

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

March 17, 2022

In Open Session

Members of the Finance Committee of the University of Louisville Board of Trustees met in the Jefferson Room, Grawemeyer Hall, Belknap Campus, both in-person and virtually, at 2:01p.m., with members present and absent as follows:

Present: Ms. Diane Medley, Chair
Mr. Scott Brinkman
Dr. Raymond Burse
Ms. Ugonna Okorie
Dr. David Schultz

Other Trustees

Present: Mr. Jerry Abramson
Dr. Larry Benz
Mr. Al Cornish
Ms. Mary Nixon
Ms. Diane Porter
Mr. Jim Rogers
Mr. John Smith
Ms. Sherrill Zimmerman

From the

University: Dr. Lori Gonzalez, Interim Vice President and University Provost
Dr. Gerry Bradley, Interim Provost
Dr. Gail DePuy, Interim Senior Vice Provost
Mr. Dan Durbin, Executive Vice President for Finance and Administration
Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Ms. Sandy Russell, Vice President for Risk, Audit, and Compliance
Ms. Mary Elizabeth Miles, Vice President for Human Resources
Dr. Michael Mardis, Vice President for Student Affairs & Dean of Students
Dr. Jasmine Farrier, Vice President for University Advancement
Mr. Rehan Khan, Vice President for Information Technology Services
Dr. Toni Ganzel, Vice President for Academic Medical Affairs
Mr. John Drees, Sr. Assoc. Vice President for Communications & Marketing
Mr. Mark Watkins, Sr. Associate Vice President for Operations, COO
Mr. John Karman, Executive Director of Communications
Ms. Beverly Santamouris, Treasurer
Mr. Jim Begany, Vice Provost for Strategic Enrollment Management
Ms. Sarah Lopez, Deputy Chief of Staff, Provost's Office

Mr. Chris Wooton, Director of Internal Communications
Ms. Kim Adams, Chief Information Security Officer
Ms. Jennifer Mudd, Director of Integrity and Compliance
Ms. Stacie McCutcheon, Privacy Officer
Ms. Cheri Jones, Director of Audit Services
Dr. Allison Ratterman, Director of the Office of Research Integrity
Dr. Avery Kolers, Professor and Interim Chair, Department of Philosophy
Lt. Colonel Jessica Murnock, Deputy Chief of Staff
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

From the UofL
Foundation: Mr. Keith Sherman, Executive Director

I. Call to Order

Chair Medley called the roll. Having determined a quorum present, she called the meeting to order at 2:01p.m.

Approval of Minutes, 12-16-2021

Dr. Burse made a motion, which Mr. Brinkman seconded, to approve the minutes of the December 16, 2021, meeting.

The motion passed.

II. Action Item: Amendments to the Irvine and McGowan Endowments

Mr. Durbin briefed the committee on the recommendation to amend the O.H. Irvine and Sue F. McGowan endowments. He explained that both endowments were originally created for the general purposes of the university, and in 2011, the board of trustees determined the best use of the endowment funds was to support the Hallmark Scholarships.

The Hallmark Scholarships, renamed in 2013 as the Henry Vogt Scholarship, has adequate funding through multiple endowments and general funds with financial aid, and the Irvine and McGowan endowments are no longer needed to support the program.

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

President's recommendation that the Board of Trustees approve changes to the purposes of two endowments, the O.H. Irvine Endowment and the Sue F. McGowan Endowment, to allow for funds to be used at the discretion of the University President.

The motion passed.

III. Action Item: Agreement with KYTC for Road Improvements

Mr. Watkins explained that the university is working with the Kentucky Transportation Cabinet to obtain funding for an improvement project for the 2nd Street/3rd Street/Museum Drive Intersection and pedestrian improvements for Brandeis Avenue.

The Federal Highway Administration, through the Cabinet, approved \$248,495 in federal funding and \$41,505 of state funding for the Project. UofL and the Cabinet intend to enter into an agreement to confirm the offered funds and carry out the Project, which requires the board of trustees to pass a resolution authorizing the president to sign the agreement on behalf of the university.

Mr. Watkins then fielded questions from the committee.

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

President's recommendation that the Board of Trustees authorize the President to execute certain the Agreement between the Commonwealth of Kentucky Transportation Cabinet and the University of Louisville titled "University Intersection and Pedestrian Improvements / Item No. 05-00581.00, Federal Project Number 3001-553" (the "Agreement") in the form attached hereto, which Agreement involves \$166,020 in Federal reimbursement funding dedicated to the Louisville-Metro Area, \$82,475 in Coronavirus Response and Relief Supplemental Appropriations Act funds dedicated to the Louisville-Metro Area, and \$41,505 in Commonwealth of Kentucky funding.

Further, in executing the Agreement, the President will agree on behalf of the University of Louisville to ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the Agreement.

