrees | 9% |
| STEM+H Degrees | 5% |
| First Generation College Students (new) | 1.5% |
| Low-income degrees | 9.5% |
| Progression at 30 credit hours | 3% |
| Progression at 60 credit hours | 5% |
| Progression at 90 credit hours | 7% |
| Course Completion - 30% | |
| Credit Hours Earned | 30% |
| 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 2024 iteration to the FY 2025 iteration of the funding model.

State Funded Capital Projects

For FY 2025 and FY 2026, the state will appropriate \$69.1 million for asset preservation, renovation, and maintenance projects. This is in addition to the \$81.9 million appropriated for asset preservation projects across FY 2023 and FY 2024. These additional dollars will significantly enhance the student experience by improving the quality and condition of many facilities across campus. UofL is required to provide \$17.3 million in matching funds over these upcoming two years, equivalent to a 25 percent match on state funding. To help 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. Additional information about state asset preservation projects and financing can be found in the Capital Budget section (see page 76).

In addition, the state appropriated Bond Funds of \$260.0 million to construct a new Health Sciences Center Simulation Center and Collaboration Hub. This facility will be the new home to the School of Public Health and Information Sciences and will serve the academic schools on the Health Sciences Campus, neighboring colleges, and medical facilities.

Lastly, the state appropriated \$25.0 million across FY 2025 and FY 2026 to UofL Health to develop the Center for Rural Cancer Education and Research, an extension of the Brown Cancer Center, in Bullitt County to provide greater access to care for central and western Kentucky residents.

Housing

Three new residence halls (Belknap Village South, Belknap Village North, and Denny Crum Hall) have been opened since Fall 2022. Anticipated higher occupancy and an across-the-board 5.0 percent increase in room rates explain the \$1.4 million increase in Housing revenues in FY 2025. This increase is necessary to mitigate the rise in operating costs driven by labor and supply market inflationary pressures, debt service of \$3.9 million on the new Belknap Village residence halls, as well as summer capital projects.

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 2024 | AY 2025 | \$ Change | % Change |
|--|-----------------------|---------|-----------|----------|
| UNIVERSITY-OWNED | SEMESTER RATES | | | |
| UNITAS TOWER | | | | |
| Double | 2,798 | 2,938 | 140 | 5.0% |
| Triple | 2,116 | 2,222 | 106 | 5.0% |
| Single | 3,494 | 3,669 | 175 | 5.0% |
| BELKNAP VILLAGE NORTH | | | | |
| Double | 3,578 | 3,757 | 179 | 5.0% |
| Deluxe Double | 4,092 | 4,297 | 205 | 5.0% |
| Single | 4,477 | 4,701 | 224 | 5.0% |
| BELKNAP VILLAGE SOUTH | | | | |
| Double | 3,578 | 3,757 | 179 | 5.0% |
| Deluxe Double | 4,092 | 4,297 | 205 | 5.0% |
| Single | 4,477 | 4,701 | 224 | 5.0% |
| LOUISVILLE HALL SUITES | | | | |
| Double | 2,995 | 3,145 | 150 | 5.0% |
| Three Bedroom Suite | 3,385 | 3,554 | 169 | 5.0% |
| Two Bedroom Suite | 3,494 | 3,669 | 175 | 5.0% |
| Deluxe Double | 3,650 | 3,833 | 183 | 5.0% |
| Single | 3,832 | 4,024 | 192 | 5.0% |
| BILLY MINARDI HALL | | | | |
| Two Bedroom, Two Bath | 4,617 | 4,848 | 231 | 5.0% |
| UNIVERSITY TOWER APARTMENTS (UTA) | | | | |
| Standard studio, double | 3,062 | 3,215 | 153 | 5.0% |
| Large studio, double | 3,224 | 3,385 | 161 | 5.0% |
| Two Bedroom, double | 3,224 | 3,385 | 161 | 5.0% |
| One Bedroom, double | 3,432 | 3,604 | 172 | 5.0% |
| Two Bedroom, single | 3,707 | 3,892 | 185 | 5.0% |

Source: Office of Housing and Residence Life

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

| (amounts in dollars) | AY 2024 | AY 2025 | \$ Change | % Change |
|--|-----------------------|---------|-----------|----------|
| FOUNDATION-OWNED | SEMESTER RATES | | | |
| COMMUNITY PARK | | | | |
| Double | 3,635 | 3,817 | 182 | 5.0% |
| Deluxe Double | 4,363 | 4,581 | 218 | 5.0% |
| Deluxe Single | 5,751 | 6,039 | 288 | 5.0% |
| KURZ HALL | | | | |
| Double | 3,635 | 3,817 | 182 | 5.0% |
| Deluxe Double | 4,363 | 4,581 | 218 | 5.0% |
| Single | 5,075 | 5,329 | 254 | 5.0% |
| Deluxe Single | 5,751 | 6,039 | 288 | 5.0% |
| BETTIE JOHNSON HALL | | | | |
| Four Bed, Two Bath | 3,983 | 4,182 | 199 | 5.0% |
| Two Bed, One Bath | 4,092 | 4,297 | 205 | 5.0% |
| Two Bed, Two Bath | 4,482 | 4,706 | 224 | 5.0% |
| Three Bed, Two Bath | 4,316 | 4,532 | 216 | 5.0% |
| One Bed, One Bath | 5,127 | 5,383 | 256 | 5.0% |
| Deluxe One Bed, One Bath | 5,928 | 6,224 | 296 | 5.0% |
| MASTER LEASE PROPERTIES | SEMESTER RATES | | | |
| CARDINAL TOWNE | | | | |
| Studio | 5,361 | 5,629 | 268 | 5.0% |
| One Bed, One Bath | 6,474 | 6,798 | 324 | 5.0% |
| One Bed, One Bath Townhome | 6,474 | 6,798 | 324 | 5.0% |
| Two Bed, One Bath | 4,410 | 4,631 | 221 | 5.0% |
| Two Bed, One Bath Townhome Deluxe Double | 4,410 | 4,631 | 221 | 5.0% |
| Two Bed, One Bath Townhome Double | 3,832 | 4,024 | 192 | 5.0% |
| Two Bed, Two Bath | 5,226 | 5,487 | 261 | 5.0% |
| Three Bed, Three Bath | 4,805 | 5,045 | 240 | 5.0% |
| Four Bed, Four Bath | 4,467 | 4,690 | 223 | 5.0% |
| Cardinal Townhouse | 3,832 | 4,024 | 192 | 5.0% |
| UNIVERSITY POINTE | | | | |
| Four Bed, Four Bath | 4,238 | 4,450 | 212 | 5.0% |
| DENNY CRUM HALL | | | | |
| One Bed, One Bath | 9,260 | 9,723 | 463 | 5.0% |
| Two Bed, Two Bath | 6,240 | 6,552 | 312 | 5.0% |

Dining

Simplicity, flexibility, value, and convenience for students is the objective for the restructured dining meal plans offered in FY 2025. The number of meal plan options is reducing from nine to six with the introduction of two new plans, resulting in a more streamlined approach for many students. This refresh will provide students with simplistic requirements and promote sustainability and future enhancements to the dining experience through location improvements, especially on the HSC campus. Beginning Fall 2024, a 5.0 percent increase to Traditional All-Access meal plan options will generate an additional \$200,000 in revenue. Inflationary labor and food costs in dining services has led to students paying between \$111 and \$200 more per semester depending upon meal plan option. Meal plan options for students living in apartments with full kitchens as well as commuter students will also change, as two plans are no longer offered and new ones will be introduced. Table 9 summarizes the current and new meal plan rates.

TABLE 9: DINING MEAL PLAN RATES FOR 2024-25

| (amounts in dollars) | AY 2024 | AY 2025 | \$ Change | % Change |
|---|----------------|---------|-----------|----------|
| MEAL PLAN | SEMESTER RATES | | | |
| Unlimited 7 w/325 flex points | 2,304 | 2,419 | 115 | 5.0% |
| Unlimited 7 w/175 flex points | 2,220 | 2,331 | 111 | 5.0% |
| 135 meals w/410 flex points | 1,851 | - | - | - |
| 100 meals w/495 flex points | 1,547 | - | - | - |
| 60 meals w/495 flex points | 1,182 | - | - | - |
| 1,250 flex points (Apartments) | 1,115 | 1,250 | 135 | 12.1% |
| 80 meals w/600 flex points (Apartments) | - | 1,470 | - | - |
| 500 Flex Points (Commuters) | 300 | 500 | 200 | 66.7% |
| 50 meals w/300 flex points (Commuters) | - | 797 | - | - |

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 2025, revenues from ULRF remain constant while ULAA is budgeting a decrease of \$5.8 million from the prior fiscal year, due to the following main drivers:

- Athletics has shifted budget models to reduce transfers and align expenses with use of funds resulting in the \$5.6 million transfer reduction year over year.
- Anticipate Facilities and Administrative (F&A) overhead recovery for university direct and indirect support of the research enterprise anticipated to continue at approximately \$32.0 million as in prior year.
- Transfers from ULRF associated with ULH margin share, the portion of ULH annual net income that is split with the university each year, remained constant at \$7.5 million for FY 2025. Margin share is declared in one year and paid to the university over the subsequent three years.

Other Revenues

Other revenues increase \$4.5 million and include self-generated programs such as service centers. Examples include the Protein Purification Lab and the Biophysics Lab.

Expenditures

The FY 2025 general fund expense budget totals \$627.0 million, a \$55.8 million or 9.8 percent increase from FY 2024. Investment in students, people and research remain top priorities in the budget and strategic plan, as well as additional support from a successful state budget account for new spending. The FY 2025 budget includes \$7.3 million for a 2.5 percent cost-of-living increase effective on July 1, 2024 plus \$10.5 million to improve faculty and staff compensation based upon the university's compensation study. In addition, the budget includes \$5.7 million more for student financial aid, as well as \$26.0 million in state funded initiatives that include UofL Health Center for Rural Cancer Education and Research, KY Manufacturing Extension Partnership, and support for inflationary cost associated with insurance premiums.

Table 10 shows the notable general fund expense changes in the FY 2025 budget.

TABLE 10: NOTABLE FY 2025 GENERAL FUND EXPENSE CHANGES

| EXPENDITURE ITEMS | AMOUNT |
|--|----------------------|
| 2.5% cost-of-living adjustment | 7,300,000 |
| Compensation Study investment | 10,500,000 |
| IT infrastructure investment | 3,100,000 |
| Investment in Student Initiatives | 7,000,000 |
| Rural Dental Equipment | 900,000 |
| Research Computing and Infrastructure | 3,000,000 |
| State Fire and Tornado Insurance premium | 4,800,000 |
| Immigration Law Clinic | 1,500,000 |
| KY Manufacturing Extension Partnership | 5,300,000 |
| UofL Health Center for Rural Cancer Education and Research | 12,500,000 |
| Institutional financial aid | 5,700,000 |
| Asset Preservation | 1,500,000 |
| Energy lease payment | (1,200,000) |
| Utilities and Insurances | (1,500,000) |
| Various IT equipment payments fulfilled | (1,400,000) |
| Environmental Health and Safety support | 1,000,000 |
| Police and Safety Investments | 1,000,000 |
| Reinvest Efficiencies/Contingencies | (5,200,000) |
| Total | \$ 55,800,000 |

Salaries and Wages

Budgeted salary and wage expenses for FY 2025 increase by \$17.9 million, or 6.3 percent from FY 2024. The increase is primarily due to two components: \$7.3 million for a 2.5 percent cost-of-living adjustment for eligible employees, and an additional \$10.5 million for staff and faculty salary improvements as part 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 2025, the general fund fringe benefit budget totals \$89.3 million, which 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 2025, each academic and support unit was required to set aside a one percent contingency, the same rate for the last two fiscal years. The contingency for FY 2025 will be utilized to meet strategic priorities of the university.