The motion passed.

IV. Report of the Executive Vice President for Finance & Administration

Using the **attached** presentation, Mr. Durbin reported on cash and accrual-based activities, the revenues, expenses, and changes in net position for the period ending January 31, 2022. His report also included a balance sheet, a summary of revenue and expense activity by component unit, and the university's liquidity (the dollar amounts and days of cash on hand).

Mr. Durbin also briefed the committee on the university's operating budget and its development. He then fielded questions from trustees.

No action was taken.

V. Adjournment

Having no other business to come before the committee, Ms. Okorie made a motion, which Mr. Brinkman seconded, to adjourn.

The motion passed and the meeting adjourned at 2:33 p.m.

Approved by:


Signature on file _____
Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES
CONCERNING THE O. H. IRVINE ENDOWMENT
AND THE SUE F. MCGOWAN ENDOWMENT

Finance Committee – March 17, 2022
Executive and Compensation Committee – March 17, 2022

RECOMMENDATION:

The President recommends that the Board of Trustees approve changes to the purposes of two endowments, the O. H. Irvine Endowment and the Sue F. McGowan Endowment, to allow for funds to be used at the discretion of the University President.

BACKGROUND:

The Irvine Endowment was created in 1928 for the general purposes of the university.

The McGowan Endowment was created in 1991 for the benefits of the university as determined by the Board of Trustees.

In 2011, the Hallmark Scholarship Program was created to award full tuition and a partial stipend for room and board to students in the Commonwealth and Southern Indiana. Subsequently, the President and Board of Trustees determined the best use of the Irvine and McGowan funds was to support the Hallmark Scholarships.

In 2013, the Hallmark Scholarship Program was re-named in 2013 as the Henry Vogt Scholarship in honor of the late Henry Vogt and alternative funding sources were identified.

University administration has confirmed that the Vogt Scholarship program has adequate funding through multiple endowments and general funds within financial aid, and the President is recommending the Irvine and McGowan Endowments funds revert to being used at the discretion of the President.

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

RECOMMENDATION TO THE UofL BOARD OF TRUSTEES REGARDING AN AGREEMENT WITH THE KENTUCKY TRANSPORTATION CABINET FOR THE SECOND STREET / THIRD STREET / MUSEUM DRIVE INTERSECTION AND BRANDEIS AVENUE PEDESTRIAN IMPROVEMENTS

Finance Committee – March 17, 2022
Executive and Compensation Committee – March 17, 2022

RECOMMENDATION:

The President recommends that the Board of Trustees authorize the President to execute certain the Agreement between the Commonwealth of Kentucky Transportation Cabinet and the University of Louisville titled “University Intersection and Pedestrian Improvements / Item No. 05-00581.00, Federal Project Number 3001-553” (the “Agreement”) in the form [attached](#) hereto, which Agreement involves \$166,020 in Federal reimbursement funding dedicated to the Louisville-Metro Area, \$82,475 in Coronavirus Response and Relief Supplemental Appropriations Act funds dedicated to the Louisville-Metro Area, and \$41,505 in Commonwealth of Kentucky funding.

Further, in executing the Agreement, the President will agree on behalf of the University of Louisville to ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the Agreement.


BACKGROUND:

The University of Louisville has been working with the Kentucky Transportation Cabinet to obtain funding for an improvement project for the 2nd Street/3rd Street/Museum Drive Intersection and pedestrian improvements for Brandeis Avenue (the “Project”). The Federal Highway Administration, through the Cabinet, approved \$248,495 in federal funding and \$41,505 of state funding for the Project. The University of Louisville and the Cabinet intend to enter into the Agreement (as defined above) to confirm the offered funds and carry out the Project.

Section 43 of the Agreement requires that the University of Louisville pass a resolution authorizing the President to sign the Agreement on behalf of the University.


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

**AGREEMENT BETWEEN
THE COMMONWEALTH OF KENTUCKY TRANSPORTATION CABINET
AND
UNIVERSITY OF LOUISVILLE
UNIVERSITY INTERSECTION AND PEDESTRIAN IMPROVEMENTS/ ITEM NO. 05-00581.00
FEDERAL PROJECT NUMBER 3001-553
\$166,020 SLO FUNDS
\$82,475 CRRSAA FUNDS
\$41,505 STATE FUNDS**

This AGREEMENT is made and entered into by and between the Commonwealth of Kentucky, Transportation Cabinet, hereinafter the "CABINET" and the University of Louisville, hereinafter the "RECIPIENT".

WITNESSETH:

WHEREAS, the Federal Highway Administration (FHWA), through the CABINET, has approved \$248,495 in federal funding and \$41,505 of state funding for the 2nd Street/ 3rd Street/ Museum Drive Intersection and Brandeis Avenue Pedestrian Improvements hereinafter the "PROJECT", known as Federal Project Number 3001-553 and the applicable Catalog of Federal Domestic Assistance number is 20.205-Highway Planning and Construction,

WHEREAS, the Federal-aid Highway Program is a State Administered Reimbursement Program and the RECIPIENT shall carry out this PROJECT in accordance with applicable Federal and State laws and regulations including all of Title 49 United States Code (USC), Title 23 United States Code (USC), 49 Code of Federal Regulations (CFR), 23 Code of Federal Regulations (CFR), and 2 CFR 200,

WHEREAS, the RECIPIENT must comply with applicable CABINET policies and procedures,

WHEREAS, Federal-aid projects are to serve a public purpose, the RECIPIENT is responsible for maintaining any real property or facilities improved pursuant to the PROJECT on a non-profit basis,

WHEREAS, the RECIPIENT shall refer to the *Federal-Aid Project Development Guide for Local Public Agencies*, hereinafter the "GUIDE", and any future revisions for assistance in complying with this AGREEMENT,

WHEREAS, the RECIPIENT shall outline, undertake, and complete the work as described in the Scope of Work and Budget Summary (Attachment A) in accordance with the terms and conditions of this AGREEMENT, and consistent with the FHWA Contract Administration Manual, the CABINET/FHWA Stewardship Agreement, FHWA Form 1273 and all applicable State and Federal laws and regulations,

WHEREAS, the RECIPIENT shall demonstrate and shall maintain adequate staff, provide delivery systems, and sufficient accounting control to complete the PROJECT in accordance with all Federal and State laws and regulations addressed herein, and

WHEREAS, the CABINET has agreed to provide a minimum of 20% matching funds (up to \$560,000 as identified in Attachment A) for the dedicated Surface Transportation Block Grant Funds (STBG) dedicated to the Louisville-Jefferson County Metropolitan Area and the RECIPIENT shall accept responsibility for all administration, staffing, maintenance and operation costs for the Project as identified under this AGREEMENT;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the CABINET and the RECIPIENT hereby agree as follows:

Section 1. Scope of Work & Budget Summary. It is understood that the PROJECT will enhance the transportation system as further described in the Scope of Work and Budget Summary (Attachment A, attached hereto and made a part of this AGREEMENT). In the Scope of Work and Budget Summary, the RECIPIENT is to include detailed expectations, individual activities, estimates, and a schedule with milestones which the CABINET will use as checkpoints for the PROJECT. Further, the RECIPIENT is to define the roles, responsibilities, and authorities of the various entities and/or organizational units with regard to the project development and project delivery processes specific to this PROJECT in the Scope of Work and Budget Summary.

The RECIPIENT shall identify and provide a point of contact, including adequate contact information, for who shall be responsible to manage this PROJECT on the RECIPIENT's behalf, submit the Scope of Work and Budget Summary to the CABINET, and be responsible for ensuring that the RECIPIENT adheres to all terms and conditions of this AGREEMENT. The RECIPIENT shall have final design plans, specifications, and a total estimate prepared by a Professional Engineer licensed to practice in the Commonwealth of Kentucky and approved by the CABINET prior to any construction. The Project Development Checklist (LPA-PDC) (Appendix 1 of the GUIDE) shall be submitted by the RECIPIENT and certified by the CABINET prior to construction.

Section 2. Effective Date of Agreement and Term of Eligible Reimbursement. It is understood the effective date of this AGREEMENT is the date the AGREEMENT is signed by the Secretary of the CABINET. After execution of the AGREEMENT, the CABINET will return a copy of the AGREEMENT to the RECIPIENT and issue a Notice to Proceed to begin work on a particular Phase of the PROJECT. Expenditures made prior to the effective date of the AGREEMENT and before the Notice to Proceed for the particular Phase covering the expenditure shall not be eligible for reimbursement. The Term of Eligible Reimbursement under this AGREEMENT shall end June 30, 2025 unless that Term is extended or amended by written agreement in accordance with the provisions of KRS 45A and 2 CFR Part 200 as to period of performance. Any and all funding obligated for any Phase of this PROJECT defined by the original Scope of Work and authorized changes shall be available to reimburse the RECIPIENT for eligible work activities completed and costs incurred after the effective date of this AGREEMENT and the Notice to Proceed covering that Phase of the PROJECT. If the PROJECT cannot be completed during the Term of Eligible Reimbursement under this AGREEMENT, the RECIPIENT must provide justification why the PROJECT end date should be extended and identify the new Term of Eligible Reimbursement being requested.

Section 3. Funding Out Provision. The CABINET may terminate this contract if funds are not appropriated to the contracting agency or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The CABINET shall provide the RECIPIENT thirty (30) calendar days written notice of termination of the contract.