Table 11 shows budgeted contingency amounts for FY 2024 and FY 2025 by unit.

TABLE II: ACADEMIC AND SUPPORT UNIT GENERAL FUND CONTINGENCY BUDGETS

| UNIT | FY 2024 BUDGET | FY 2025 BUDGET | \$ CHANGE | % CHANGE |
|--|---------------------|---------------------|------------------|-------------|
| Audit Services | 18,776 | 20,452 | 1,676 | 8.9% |
| College of Arts & Sciences | 678,571 | 630,420 | (48,151) | -7.1% |
| College of Business | 300,282 | 299,691 | (591) | -0.2% |
| College of Education and Human Development | 216,729 | 210,209 | (6,520) | -3.0% |
| Communications & Marketing | - | 34,021 | 34,021 | - |
| Community Engagement | 10,122 | 10,122 | - | - |
| Facility Operations | 443,491 | 452,032 | 8,541 | 1.9% |
| Finance & Administration | 90,726 | 91,709 | 983 | 1.1% |
| General Counsel | - | 15,852 | 15,852 | - |
| Graduate School | 31,937 | 18,426 | (13,511) | -42.3% |
| HSC Financial and Administrative Affairs | 56,390 | 16,096 | (40,294) | -71.5% |
| Human Resources | 43,867 | 37,684 | (6,183) | -14.1% |
| Institutional Equity | - | 25,509 | 25,509 | - |
| Office of the President | 109,363 | 32,125 | (77,238) | -70.6% |
| Office of the Provost | 475,000 | 587,746 | 112,746 | 23.7% |
| Research and Innovation | 108,888 | 146,931 | 38,043 | 34.9% |
| School of Dentistry | 287,089 | 303,763 | 16,674 | 5.8% |
| School of Engineering | 301,270 | 290,677 | (10,593) | -3.5% |
| School of Law | 125,783 | 124,933 | (850) | -0.7% |
| School of Medicine | 620,177 | 430,880 | (189,297) | -30.5% |
| School of Music | 81,119 | 80,819 | (300) | -0.4% |
| School of Nursing | 95,879 | 96,841 | 962 | 1.0% |
| School of Public Health and Information Sciences | 58,881 | 67,112 | 8,231 | 14.0% |
| School of Social Work | 89,688 | 83,417 | (6,271) | -7.0% |
| Student Affairs | 153,647 | 326,052 | 172,405 | 112.2% |
| University Advancement | 27,356 | 30,837 | 3,481 | 12.7% |
| University Libraries | 182,507 | 185,924 | 3,417 | 1.9% |
| Total | \$ 4,607,538 | \$ 4,650,280 | \$ 42,742 | 0.9% |

Institutional Financial Aid/Scholarships

General fund institutional financial aid increases from \$72.2 million in FY 2024 to \$77.9 million in FY 2025, a 7.8 percent increase. Building upon the continued success of the expanded Border Benefit initiative will provide non-resident tuition scholarships to eligible students from Illinois, Indiana, Nashville Metro, Southwest Ohio, and St. Louis Metro. Also, West Virginia and all of Ohio will be effective with entering transfers and freshmen for Fall 2024. 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.

Utilities

Utilities include electricity, water, natural gas, and steam/chilled water expenses for the university's three campuses (Belknap, HSC, and Shelby). For FY 2025 utility expense budgets decreased by \$1.5 million or -5.6 percent from the FY 2024 budget. Table 12 displays the utility expenses by category.

TABLE 12: UTILITY EXPENDITURES BY CATEGORY

| UTILITY ITEM | FY 2024 BUDGET | FY 2024 ESTIMATE | FY 2025 BUDGET | \$ CHANGE | % CHANGE |
|---------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| Electricity | 11,842,000 | 10,026,589 | 10,663,839 | (1,178,161) | -9.9% |
| Water | 3,459,000 | 3,363,194 | 3,541,499 | 82,499 | 2.4% |
| Natural Gas | 3,904,000 | 2,305,227 | 2,508,617 | (1,395,383) | -35.7% |
| Steam/Chilled Water | 6,063,000 | 6,720,621 | 7,023,771 | 960,771 | 15.8% |
| Total | \$ 25,268,000 | \$ 22,415,631 | \$ 23,737,726 | \$ (1,530,274) | -6.1% |

Capital Assets and Debt Service

The FY 2025 budget includes expenses for debt service, capital leases, and capital purchases of less than \$1.0 million. (Capital purchases greater than \$1.0 million must be approved by the state legislature if not included in the university’s six-year capital plan.)

The overall general fund debt service in FY 2025 decreases by \$772,000, or 2.6 percent, as 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 IT Infrastructure, \$1.4 million
- New Debt and Capital Leases
 - o Asset Preservation Match, \$0.3 million
 - o Multidisciplinary Engineering Building, \$0.5 million
 - o IT Firewall, \$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 2.0 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 2025 CAPITAL ASSET EXPENSES AND DEBT SERVICE AMOUNTS: GENERAL FUND

| BOND ISSUE | SUMMARY OF BOND USES | FY 2025 BUDGET | FUNDING SOURCE | MATURITY |
|--|---|----------------------|------------------------------|----------|
| 2010 - Series B | Energy conservation projects | 1,151,810 | University | 2028 |
| 2016 - Series A | Primarily Student Activity Center renovations | 1,236,494 | University | 2036 |
| 2016 - Series B | Center for Predictive Medicine, various Athletics | 2,804,300 | University, ULRF, Athletics | 2028 |
| 2016 - Series C | School of Dentistry renovation, parking, Ctr for Translational Res. | 6,279,300 | Dental School, ULRF, Parking | 2029 |
| 2016 - Series D | Football stadium expansion - Tax Exempt | 3,057,550 | 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 | 2,263,426 | Student Affairs | 2032 |
| 2021 - Series B | Belknap Village South Residence Hall | 1,963,613 | Housing | 2051 |
| Subtotal: Debt service | | 24,117,318 | | |
| Subtotal: Campus modernization | | 2,717,386 | | |
| Subtotal: Capital leases | | 2,409,581 | | |
| Total debt service, capital leases (General Fund) | | \$ 29,244,285 | | |

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 2025. 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 2025 general fund expense budget includes the planned use of \$960,000 in prior year funds for one-time capital projects and equipment purchases in the Center for Cardiometabolic Science, equipment replacement, and one-time moving costs from Baxter II to Research Tower for the Biochemistry & Molecular Genetics DNA Core Facility.

SUPPLEMENTAL INFORMATION: GENERAL FUND EXPENDITURES BY UNIT

The following tables summarize each academic and support unit’s general fund budget. Actual expenses for FY 2023 are presented first, followed by each unit’s expenditure budget for FY 2024 and FY 2025.

Expenditures common to every academic and support unit’s budget include:

- Every unit was required to budget a minimum one percent contingency.
- Every academic and support unit funded a 2.5 percent COLA from within their general funds expense budgets; for eligible faculty and staff.
- Academic units will show a change impact from FY 2024 related to the realignment of student undergraduate advising services to the department of coordinated undergraduate advising center within the Office of the Provost. In addition, graduate student support was realigned to the Graduate School to provide consistent oversight and allocation of resources to further support students.
- As part of the staff compensation study investment, each academic and support unit were provided support for impacted employees as a result of the study.

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 2025 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.
- c. Revenues generated from fees and other activities specific to the unit.

Athletics

TABLE 14: ATHLETICS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|----------------|----------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 1,982,060 | 1,982,060 | 1,982,060 | - | - |
| Uses of Funds | | | | | |
| Salaries and wages | - | - | - | - | - |
| Fringe benefits | - | - | - | - | - |
| Financial aid | 49,500 | 50,700 | 50,700 | - | - |
| Operating | 1,931,300 | 1,931,360 | 1,931,360 | - | - |
| Contingency | - | - | - | - | - |
| Total Uses of Funds | \$ 1,980,800 | \$ 1,982,060 | \$ 1,982,060 | \$ - | - |

Year-End Unit Savings **\$ 1,260**

Notable general fund budget changes include:

- 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 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 1,834,569 | 1,877,569 | 2,045,162 | 167,593 | 8.9% |
| Uses of Funds | | | | | |
| Salaries and wages | 1,058,358 | 1,331,647 | 1,454,275 | 122,628 | 9.2% |
| Fringe benefits | 320,943 | 402,473 | 428,861 | 26,388 | 6.6% |
| Financial aid | - | - | - | - | - |
| Operating | 231,075 | 124,673 | 141,574 | 16,901 | 13.6% |
| Contingency | - | 18,776 | 20,452 | 1,676 | 8.9% |
| Total Uses of Funds | \$ 1,610,376 | \$ 1,877,569 | \$ 2,045,162 | \$ 167,593 | 8.9% |

Year-End Unit Savings **\$ 224,193**

Notable general fund budget changes include:

- University support for staff compensation study in the amount of \$64,000, in addition to a 2.5 percent salary increase.
- Increased funding for an additional auditor position

College of Arts & Sciences

TABLE 16: COLLEGE OF ARTS & SCIENCES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 62,979,773 | 65,710,598 | 63,042,002 | (2,668,596) | -4.1% |
| Uses of Funds | | | | | |
| Salaries and wages | 45,234,024 | 45,912,873 | 40,808,285 | (5,104,588) | -11.1% |
| Fringe benefits | 13,443,625 | 14,364,797 | 13,224,871 | (1,139,926) | -7.9% |
| Financial aid | 672,165 | 701,794 | 657,550 | (44,244) | -6.3% |
| Operating | 3,629,958 | 4,052,563 | 7,720,876 | 3,668,313 | 90.5% |
| Contingency | - | 678,571 | 630,420 | (48,151) | -7.1% |
| Total Uses of Funds | \$ 62,979,772 | \$ 65,710,598 | \$ 63,042,002 | \$ (2,668,596) | -4.1% |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Tuition revenue growth due in part to strategic university-wide recruitment and enrollment initiatives.
- University support for staff compensation study in the amount of \$367,000
- Realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense shift of \$7.1 million
- Tuition revenue increases by \$4.5 million as a result of tuition rate increases, undergraduate enrollment and retention efforts.

College of Business

TABLE 17: COLLEGE OF BUSINESS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|--------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 28,595,397 | 30,028,169 | 29,969,095 | (59,074) | -0.2% |
| Uses of Funds | | | | | |
| Salaries and wages | 19,735,063 | 20,507,110 | 19,986,086 | (521,024) | -2.5% |
| Fringe benefits | 4,492,572 | 4,944,295 | 4,750,689 | (193,606) | -3.9% |
| Financial aid | 1,006,673 | 1,068,367 | 922,367 | (146,000) | -13.7% |
| Operating | 3,361,089 | 3,208,115 | 4,010,262 | 802,147 | 25.0% |
| Contingency | - | 300,282 | 299,691 | (591) | -0.2% |
| Total Uses of Funds | \$ 28,595,397 | \$ 30,028,169 | \$ 29,969,095 | \$ (59,074) | -0.2% |

Year-End Unit Savings \$ 750,593

Notable general fund budget changes include:

- Tuition revenue stabilization is due in part to strategic university-wide recruitment and enrollment initiatives.
- Realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense shift of \$815,000.
- College of Business publicity budget increases by \$481,000 to maximize recruitment opportunities.
- Tuition revenue increases by \$756,000 as a result of tuition rate increases, undergraduate enrollment and retention efforts.

College of Education and Human Development

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

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 20,798,285 | 21,643,856 | 21,020,948 | (622,908) | -2.9% |
| Uses of Funds | | | | | |
| Salaries and wages | 14,825,305 | 15,421,501 | 13,764,650 | (1,656,851) | -10.7% |
| Fringe benefits | 4,485,932 | 5,026,674 | 4,320,634 | (706,040) | -14.0% |
| Financial aid | 7,375 | - | - | - | - |
| Operating | 1,418,903 | 978,952 | 2,725,455 | 1,746,503 | 178.4% |
| Contingency | - | 216,729 | 210,209 | (6,520) | -3.0% |
| Total Uses of Funds | \$ 20,737,515 | \$ 21,643,856 | \$ 21,020,948 | \$ (622,908) | -2.9% |

Year-End Unit Savings \$ 60,770

Notable general fund budget changes include:

- Realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense decrease of \$1.6 million.
- University support for staff compensation study, as well as a 2.5 percent salary increase account for the additional change in salary and fringe benefits.
- Tuition revenue increases by \$1.5 million as a result of tuition rate increases, undergraduate enrollment and retention efforts.

Communications & Marketing

TABLE 19: COMMUNICATIONS & MARKETING GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------|-------------|---------------------|---------------------|----------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | - | - | 3,402,107 | 3,402,107 | - |
| Uses of Funds | | | | | |
| Salaries and wages | - | - | 2,077,110 | 2,077,110 | - |
| Fringe benefits | - | - | 719,266 | 719,266 | - |
| Financial aid | - | - | - | - | - |
| Operating | - | - | 571,710 | 571,710 | - |
| Contingency | - | - | 34,021 | 34,021 | - |
| Total Uses of Funds | \$ - | \$ - | \$ 3,402,107 | \$ 3,402,107 | - |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Unit was previously housed within the Office of the President and realigned as part of a resource restructure. For reference, the FY 2024 Communication & Marketing budget was \$3.1 million.
- The FY 2025 budget includes support for two web improvement positions to further contribute to successful web improvement and marketing of the university.

Community Engagement

TABLE 20: COMMUNITY ENGAGEMENT GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|-------------------|---------------------|---------------------|----------------|----------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 889,872 | 1,012,154 | 1,012,154 | - | - |
| Uses of Funds | | | | | |
| Salaries and wages | 443,364 | 660,164 | 631,674 | (28,490) | -4.3% |
| Fringe benefits | 138,385 | 169,968 | 181,854 | 11,886 | 7.0% |
| Financial aid | - | - | - | - | - |
| Operating | 175,120 | 171,900 | 188,504 | 16,604 | 9.7% |
| Contingency | - | 10,122 | 10,122 | - | - |
| Total Uses of Funds | \$ 756,869 | \$ 1,012,154 | \$ 1,012,154 | \$ - | - |

Year-End Unit Savings \$ 133,003

Notable general fund budget changes include:

- Salary budget decreased due to transfer of resources to support operational activities and fringe benefit cost within the unit, inclusive of a 2.5 percent salary increase.
- Operating support will provide additional community engagement outreach activities including mini outreach grants and professional development opportunities for faculty.

*Note - \$85,000 allocated towards the faculty fellow community engagement program not reflected in the unit’s budget.

Facility Operations

TABLE 21: 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 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 47,445,454 | 44,072,450 | 45,203,224 | 1,130,774 | 2.6% |
| Uses of Funds | | | | | |
| Salaries and wages | 22,737,960 | 24,683,224 | 24,536,776 | (146,448) | -0.6% |
| Fringe benefits | 8,113,466 | 10,434,742 | 9,660,063 | (774,679) | -7.4% |
| Financial aid | 1,100 | - | - | - | - |
| Operating | 14,947,700 | 8,510,993 | 10,554,353 | 2,043,360 | 24.0% |
| Contingency | - | 443,491 | 452,032 | 8,541 | 1.9% |
| Total Uses of Funds | \$ 45,800,226 | \$ 44,072,450 | \$ 45,203,224 | \$ 1,130,774 | 2.6% |

Year-End Unit Savings **\$ 1,645,229**

Notable general fund budget changes include:

- University support for staff compensation study account for a large portion of the year-over-year budget change, as well as supplements to the Environmental Health and Safety Division to ensure continued campus safety and its reorganization to Research and Innovation.
- An additional \$497,000 was provided in support of university public safety for shooter detector devices and officer recruitment and retention support.

Finance & Administration

TABLE 22: 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 Financial Management and Support Services.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|-------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 5,505,839 | 8,899,392 | 9,170,918 | 271,526 | 3.1% |
| Uses of Funds | | | | | |
| Salaries and wages | 3,750,505 | 6,326,656 | 6,241,943 | (84,713) | -1.3% |
| Fringe benefits | 1,206,803 | 2,257,108 | 2,230,323 | (26,785) | -1.2% |
| Financial aid | 500 | - | - | - | - |
| Operating | 64,130 | 224,902 | 606,943 | 382,041 | 169.9% |
| Contingency | - | 90,726 | 91,709 | 983 | 1.1% |
| Total Uses of Funds | \$ 5,021,937 | \$ 8,899,392 | \$ 9,170,918 | \$ 271,526 | 3.1% |

Year-End Unit Savings **\$ 483,902**

Notable general fund budget changes include:

- Majority of the year-of-year change is attributed to university support for the staff compensation study and salary increase.

General Counsel

TABLE 23: GENERAL COUNSEL GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------|-------------|---------------------|---------------------|----------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | - | - | 1,585,202 | 1,585,202 | - |
| Uses of Funds | | | | | |
| Salaries and wages | - | - | 1,120,480 | 1,120,480 | - |
| Fringe benefits | - | - | 306,383 | 306,383 | - |
| Financial aid | - | - | - | - | - |
| Operating | - | - | 142,487 | 142,487 | - |
| Contingency | - | - | 15,852 | 15,852 | - |
| Total Uses of Funds | \$ - | \$ - | \$ 1,585,202 | \$ 1,585,202 | - |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Unit was previously housed within the Office of the President, which was realigned as part of a resource restructure. For reference, the FY 2024 General Counsel budget was \$1.5 million.

Graduate School

TABLE 24: GRADUATE SCHOOL GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 12,523,856 | 13,428,270 | 24,198,074 | 10,769,804 | 80.2% |
| Uses of Funds | | | | | |
| Salaries and wages | 3,307,518 | 3,761,872 | 14,088,390 | 10,326,518 | 274.5% |
| Fringe benefits | 627,593 | 755,307 | 2,265,095 | 1,509,788 | 199.9% |
| Financial aid | 7,702,700 | 7,741,400 | 7,740,900 | (500) | - |
| Operating | 275,955 | 1,137,754 | 85,263 | (1,052,491) | -92.5% |
| Contingency | - | 31,937 | 18,426 | (13,511) | -42.3% |
| Total Uses of Funds | \$ 11,913,765 | \$ 13,428,270 | \$ 24,198,074 | \$ 10,769,804 | 80.2% |

Year-End Unit Savings **\$ 610,091**

Notable general fund budget changes include:

- The increase in \$10.7 million is primarily due to the realignment of graduate assistantship resources that were previously allocated to each academic unit. Starting in FY 2025, resources were shifted centrally to the Graduate School to allow for optimized use of graduate assistantships.

HSC Financial and Administrative Affairs

TABLE 25: HSC FINANCIAL AND ADMINISTRATIVE AFFAIRS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-----------------------|---------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 5,460,098 | 5,714,964 | 1,609,602 | (4,105,362) | -71.8% |
| Uses of Funds | | | | | |
| Salaries and wages | 3,095,570 | 3,466,975 | 1,124,254 | (2,342,721) | -67.6% |
| Fringe benefits | 939,254 | 1,102,929 | 267,871 | (835,058) | -75.7% |
| Financial aid | 34,800 | 97,664 | - | (97,664) | -100.0% |
| Operating | 1,181,722 | 991,006 | 201,381 | (789,625) | -79.7% |
| Contingency | - | 56,390 | 16,096 | (40,294) | -71.5% |
| Total Uses of Funds | \$ 5,251,345 | \$ 5,714,964 | \$ 1,609,602 | \$ (4,105,362) | -71.8% |

Year-End Unit Savings **\$ 208,753**

Notable general fund budget changes include:

- Campus Health Services restructured to Student Affairs contributes to \$3.4 million of the year-over-year change to better align student support, as well as the diversity and inclusion department at HSC to Institutional Equity.

Human Resources

TABLE 26: HUMAN RESOURCES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 3,055,625 | 3,126,739 | 3,768,391 | 641,652 | 20.5% |
| Uses of Funds | | | | | |
| Salaries and wages | 2,113,889 | 2,222,867 | 2,482,905 | 260,038 | 11.7% |
| Fringe benefits | 611,265 | 705,935 | 800,165 | 94,230 | 13.3% |
| Financial aid | - | - | 22,200 | 22,200 | - |
| Operating | 102,519 | 154,070 | 425,437 | 271,367 | 176.1% |
| Contingency | - | 43,867 | 37,684 | (6,183) | -14.1% |
| Total Uses of Funds | \$ 2,827,673 | \$ 3,126,739 | \$ 3,768,391 | \$ 641,652 | 20.5% |

Year-End Unit Savings **\$ 227,952**

Notable general fund budget changes include:

- The Employee Success Center was previously housed within the Office of the President and realigned to Human Resources to strategically coordinate initiatives within the university.
- Funding for a new career development specialist position attributes to part of the salary and fringe increase, as well as the 2.5 percent salary increase.

Institutional Equity

TABLE 27: INSTITUTIONAL EQUITY GENERAL FUND SUMMARY

Inclusive in the Office of the President budget are the following departmental budgets: Cultural Center, Diversity & Equity, LGBT Center, Muhammad Ali Institute, Title IX, and the Women’s Center.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------|-------------|---------------------|---------------------|----------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | - | - | 2,550,927 | 2,550,927 | - |
| Uses of Funds | | | | | |
| Salaries and wages | - | - | 1,683,635 | 1,683,635 | - |
| Fringe benefits | - | - | 576,691 | 576,691 | - |
| Financial aid | - | - | 73,014 | 73,014 | - |
| Operating | - | - | 192,078 | 192,078 | - |
| Contingency | - | - | 25,509 | 25,509 | - |
| Total Uses of Funds | \$ - | \$ - | \$ 2,550,927 | \$ 2,550,927 | - |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Unit was previously housed within the Office of the President, and realigned as part of a resource restructure. For reference, the FY 2024 Institutional Equity budget was \$2.3 million.
- This change includes HSC and Belknap diversity and inclusion areas, as well as Title IX office previously located in Student Affairs.

Office of the President

TABLE 28: OFFICE OF THE PRESIDENT GENERAL FUND SUMMARY

Inclusive in the Office of the President budget are the following departmental budgets: Boards-Institutional Support, Commissions, and University Senates.

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|---------------------|-----------------------|---------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 11,547,923 | 10,936,312 | 3,212,464 | (7,723,848) | -70.6% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,903,445 | 7,122,496 | 2,038,731 | (5,083,765) | -71.4% |
| Fringe benefits | 1,765,966 | 1,927,400 | 313,427 | (1,613,973) | -83.7% |
| Financial aid | 54,502 | 26,150 | - | (26,150) | -100.0% |
| Operating | 2,484,264 | 1,750,903 | 828,181 | (922,722) | -52.7% |
| Contingency | - | 109,363 | 32,125 | (77,238) | -70.6% |
| Total Uses of Funds | \$ 11,208,177 | \$ 10,936,312 | \$ 3,212,464 | \$ (7,723,848) | -70.6% |

Year-End Unit Savings **\$ 339,746**

Notable general fund budget changes include:

- To better align resources and show a more transparent view General Counsel, Institutional Equity, and Communications and Marketing were restructured into their own units. This restructure accounts for the majority of the change within the Office of the President budget.

Office of the Provost

TABLE 29: 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, Coordinated Undergraduate Advising Center, 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 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 98,313,822 | 103,151,357 | 118,582,908 | 15,431,551 | 15.0% |
| Uses of Funds | | | | | |
| Salaries and wages | 25,194,179 | 27,666,800 | 33,064,774 | 5,397,974 | 19.5% |
| Fringe benefits | 7,757,169 | 9,062,590 | 10,994,139 | 1,931,549 | 21.3% |
| Operating | 12,410,054 | 10,217,139 | 12,647,258 | 2,430,119 | 23.8% |
| Contingency | - | 475,000 | 587,746 | 112,746 | 23.7% |
| Total Uses of Funds | \$ 45,361,401 | \$ 47,421,529 | \$ 57,293,917 | \$ 9,872,388 | 20.8% |
| Institutional Financial aid | \$ 48,993,561 | \$ 55,729,828 | \$ 61,288,991 | \$ 5,559,163 | 10.0% |
| Year-End Unit Savings | \$ 3,958,860 | | | | |

Notable general fund budget changes include:

- Creation and shift of the Coordinated Undergraduate Advising Center from academic units to the Office of the Provost occurred to better align student services, which accounts for \$3.9 million of the budget change.
- An overall increase of \$4.9 million in university financial aid support to better assist with recruitment and retention of students.
- To better align student support, the Office of International Affairs was reorganized from Student Affairs, resulting in an increase of \$1.1 million.
- Implementation of a new online \$10 per credit hour course fee through the Delphi center to increase student success and quality online programs.
- Additional support for a faculty affairs position and new McConnell Center Archivist position.
- Support for IT infrastructure in the amount of \$1.6 million.

Research and Innovation

TABLE 30: RESEARCH AND INNOVATION GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 10,698,767 | 10,894,690 | 14,693,085 | 3,798,395 | 34.9% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,407,711 | 7,375,454 | 12,114,943 | 4,739,489 | 64.3% |
| Fringe benefits | 1,984,284 | 2,446,364 | 4,235,701 | 1,789,337 | 73.1% |
| Financial aid | 50,676 | 27,000 | 26,305 | (695) | -2.6% |
| Operating | 2,096,356 | 936,984 | (1,830,795) | (2,767,779) | -295.4% |
| Contingency | - | 108,888 | 146,931 | 38,043 | 34.9% |
| Total Uses of Funds | \$ 10,539,028 | \$ 10,894,690 | \$ 14,693,085 | \$ 3,798,395 | 34.9% |

Year-End Unit Savings **\$ 159,739**

Notable general fund budget changes include:

- The reorganizations of the Competitive Medical Research Unit and Environmental Health and Safety attributes to \$5.3 million of the overall change
- University support for impacted employee related to the staff compensation, as well as a 2.5 percent salary increase as part of the salary and fringe increase.

School of Dentistry

TABLE 3I: SCHOOL OF DENTISTRY GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 27,475,585 | 28,708,886 | 30,376,281 | 1,667,395 | 5.8% |
| Uses of Funds | | | | | |
| Salaries and wages | 18,679,680 | 19,417,045 | 20,538,434 | 1,121,389 | 5.8% |
| Fringe benefits | 5,593,755 | 6,428,662 | 6,689,726 | 261,064 | 4.1% |
| Financial aid | 443,042 | 268,736 | 268,736 | - | - |
| Operating | 2,759,109 | 2,307,354 | 2,575,622 | 268,268 | 11.6% |
| Contingency | - | 287,089 | 303,763 | 16,674 | 5.8% |
| Total Uses of Funds | \$ 27,475,586 | \$ 28,708,886 | \$ 30,376,281 | \$ 1,667,395 | 5.8% |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Intentional readjustment of faculty-to-student clinical ratios to facilitate ideal patient-centered care and support student educational needs.
- Salary and wage budget increase is attributed to staff compensation impact support, in addition to a 2.5 percentage salary increase.
- Tuition revenue increases by \$1.5 million as a result of professional tuition rate increases and non-resident enrollment.

School of Engineering

TABLE 32: SCHOOL OF ENGINEERING GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 29,562,540 | 29,744,559 | 29,067,729 | (676,830) | -2.3% |
| Uses of Funds | | | | | |
| Salaries and wages | 20,429,013 | 21,450,695 | 20,573,833 | (876,862) | -4.1% |
| Fringe benefits | 5,493,287 | 6,139,402 | 5,940,418 | (198,984) | -3.2% |
| Financial aid | 171,272 | 134,500 | 130,500 | (4,000) | -3.0% |
| Operating | 3,468,968 | 1,718,692 | 2,132,301 | 413,609 | 24.1% |
| Contingency | - | 301,270 | 290,677 | (10,593) | -3.5% |
| Total Uses of Funds | \$ 29,562,539 | \$ 29,744,559 | \$ 29,067,729 | \$ (676,830) | -2.3% |

Year-End Unit Savings

\$ -

Notable general fund budget changes include:

- Tuition revenue growth due in part to strategic university-wide recruitment and enrollment initiatives.
- Realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense decrease of \$2.1 million
- Support provided for the staff compensation, as well as a 2.5 percent salary increase attribute to the salary and wage change.
- Tuition revenue increases by \$1.7 million as a result of tuition rate increases, undergraduate enrollment and retention efforts.

School of Law

TABLE 33: SCHOOL OF LAW GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|--------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 12,069,852 | 12,578,195 | 12,493,276 | (84,919) | -0.7% |
| Uses of Funds | | | | | |
| Salaries and wages | 5,432,454 | 5,751,512 | 5,902,771 | 151,259 | 2.6% |
| Fringe benefits | 1,565,605 | 1,782,865 | 1,750,552 | (32,313) | -1.8% |
| Financial aid | 3,139,976 | 2,741,105 | 2,408,689 | (332,416) | -12.1% |
| Operating | 1,931,817 | 2,176,930 | 2,306,331 | 129,401 | 5.9% |
| Contingency | - | 125,783 | 124,933 | (850) | -0.7% |
| Total Uses of Funds | \$ 12,069,852 | \$ 12,578,195 | \$ 12,493,276 | \$ (84,919) | -0.7% |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Financial Aid expense decrease due to a shift in support to non-general funds.
- Salary and wage budget increase is attributed to staff compensation impact support, in addition to a 2.5 percentage salary increase.
- Tuition revenue decreases as a result of large graduation class from FY 2024, coupled with a smaller first year cohort expected.

*Note - The \$1.5 million allocated for the Immigration Law Clinic is currently not reflected in the unit’s budget.

School of Medicine

TABLE 34: SCHOOL OF MEDICINE GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 42,008,144 | 43,181,289 | 43,088,041 | (93,248) | -0.2% |
| Uses of Funds | | | | | |
| Salaries and wages | 29,677,037 | 28,748,611 | 28,348,468 | (400,143) | -1.4% |
| Fringe benefits | 7,741,809 | 8,367,438 | 7,692,257 | (675,181) | -8.1% |
| Financial aid | 884,348 | 751,654 | 766,660 | 15,006 | 2.0% |
| Operating | 3,704,949 | 4,693,409 | 5,849,776 | 1,156,367 | 24.6% |
| Contingency | - | 620,177 | 430,880 | (189,297) | -30.5% |
| Total Uses of Funds | \$42,008,144 | \$43,181,289 | \$43,088,041 | \$(93,248) | -0.2% |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Realignment of graduate assistantships resulting in a revenue and expense decrease of \$600,000.
- The Comparative Medical Research Unit was reorganized to Research & Innovation, resulting in a shift of \$1.2 million in their budget.
- University support for the staff compensation study, as well as a 2.5 percent salary increase also attribute to the change in salary and fringe.
- Tuition revenue increases by \$1.7 million as a result of professional tuition rate increases, with stabilized enrollment.

School of Music

TABLE 35: SCHOOL OF MUSIC GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|--------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 8,342,582 | 8,111,932 | 8,081,914 | (30,018) | -0.4% |
| Uses of Funds | | | | | |
| Salaries and wages | 4,877,299 | 5,169,893 | 4,867,690 | (302,203) | -5.8% |
| Fringe benefits | 1,496,320 | 1,653,190 | 1,493,575 | (159,615) | -9.7% |
| Financial aid | 512,356 | 728,028 | 829,372 | 101,344 | 13.9% |
| Operating | 897,178 | 479,702 | 810,458 | 330,756 | 69.0% |
| Contingency | - | 81,119 | 80,819 | (300) | -0.4% |
| Total Uses of Funds | \$ 7,783,152 | \$ 8,111,932 | \$ 8,081,914 | \$ (30,018) | -0.4% |

Year-End Unit Savings **\$ 559,430**

Notable general fund budget changes include:

- Realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense decrease of \$440,000.
- Tuition revenue increases by \$310,000 as a result of tuition rate increases, stable undergraduate enrollment, and retention efforts.

School of Nursing

TABLE 36: SCHOOL OF NURSING GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 8,245,971 | 8,455,817 | 9,684,122 | 1,228,305 | 14.5% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,341,557 | 5,915,046 | 6,721,033 | 805,987 | 13.6% |
| Fringe benefits | 1,732,712 | 1,839,327 | 2,009,067 | 169,740 | 9.2% |
| Financial aid | 100 | - | - | - | - |
| Operating | 172,139 | 605,565 | 857,181 | 251,616 | 41.6% |
| Contingency | (537) | 95,879 | 96,841 | 962 | 1.0% |
| Total Uses of Funds | \$ 8,245,971 | \$ 8,455,817 | \$ 9,684,122 | \$ 1,228,305 | 14.5% |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Substantially higher enrollment in the ABSN program and initially higher enrollment in the ABSN program and new Nurse Anesthesia program is reflected in the revenue increase, both cohorts have doubled in size.
- Realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense decrease of \$542,000.
- Support of staff compensation and a 2.5 percent salary increase attribute to the increases in salaries and wages and fringe benefits.
- Two new staff positions, one in marketing and the other tied to development designed to increase overall revenue and enrollment for the school.
- Revenue increases by \$1.7 million as a result of tuition rate increases, undergraduate enrollment, and nursing program fees.

School of Public Health and Information Sciences

TABLE 37: SCHOOL OF PUBLIC HEALTH AND INFORMATION SCIENCES GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 6,045,004 | 5,887,936 | 6,711,247 | 823,311 | 14.0% |
| Uses of Funds | | | | | |
| Salaries and wages | 4,636,072 | 4,195,542 | 4,420,640 | 225,098 | 5.4% |
| Fringe benefits | 1,119,550 | 1,092,836 | 1,204,896 | 112,060 | 10.3% |
| Financial aid | 82,485 | 10,000 | 127,543 | 117,543 | 1175.4% |
| Operating | 206,897 | 530,677 | 891,056 | 360,379 | 67.9% |
| Contingency | - | 58,881 | 67,112 | 8,231 | 14.0% |
| Total Uses of Funds | \$ 6,045,004 | \$ 5,887,936 | \$ 6,711,247 | \$ 823,311 | 14.0% |

Year-End Unit Savings \$ -

Notable general fund budget changes include:

- Revenue increases due to anticipated enrollment growth and review of prior year enrollment trends and revenue.
- Salaries and fringe benefits budgets decrease in part to the realignment of coordinated undergraduate advising and graduate assistantships resulting in a revenue and expense decrease of \$256,000.
- University support for the staff compensation study, as well as a 2.5 percent salary increase attribute to the changes in salaries and wages and fringe benefits.
- Tuition revenue increases by \$1.0 million as a result of tuition rate increases, undergraduate enrollment, and retention efforts.

School of Social Work

TABLE 38: SCHOOL OF SOCIAL WORK GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 8,806,276 | 8,859,926 | 8,341,709 | (518,217) | -5.8% |
| Uses of Funds | | | | | |
| Salaries and wages | 6,318,816 | 6,358,110 | 5,725,135 | (632,975) | -10.0% |
| Fringe benefits | 1,678,674 | 1,858,624 | 1,686,684 | (171,940) | -9.3% |
| Financial aid | 134,258 | 229,501 | 212,000 | (17,501) | -7.6% |
| Operating | 652,857 | 324,003 | 634,473 | 310,470 | 95.8% |
| Contingency | - | 89,688 | 83,417 | (6,271) | -7.0% |
| Total Uses of Funds | \$ 8,784,605 | \$ 8,859,926 | \$ 8,341,709 | \$ (518,217) | -5.8% |

Year-End Unit Savings **\$ 21,671**

Notable general fund budget changes include:

- Realignment of coordinated undergraduate advising and graduate assistantships resulted in a decrease of \$295,000 in revenue and expense.
- Support provided for the staff compensation study, in addition to a 2.5 percent salary increase is part of the change in salary and fringe.
- Reductions in salaries and fringe benefits budgets due in part to faculty vacancies and less reliance on part-time lecturers.
- Tuition revenue increases by \$422,000 as a result of tuition rate increases.

Student Affairs

TABLE 39: STUDENT AFFAIRS GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|---------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 26,291,061 | 27,708,955 | 32,605,158 | 4,896,203 | 17.7% |
| Uses of Funds | | | | | |
| Salaries and wages | 7,522,798 | 8,199,570 | 11,402,674 | 3,203,104 | 39.1% |
| Fringe benefits | 2,151,515 | 2,749,590 | 3,499,162 | 749,572 | 27.3% |
| Financial aid | 1,231,422 | 1,160,732 | 1,646,676 | 485,944 | 41.9% |
| Operating | 12,785,745 | 15,445,416 | 15,730,594 | 285,178 | 1.8% |
| Contingency | - | 153,647 | 326,052 | 172,405 | 112.2% |
| Total Uses of Funds | \$ 23,691,480 | \$ 27,708,955 | \$ 32,605,158 | \$ 4,896,203 | 17.7% |

Year-End Unit Savings **\$ 2,599,580**

Notable general fund budget changes include:

- A larger drive of the year-over-year change in revenue is due to a 5 percent increase in housing rates across all resident's hall, resulting in a \$1.3 million increase.
- Three reorganizations occurred within the unit: Title IX shifted from Student Affairs to Institutional Equity, International Affairs to the Office of the Provost as well as Campus Health was realigned to Student Affairs from HSC Financial and Administrative Affairs, resulting in an overall change of \$3.0 million.
- Salaries and fringe benefits increase due, in part, to university support of staff compensation study and student wage increase, as well as department reorganizations, and a 2.5 percent salary increase.
- 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 40: UNIVERSITY ADVANCEMENT GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|---------------------|---------------------|---------------------|-------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 1,235,614 | 2,735,614 | 3,083,656 | 348,042 | 12.7% |
| Uses of Funds | | | | | |
| Salaries and wages | 749,825 | 1,564,683 | 1,655,882 | 91,199 | 5.8% |
| Fringe benefits | 228,102 | 549,779 | 594,343 | 44,564 | 8.1% |
| Financial aid | - | - | - | - | - |
| Operating | 246,587 | 593,796 | 802,594 | 208,798 | 35.2% |
| Contingency | - | 27,356 | 30,837 | 3,481 | 12.7% |
| Total Uses of Funds | \$ 1,224,514 | \$ 2,735,614 | \$ 3,083,656 | \$ 348,042 | 12.7% |

Year-End Unit Savings **\$ 11,100**

Notable general fund budget changes include:

- University support for staff compensation study and a 2.5 percent salary increase attribute to the overall change in salary and fringe.
- Realignment of event planning positions to provide a coordinated University effort under the Office of Advancement.
- The increase in operating is related to licensing, subscriptions, and technology costs.

University Libraries

TABLE 4I: 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 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Sources of Funds | 17,813,621 | 18,250,669 | 18,592,398 | 341,729 | 1.9% |
| Uses of Funds | | | | | |
| Salaries and wages | 5,308,744 | 5,772,700 | 6,244,566 | 471,866 | 8.2% |
| Fringe benefits | 2,000,922 | 2,239,337 | 2,410,765 | 171,428 | 7.7% |
| Financial aid | - | - | - | - | - |
| Operating | 9,974,013 | 10,056,125 | 9,751,143 | (304,982) | -3.0% |
| Contingency | - | 182,507 | 185,924 | 3,417 | 1.9% |
| Total Uses of Funds | \$ 17,283,679 | \$ 18,250,669 | \$ 18,592,398 | \$ 341,729 | 1.9% |

Year-End Unit Savings **\$ 529,942**

Notable general fund budget changes include:

- The overall budget change is due to support for the staff compensation study and a 2.5 percent salary increase.

University-wide (Utilities, Debt Service, Insurances)

TABLE 42: DEBT SERVICE, UTILITIES, AND OTHER CENTRAL ACTIVITY GENERAL FUND SUMMARY

| | GENERAL FUNDS | | | \$ Change | % Change |
|----------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| | FY 2023 | FY 2024 | FY 2025 | | |
| | ACTUAL | BUDGET | BUDGET | YEAR OVER YEAR | |
| Salaries and wages | 362,355 | 7,120,384 | 10,390,757 | 3,270,373 | 45.9% |
| Fringe benefits | 168,141 | 378,494 | 892,737 | 514,243 | 135.9% |
| Financial aid | 618,968 | 734,223 | 695,000 | (39,223) | -5.3% |
| Operating | 45,077,716 | 46,307,427 | 65,921,227 | 19,613,800 | 42.4% |
| Contingency | - | - | - | - | - |
| Total Uses of Funds | \$ 46,227,180 | \$ 54,540,528 | \$ 77,899,721 | \$ 23,359,193 | 42.8% |

Notable general fund budget changes include:

- \$2.7 million increase for support of the Workday Finance implementation.
- \$20.8 million for state appropriation transfers related to restricted activities for UofL Health, Immigration Law Clinic, and the Manufacturing Extension Partnership.

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 43 presents a summary of non-general fund sources and uses of funds for FY 2025 as compared to FY 2024.

TABLE 43: FY 2025 NON-GENERAL FUND BUDGET

| | FY 2024 BUDGET | FY 2025 BUDGET | | | | | |
|------------------------------------|-------------------------|----------------------|-----------------------|------------------------|-----------------------|-------------------------|-------------|
| | TOTAL NON-GENERAL | FOUNDATION | INTERNALLY DESIGNATED | UL RESEARCH FOUNDATION | ATHLETICS | TOTAL NON-GENERAL | % CHANGE |
| SOURCES OF FUNDS | - | - | - | - | - | - | - |
| Tuition and Fees | - | - | - | - | - | - | - |
| State Funds | - | - | - | - | - | - | - |
| Transfers to General Fund | - | - | - | - | - | - | - |
| Auxiliaries | - | - | - | - | - | - | - |
| Clinical (inclgd Hospital support) | 456,058,911 | - | - | 447,984,551 | - | 447,984,551 | -1.8% |
| Sponsored Agreements | 176,000,000 | - | - | 190,500,000 | - | 190,500,000 | 8.2% |
| Pass Through Financial Aid | 59,000,000 | - | - | 60,677,251 | - | 60,677,251 | 2.8% |
| Other Revenue | 272,018,112 | 79,860,362 | 21,025,022 | - | 141,821,812 | 242,707,196 | -10.8% |
| Asset Preservation | 76,943,000 | - | 117,629,525 | - | - | 117,629,525 | 52.9% |
| Total Fiscal Year Revenues | 1,040,020,023 | 79,860,362 | 138,654,547 | 699,161,802 | 141,821,812 | 1,059,498,523 | 1.9% |
| Funds Received in Prior Periods | 36,246,292 | 125,000 | 14,553,691 | 22,125,186 | 3,158,762 | 39,962,639 | 10.3% |
| Total Sources of Funds | \$ 1,076,266,315 | \$ 79,985,362 | \$ 153,208,238 | \$ 721,286,988 | \$ 144,980,574 | \$ 1,099,461,162 | 2.2% |
| USES OF FUNDS | | | | | | | |
| Salary | 320,183,504 | 20,559,655 | 5,464,345 | 273,031,162 | 49,039,440 | 348,094,601 | 8.7% |
| Fringe Benefits | 84,455,765 | 5,314,474 | 1,588,831 | 71,648,924 | 9,383,749 | 87,935,978 | 4.1% |
| Operating | 463,768,172 | 39,607,882 | 26,320,593 | 282,153,374 | 65,339,672 | 413,421,522 | -10.9% |
| Scholarships | 96,025,984 | 14,503,351 | 981,914 | 69,304,475 | 18,070,388 | 102,860,128 | 7.1% |
| Capital Asset plus Debt Service | 3,460,965 | - | 1,037,350 | 2,064,859 | - | 3,102,209 | -10.4% |
| Transfers to General Fund | 30,586,292 | - | - | 23,000,000 | 1,956,605 | 24,956,605 | -18.4% |
| Asset Preservation | 76,943,000 | - | 117,629,525 | - | - | 117,629,525 | 52.9% |
| Utilities | 842,633 | - | 185,680 | 84,194 | 1,190,720 | 1,460,594 | 73.3% |
| Total Uses of Funds | \$ 1,076,266,315 | \$ 79,985,362 | \$ 153,208,238 | \$ 721,286,988 | \$ 144,980,574 | \$ 1,099,461,162 | 2.2% |
| Sources less Uses of Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |

Non-general Fund Sources

Non-general fund sources total \$1,099,461,162 in FY 2025, which is \$23.1 million, or 2.2 percent, greater than FY 2024. Many non-general fund revenues are impacted by factors outside of the university's control. For example, sponsored research funding depends upon 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 driver in non-general fund revenues for FY 2025 is mainly attributed to the shift in Athletics budget from \$166.1 million in FY 2024 to \$145.0 million in FY 2025, a decrease of \$21.1 million. This included alignment of anticipated revenue budget due to changes in football scheduling for the 2024-25 season, as well as university support provided in FY 2024 that carried forward into FY 2025 to be used on one-time expenditures.

Tables 44 and 45 show endowment budgets by unit and gift budgets by unit, respectively.

TABLE 44: ENDOWMENT BUDGETS BY UNIT

| UNIT NAME | FY 2024 ENDOWMENTS | FY 2025 ENDOWMENTS | \$ CHANGE | % CHANGE |
|--|----------------------|----------------------|---------------------|-------------|
| Athletics | 33,393 | 176,475 | 143,082 | 428.5% |
| Audit Services | - | - | - | - |
| College of Arts & Sciences | 3,030,618 | 3,117,136 | 86,518 | 2.9% |
| College of Business | 2,396,336 | 2,492,277 | 95,941 | 4.0% |
| College of Education and Human Development | 687,142 | 744,509 | 57,367 | 8.3% |
| Communications & Marketing | - | 32,793 | 32,793 | - |
| Community Engagement | 2,643 | 3,363 | 720 | 27.2% |
| Facility Operations | 134,953 | 137,860 | 2,907 | 2.2% |
| Finance & Administration | - | - | - | - |
| General Counsel | - | - | - | - |
| Graduate School | 540 | 173 | (367) | -68.0% |
| HSC Financial and Administrative Affairs | 105,086 | 112,713 | 7,627 | 7.3% |
| Human Resources | - | - | - | - |
| Institutional Equity | - | 61,153 | 61,153 | - |
| Office of the President | 937,811 | 728,971 | (208,840) | -22.3% |
| Office of the Provost | 2,957,769 | 3,179,997 | 222,228 | 7.5% |
| Research and Innovation | 2,480 | 30,893 | 28,413 | 1145.7% |
| School of Dentistry | 580,992 | 629,271 | 48,279 | 8.3% |
| School of Engineering | 4,028,371 | 4,215,202 | 186,831 | 4.6% |
| School of Law | 1,651,756 | 1,700,662 | 48,906 | 3.0% |
| School of Medicine | 20,609,143 | 20,634,098 | 24,955 | 0.1% |
| School of Music | 1,180,499 | 1,213,079 | 32,580 | 2.8% |
| School of Nursing | 405,074 | 420,346 | 15,272 | 3.8% |
| School of Public Health and Information Sciences | 193,904 | 202,730 | 8,826 | 4.6% |
| School of Social Work | 222,464 | 205,733 | (16,731) | -7.5% |
| Student Affairs | 54,677 | 40,911 | (13,766) | -25.2% |
| University Advancement | 169,699 | 516,401 | 346,702 | 204.3% |
| University Libraries | 592,688 | 795,969 | 203,281 | 34.3% |
| Total | \$ 39,978,038 | \$ 41,392,715 | \$ 1,414,677 | 3.5% |

TABLE 45: GIFT BUDGETS BY UNIT

| UNIT NAME | FY 2024 GIFTS | FY 2025 GIFTS | \$ CHANGE | % CHANGE |
|--|----------------------|----------------------|------------------|-------------|
| Athletics | - | - | - | - |
| Audit Services | - | - | - | - |
| College of Arts & Sciences | 2,385,335 | 2,334,792 | (50,543) | -2.1% |
| College of Business | 2,014,621 | 2,401,517 | 386,896 | 19.2% |
| College of Education and Human Development | 123,654 | 863,353 | 739,699 | 598.2% |
| Communications & Marketing | - | 3,813 | 3,813 | - |
| Community Engagement | 6,274 | 123,830 | 117,556 | 1873.7% |
| Facility Operations | 41,203 | 24,511 | (16,692) | -40.5% |
| Finance & Administration | - | - | - | - |
| General Counsel | - | - | - | - |
| Graduate School | 5,000 | - | (5,000) | -100.0% |
| HSC Financial and Administrative Affairs | 122,860 | 6,000 | (116,860) | -95.1% |
| Human Resources | - | 39,225 | 39,225 | - |
| Institutional Equity | - | 543,578 | 543,578 | - |
| Office of the President | 1,892,692 | 50,384 | (1,842,308) | -97.3% |
| Office of the Provost | 1,245,484 | 5,265,572 | 4,020,088 | 322.8% |
| Research and Innovation | 3,425,071 | 627,583 | (2,797,488) | -81.7% |
| School of Dentistry | 582,000 | 612,625 | 30,625 | 5.3% |
| School of Engineering | 1,368,059 | 3,701,225 | 2,333,166 | 170.5% |
| School of Law | 698,493 | 468,357 | (230,136) | -32.9% |
| School of Medicine | 14,831,206 | 12,712,955 | (2,118,251) | -14.3% |
| School of Music | 231,054 | 208,778 | (22,276) | -9.6% |
| School of Nursing | 1,299,624 | 463,555 | (836,069) | -64.3% |
| School of Public Health and Information Sciences | 424,249 | 290,797 | (133,452) | -31.5% |
| School of Social Work | 186,316 | 327,644 | 141,328 | 75.9% |
| Student Affairs | 694,827 | 779,402 | 84,575 | 12.2% |
| University Advancement | 228,167 | 194,971 | (33,196) | -14.5% |
| University Libraries | 496,698 | 286,352 | (210,346) | -42.3% |
| Total | \$ 32,302,887 | \$ 32,330,819 | \$ 27,932 | 0.1% |

Non-general Fund Expenditures

- Changes in non-general fund expenditure budgets between FY 2024 and FY 2025 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 \$46.9 million, or 44.1 percent. The change is primarily due to recognizing and planning to spend \$40.7 million more dollars of state asset preservation funds that could not be spent in FY 2024 or are new funds for FY 2025.
- UL Research Foundation year-over-year decreased by \$4.9 million, or .7 percent, including one-time expenditures associated with use of one-time prior year funds. Notable factors include:
 - \$8.0 million decrease in expenses tied to clinical revenue decline.
 - \$14.5 million increase in sponsored research revenues and associated expenses.
 - \$17.0 million decrease in other revenue due to the implementation of the HSC funds flow model.
 - \$3.7 million increase in one-time expenditures associated with use of one-time prior year funds.
- Athletics' change is primarily due to \$22.0 million decrease in operating expenses tied to aligning FY 2025 to FY 2024 actuals. Although Athletics realigned its budget, it remains committed to:
 - Over \$15.5 million annually in direct tuition, housing, and fees support to the university.
 - Over \$12.0 million in additional support paid directly by student-athletes, graduate assistants, and managers to the university.
 - Support \$200,000 annually to initiatives within the College of Business.
- Transfers to the general fund include facilities and administrative overhead recovery and debt service payments.

All Funds Budget

All Funds Budget includes both general and non-general funds. This section includes financial aid, prior year funds, multi-year outlook, and a table of all funds by unit.

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). 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.

Table 46 presents a summary of all financial aid—general and non-general fund—expected to be awarded to students in FY 2025. Total financial aid increases by \$12.5 million, or 7.4 percent, from FY 2024 which includes accounting for an increase in tuition cost. Unrestricted general fund aid appears in the first row and primarily includes awards made by the Office of Financial Aid (See page 35 for more detail). Stable federal and state financial aid received through the UofL Research Foundation is anticipated in FY 2025. Athletics’ increase is attributable to rising tuition costs (to which many aid awards are aligned). Higher endowment spend policy combined with increased gifts drive the change in gifts and endowments.

TABLE 46: FINANCIAL AID EXPENDITURE BUDGET BY GENERAL AND NON-GENERAL FUNDING SOURCES

| FUNDING SOURCES | FY 2024 BUDGET | FY 2025 BUDGET | \$ CHANGE | % CHANGE |
|-----------------------|-----------------------|-----------------------|----------------------|-------------|
| General Funds | 72,201,382 | 77,867,203 | 5,665,821 | 7.8% |
| Research Foundation | 63,303,694 | 69,304,475 | 6,000,781 | 9.5% |
| Athletics | 17,869,205 | 18,070,388 | 201,183 | 1.1% |
| Gifts and Endowments | 13,943,299 | 14,493,112 | 549,813 | 3.9% |
| Internally Designated | 933,697 | 981,914 | 48,217 | 5.2% |
| Total | \$ 168,251,277 | \$ 180,717,092 | \$ 12,465,815 | 7.4% |

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 2025, units budgeted \$40.9 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 47 shows estimated uses of prior year funds by fund source.

TABLE 47: ESTIMATED USE OF PRIOR YEAR FUNDS

| ACTIVITY | GENERAL FUND | FOUNDATION | INTERNALLY DESIGNATED | UL RESEARCH FOUNDATION | ATHLETICS | FY 2025 |
|-------------------|-------------------|-------------------|-----------------------|------------------------|---------------------|----------------------|
| Grant-related | - | - | 2,312,488 | 15,010,088 | - | 17,322,576 |
| Plant Funds | - | - | 755,373 | - | - | 755,373 |
| Clinical/Hospital | - | - | - | - | - | - |
| Faculty Start-up | - | - | 3,620,865 | - | - | 3,620,865 |
| Gain-Share | - | - | 3,331,903 | - | - | 3,331,903 |
| Special Purpose | 959,511 | 125,000 | 4,533,062 | 7,115,098 | 3,158,762 | 15,891,433 |
| Total | \$ 959,511 | \$ 125,000 | \$ 14,553,691 | \$ 22,125,186 | \$ 3,158,762 | \$ 40,922,150 |

Multi-Year Outlook, All Funds

In addition to detailed revenue and expense budgets for FY 2025, academic and support units were asked to project notable expense changes for fiscal years 2026 and 2027. 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 48 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 within the units.

TABLE 48: MULTI-YEAR OUTLOOK, ALL FUNDS

| EXPENDITURE ITEM CATEGORIES | FY 2026 | FY 2027 |
|--|--|----------------------|
| | POTENTIAL NEW EXPENDITURES - ALL FUNDS | |
| Accreditation | 50,000 | - |
| Dean / VP recruitment | 870,000 | 870,000 |
| Dean / VP start up | 9,971,000 | 9,971,000 |
| Faculty recruitment | 2,671,440 | 1,821,440 |
| Faculty start up | 8,021,827 | 6,260,822 |
| Net faculty personnel changes | 3,298,814 | 1,466,729 |
| Net staff personnel changes | 2,080,693 | 2,088,276 |
| Net change in Scholarships/Financial Aid | 75,000 | 75,000 |
| Renovations to physical plant (>\$25,000 each) | 5,489,909 | 581,259 |
| Other notable (>\$25,000 each) | 9,331,086 | 7,820,484 |
| Total | \$ 41,859,769 | \$ 30,955,011 |

A few examples of activities in Table 48 include:

FY 2026

- School of Medicine anticipates \$1.6 million in FY 2026 for renovations to anatomy laboratories.

FY 2026 and FY 2027

- Student Affairs projects \$1.0 million in each year for maintenance and renovation of campus housing facilities.
- Research and Innovation anticipates an additional \$2.0 million in each year to enhance research computing infrastructure.
- University Advancement anticipates the need for an additional \$500,000 per year to expand capacity for fundraising.
- Communications and Marketing expects to invest \$1.5 million per year in the next phase of the university's brand marketing campaign.
- Facility Operations identifies additional \$1.5 million each year to maintain university facilities.
- School of Medicine, College of Education and Human Development, and College of Business include dean recruitment and start-up expenses.

All Funds Operating Budget By Unit

Table 49 shows unit-by-unit detail of FY 2025 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 49: FY 2025 OPERATING EXPENDITURE BUDGET BY UNIT AND FUNDING SOURCE

| | GENERAL FUNDS | FOUNDATION | INTERNALLY DESIGNATED | UL RESEARCH FOUNDATION | ATHLETICS | ALL FUNDS |
|---|-----------------------|----------------------|-----------------------|------------------------|-----------------------|-------------------------|
| Athletics | 1,982,060 | 10,239 | - | - | 144,980,574 | 146,972,873 |
| Audit Services | 2,045,162 | - | - | 20,475 | - | 2,065,637 |
| College of Arts & Sciences | 63,042,002 | 5,451,928 | 1,971,271 | 3,521,442 | - | 73,986,643 |
| College of Business | 29,969,095 | 4,893,794 | 1,943,159 | 69,163 | - | 36,875,211 |
| College of Education and Human Development | 21,020,948 | 1,607,862 | 1,554,431 | 6,924,988 | - | 31,108,229 |
| Communications & Marketing | 3,402,107 | 36,606 | 158,848 | 539,484 | - | 4,137,045 |
| Community Engagement | 1,012,154 | 127,193 | 75,844 | 481,508 | - | 1,696,699 |
| Facility Operations | 45,203,224 | 162,371 | 2,768,000 | 818,724 | - | 48,952,319 |
| Finance & Administration | 9,170,918 | - | 651,346 | 1,376,072 | - | 11,198,336 |
| General Counsel | 1,585,202 | - | 20,000 | 748,295 | - | 2,353,497 |
| Graduate School | 24,198,074 | 173 | - | - | - | 24,198,247 |
| HSC Financial and Administrative Affairs | 1,609,602 | 118,713 | 25,260 | 132,226,591 | - | 133,980,166 |
| Human Resources | 3,768,391 | 39,225 | 276,751 | 29,559 | - | 4,113,926 |
| Institutional Equity | 2,550,927 | 604,731 | 13,100 | 1,222,575 | - | 4,391,333 |
| Office of the President | 3,212,464 | 779,355 | 50,000 | 1,089,937 | - | 5,131,756 |
| Office of the Provost | 118,582,908 | 8,445,569 | 510,327 | 61,309,221 | - | 188,848,025 |
| Research and Innovation | 14,693,085 | 658,476 | 1,676,802 | 46,701,251 | - | 63,729,614 |
| School of Dentistry | 30,376,281 | 1,241,896 | 65,169 | 33,994,724 | - | 65,678,070 |
| School of Engineering | 29,067,729 | 7,916,427 | 3,160,490 | 7,591,497 | - | 47,736,143 |
| School of Law | 12,493,276 | 2,169,019 | 468,698 | 35,342 | - | 15,166,335 |
| School of Medicine | 43,088,041 | 33,347,053 | 7,061,423 | 396,315,007 | - | 479,811,524 |
| School of Music | 8,081,914 | 1,421,857 | 456,988 | 37,954 | - | 9,998,713 |
| School of Nursing | 9,684,122 | 883,901 | 210,560 | 6,785,206 | - | 17,563,789 |
| School of Public Health and Information Sciences | 6,711,247 | 493,527 | 43,011 | 7,849,116 | - | 15,096,901 |
| School of Social Work | 8,341,709 | 533,377 | 517,688 | 6,392,741 | - | 15,785,515 |
| Student Affairs | 32,605,158 | 820,313 | 1,526,973 | 1,994,104 | - | 36,946,548 |
| University Advancement | 3,083,656 | 7,139,436 | 1,320,500 | 2,943,220 | - | 14,486,812 |
| University Libraries | 18,592,398 | 1,082,321 | 131,070 | 268,792 | - | 20,074,581 |
| University-wide (Utilities, debt service, insurances) | 77,899,721 | - | 126,550,529 | - | - | 204,450,250 |
| Total | \$ 627,073,575 | \$ 79,985,362 | \$ 153,208,238 | \$ 721,286,988 | \$ 144,980,574 | \$ 1,726,534,737 |

Capital Budget

The FY 2025 capital budget highlights the construction of new facilities, infrastructure and safety improvements, recruitment and retention enhancements, and investments in campus technology and research.

Construction of New Facilities

State-funded construction of new facilities is anchored by a \$260.0 million appropriation, supplemented by a \$20.0 million investment from the university, to build a Health Sciences Center Simulation Center and Collaboration Hub. This facility will be a new home to the School of Public Health and Information Sciences and will serve HSC schools, neighboring colleges, and medical facilities. The commitment from the state represents the largest state investment for a single project in UofL's history. Initial design work for the new facility is underway. Work continues on the new Multidisciplinary Engineering Building at the Speed School of Engineering. The state invested \$65.0 million for the project and the university will supplement with additional funds to complete the construction by Fall 2025. Initial design work for the new facility is slated to begin in Fall 2024.

The state also appropriated \$25.0 million across FY 2025 and FY 2026 to UofL Health to develop the Center for Rural Cancer Education and Research at the UofL Health South Hospital. This new extension of the Brown Cancer Center will increase access to medical care for residents of south, central, and western Kentucky.

Infrastructure and Safety Improvements

Over the past two years the university, with a portion of funds from the state budget, has helped address many infrastructure needs across all three campuses. Uses of these funds have included HVAC replacements, electrical repairs, roof replacements, and other life and safety improvements which will enhance the instructional and work environments for students, faculty, and staff. The \$81.9 million of state funds and \$24.6 million university match began in FY2023 and these funds will be expended by the end of FY 2025.

Recruitment and Retention Enhancements

Beginning in FY 2025, the state and university will partner on a new round of funds for Asset Preservation. The \$69.0 million of state funds over two years will be matched by \$17.3 million of university funds. This new round of Asset Preservation funding will enable the university to make major, much-needed repairs and upgrades to various student-facing facilities for the purposes of boosting recruitment and retention of students. This will include new roofs for academic buildings, upgrading classrooms, and renovations to other educational spaces including research labs. A portion of these funds will also be allocated towards ventilation systems, plumbing and electrical renovations, and upgrades to the chilled water plant.

Investments in Campus Technology and Research

The final pillar of the FY 2025 capital budget is a strategic investment in campus technology. The university is investing \$2.9 million in FY 2025 for research computing hardware, which will expand the university's research capacity across a variety of disciplines. The university will also commit \$2.1 million for a new firewall, protecting valuable university systems and data. Lastly, the university continues to invest in the implementation of a new enterprise resource planning system, Workday Finance, which is scheduled to go live in July 2025.



Report of Interim Executive Vice President for Finance & Administration (CFO)

June 27, 2024

FY 2024 - Financial Results Through April 30, 2024

(Fiscal Year is 83% Complete)

- Revenues

- General Fund (overall) performing slightly better than budget.
- Draw of UL Foundation funds not as aggressive as planned.
- Overall revenue of 88% is trending positively toward balanced budget.

- Expenses

- Most categories performing at budgeted expectations.
- Overall expenses utilization of 81%.
- Operating expenses influenced by timing of IGT payments, grant sub awards, and other operating expenses - we continue to monitor closely.

- Margin

- “Bottom line” is positive but slightly less than prior year.
- Influenced by timing of reimbursement from foundation and affiliated healthcare.

- Liquidity (Cash)

- Cash in April is slightly less than last year and attributed to reimbursement timing with healthcare partners and foundation.
- Expected to improve in June and overall liquidity remains stable.

Budget-to-Actual Report

Through April FY 2024 vs FY 2023

Status Indicators

| | |
|----------------------|---|
| Better than Expected | ↑ |
| As Expected | ✓ |
| Worse than Expected | ! |

| Revenues | FY 2024 | | | | FY 2023 | | Year-over-Year |
|---|------------------------|------------------------|-------------|----------|------------------------|-----------------------|---|
| | Annual Budget | YTD April | % Realized | Status | YTD April | \$ Change | |
| General Funds | | | | | | | |
| Tuition and Fees | 349,751,124 | 362,118,584 | 99.0% | ↑ | 346,234,826 | 15,883,757 | Largest freshmen cohort, improved retention, slight tuition rate rise |
| State Appropriations | 145,051,400 | 145,051,400 | 100.0% | ✓ | 145,340,561 | (289,161) | |
| Transfers In | 30,586,292 | 18,742,682 | 61.3% | ✓ | 17,043,293 | 1,699,389 | Increase in F&A |
| Other Revenue | 24,216,493 | 26,975,574 | 111.4% | ↑ | 18,585,249 | 8,390,325 | continued improvement of investment income. |
| Auxiliaries | 19,830,610 | 21,251,606 | 107.2% | ↑ | 18,030,260 | 3,221,346 | Change due to higher housing occupancy and rates; parking |
| Hospital-Related | 1,350,669 | 485,026 | 36% | ! | 490,207 | (5,181) | |
| General Funds Total | 570,786,588 | 574,624,872 | 101% | ↑ | 545,724,397 | 28,900,475 | |
| Non-General Funds | | | | | | | |
| UL Research Foundation | 708,024,772 | 617,585,954 | 87.2% | ✓ | 578,986,014 | 38,599,940 | See "Description of Notable Revenue Changes" section |
| UL Athletic Association | 166,100,000 | 126,469,583 | 76.1% | ! | 131,822,202 | (5,352,619) | See "Description of Notable Revenue Changes" section |
| UL Foundation | 77,630,926 | 42,180,254 | 54.3% | ! | 48,025,789 | (5,845,535) | See "Description of Notable Revenue Changes" section |
| Internally Designated | 88,264,325 | 53,883,196 | 61% | ✓ | 29,691,134 | 24,192,063 | Change due to state asset preservation funding; offsetting expense |
| Non-General Funds Total | 1,040,020,023 | 840,118,987 | 81% | ✓ | 788,525,138 | 51,593,849 | |
| Total Revenues | \$1,610,806,611 | \$1,414,743,859 | 88% | ✓ | \$1,334,249,535 | 80,494,324 | |
| General funds received in prior years | 456,298 | | | | | | |
| Non-general funds received in prior years | 36,246,292 | | | | | | |
| Total Funds Available | \$1,647,509,201 | | | | | | |
| Expenses | | | | | | | |
| All Funds | FY 2024 | | | | FY 2023 | | Change |
| | Annual Budget | YTD April | % of Budget | Status | YTD April | | |
| Salary | 606,306,934 | 498,454,679 | 77% | ✓ | 469,347,401 | 29,107,278 | See "Description of Notable Expense Changes" section |
| Fringe Benefits | 173,135,891 | 133,404,934 | 77% | ✓ | 122,575,357 | 10,829,577 | See "Description of Notable Expense Changes" section |
| Operating | 562,227,997 | 475,556,240 | 85% | ✓ | 449,613,102 | 25,943,138 | See "Description of Notable Expense Changes" section |
| Financial Aid | 168,227,366 | 169,318,567 | 101% | ! | 152,987,284 | 16,331,283 | See "Description of Notable Expense Changes" section |
| Capital Asset & Debt Service | 33,476,992 | 31,799,590 | 95% | ✓ | 23,038,097 | 8,761,493 | |
| Asset Preservation | 76,943,000 | 14,350,036 | 19% | ✓ | 3,661,760 | 10,688,276 | YoY increased spending as expected due to projects |
| Utilities | 27,191,021 | 18,011,588 | 66% | ↑ | 19,054,247 | (1,042,659) | |
| Total Expenses | \$1,647,509,201 | 1,340,895,633 | 81% | ✓ | 1,240,277,248 | 100,618,385 | |
| Revenue Over/(Under) Expenses | \$0 | \$73,848,226 | | | \$93,972,287 | (\$20,124,061) | |

Actual-to-Actual Report

Through April FY 2024

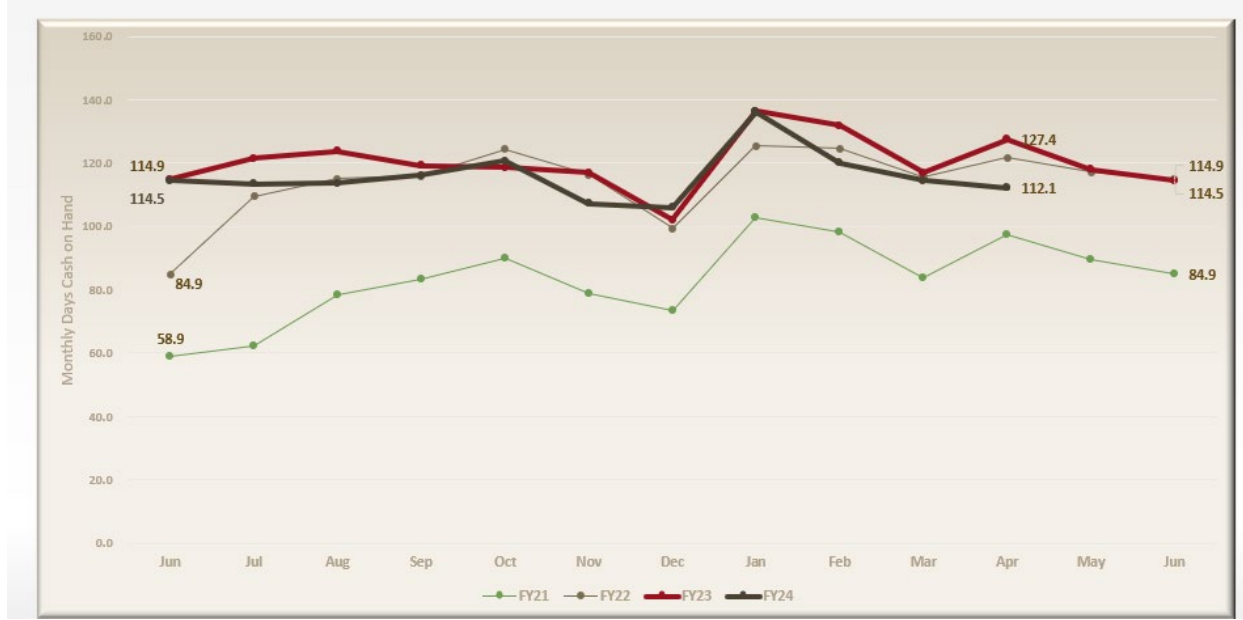
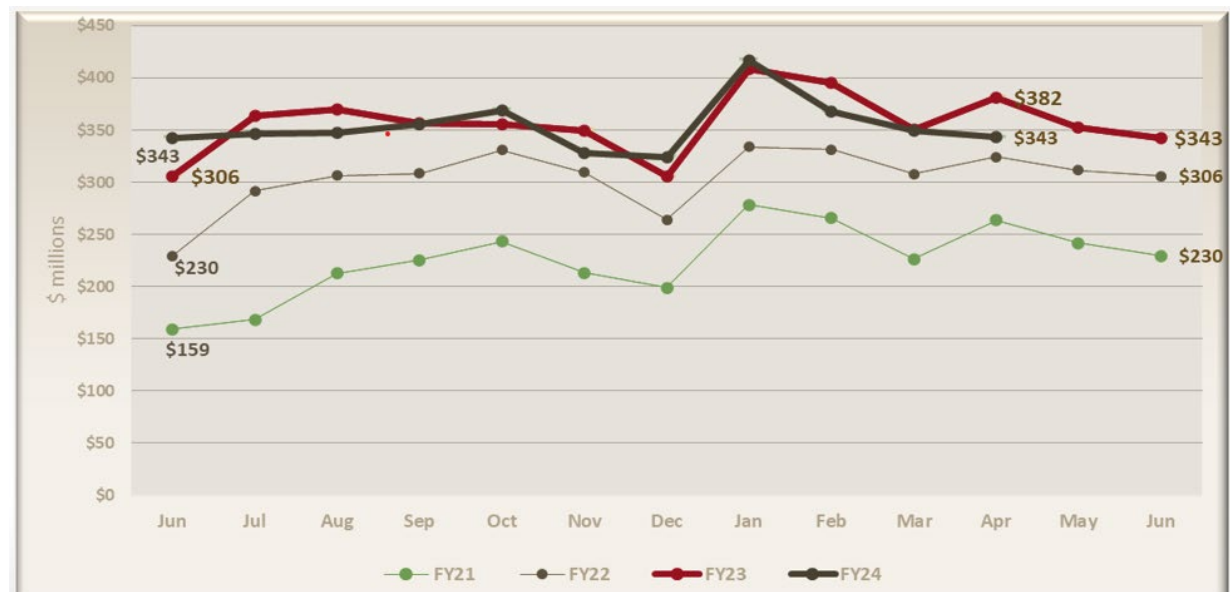
Description of Notable Revenue Changes

| Revenues | Actuals (April) | | Change | Notes |
|------------------------------------|-----------------|-------------|-------------|---|
| | FY 2024 | FY 2023 | | |
| Tuition and Fees | 362,118,584 | 346,234,826 | 15,883,757 | continue to improve retention, tuition rate increases and large freshmen enrollment |
| State Appropriations | 145,051,400 | 145,340,561 | (289,161) | |
| Auxiliaries | 21,251,606 | 18,030,260 | 3,221,346 | Improved housing occupancy and modest rate increases |
| UL Research Foundation | 617,585,954 | 578,986,014 | 38,599,940 | |
| <i>Pass-through financial aid</i> | 62,433,314 | 57,780,881 | 4,652,432 | Increase in Pell and KEES awards |
| <i>Sponsored Research</i> | 130,357,814 | 129,795,604 | 562,210 | |
| <i>F&A Recovery</i> | 28,726,065 | 27,593,347 | 1,132,718 | |
| <i>Clinical-related activities</i> | 366,638,343 | 347,748,047 | 18,890,296 | associated with Medicaid IGT |
| <i>All other</i> | 29,430,418 | 16,068,135 | 13,362,283 | ~ \$9.0M in tobacco grant residuals |
| UL Athletic Association | 126,469,583 | 131,822,202 | (5,352,619) | Timing of receiving 17.5M for football and athletics - ACC payment |
| UL Foundation | 42,180,254 | 48,025,789 | (5,845,535) | Reimbursement timing with Foundation |

Description of Notable Expense Changes

| Expenses | Actuals (April) | | Change | Notes |
|--|-----------------|-------------|------------|---|
| | FY 2024 | FY 2023 | | |
| Salaries and Wages | 498,454,679 | 469,347,401 | 29,107,278 | 2.0% cost-of-living increase; Phase 1 staff comp study; student min. wage increase; |
| Fringe Benefits | 133,404,934 | 122,575,357 | 10,829,577 | Associated with increased compensation and rising employer health insurance costs |
| Financial Aid | 169,318,567 | 152,987,284 | 16,331,283 | Increased federal and state pass-through aid; higher Athletics' and institutional aid |
| Operating | 475,556,240 | 449,613,102 | 25,943,138 | |
| <i>Core Operating (exclg. transfers)</i> | - | - | - | |
| <i>ULP Support</i> | - | - | 0 | |
| <i>Analytic Testing</i> | 1,691,135 | 1,686,366 | 4,769 | |
| <i>Equipment</i> | 8,083,478 | 7,390,905 | 692,573 | |
| <i>Maintenance</i> | 19,222,940 | 15,113,268 | 4,109,672 | |
| <i>Services</i> | 108,922,834 | 88,152,546 | 20,770,288 | ERP (~3.5M), web improvement (~2.7M), IGT (~1.1M) & grant subawards (~3.8M) |
| <i>IT equipment & services</i> | 441,206 | 319,611 | 121,595 | |

Liquid Cash Comparison (Dollars and Days) – FY 2021 to FY 2024



FY 2023 and FY 2024 days of cash has been recalculated to reflect the higher expense levels over prior years.