This AGREEMENT is contingent upon the continued availability of appropriated Federal funding. If the funding appropriated for any Phase of the PROJECT becomes unavailable for any reason including the Kentucky General Assembly's failure to appropriate the funding, by operation of law or as the result of a reduction in Federal funding, further reimbursement of PROJECT expenditures may be denied, the PROJECT may be cancelled, the timeline extended or the scope amended by the CABINET either in whole or in part without penalty. Denial of further reimbursement, PROJECT cancellation, extension or amendment because of an interruption in the appropriated funding is not a default or breach of this AGREEMENT by the CABINET nor may such denial, cancellation, extension or amendment give rise to any claim against the CABINET.

Section 4. Duration of Project. It is understood and agreed by the parties hereto that the Scope of Work shall be completed within the period set forth herein under Section 2. In the event the RECIPIENT fails to perform the Scope of Work within the time allotted, or at any time the RECIPIENT fails to maintain adequate staff, project delivery systems, or sufficient accounting control, the CABINET reserves the right to cancel further reimbursements related to the PROJECT under the AGREEMENT. In the event the CABINET denies further reimbursement under this section, the RECIPIENT shall refund all reimbursements made by the CABINET to the RECIPIENT under this AGREEMENT.

Section 5. Project Funding. It is expressly understood that Federal funding for this PROJECT is being provided by the Federal Highway Administration (FHWA) through the CABINET, specifically through the Catalog of Federal Domestic Assistance program number 20.205, Highway Planning and Construction. The Federal share of the total cost of this AGREEMENT shall not exceed \$248,495 and the State share of the total cost of this AGREEMENT shall not exceed \$41,505 (the amount indicated on Attachment A) unless otherwise approved in writing by the CABINET with the concurrence of FHWA. If the RECIPIENT completes the PROJECT for less than this amount, the remaining funds may only be used by the RECIPIENT upon written agreement of the CABINET and may only be used for eligible PROJECT costs within the original PROJECT scope. Unless otherwise stated, the funding for the PROJECT shall be authorized in Phases and no reimbursement shall be considered for expenditures made before a Notice to Proceed for that Phase has been received. Reimbursement requests will be considered only for and up to the funding amount and type of work described in the approved Scope of Work and Budget and authorized by the Notice to Proceed for that Phase. The RECIPIENT has agreed to accept up to \$166,020 in Federal reimbursement funding dedicated to the Louisville- Metro Area (SLO funds) which require 20% matching funds (provided by the state funds as stated in the Attachment A) and \$82,475 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) funds dedicated to the Louisville-Metro Area which are 100% reimbursable, available as authorized for the Design Phase for eligible PROJECT costs. The RECIPIENT shall be responsible for any ineligible costs and any costs in excess of the reimbursable total \$290,000 necessary for completion of the approved Scope of Work and any authorized changes to the PROJECT.

The RECIPIENT has agreed to make available up to \$23,200 of the total PROJECT funding to the CABINET for direct costs related to PROJECT oversight and management activities. If any funding

made available to the CABINET is not used, the CABINET may permit the remaining funding to be obligated to the RECIPIENT for eligible PROJECT costs as evidenced in writing at the mutual consent of both parties.

The RECIPIENT shall pay all PROJECT expenses and only upon meeting all terms and conditions of this AGREEMENT will be eligible to receive Federal reimbursement funding. All charges to the PROJECT shall be supported by properly executed invoices, contracts, vouchers, or monthly employment data evidencing in proper detail the nature and propriety of the charge. The CABINET or FHWA may require additional documentation at their discretion.

Section 6. Allowable Costs. Funding may be used for restoration, repair, construction and other activities eligible under the Surface Transportation Program (STP) as defined within 23 USC 133(b). Funding may also be used for passenger and freight rail transportation and port infrastructure projects eligible for assistance under subsection 23 USC 601(a)(8). The PROJECT costs referred to in this AGREEMENT shall be those costs included in the Scope of Work (Attachment A) and submitted to the CABINET on the Reimbursement Request Form. The RECIPIENT shall follow 2 CFR 200.

The RECIPIENT is responsible for adhering to all Federal and State laws and regulations listed in this AGREEMENT and all documents referred to herein. The CABINET shall reimburse the RECIPIENT upon request by the RECIPIENT providing proof of payment through appropriate documentation, which includes but is not limited to the following: work progress completed to date, expenses, cancelled checks, bank statements, verified affidavits, and employment reports. The RECIPIENT shall also certify the work shown on the invoice has been performed in accordance with the terms of this AGREEMENT and approved plans and specifications, the cost(s) shown are verified and are true and correct, and the request for reimbursement in no way represents any degree of duplication of payments that have or will be received from other funding sources. This formal letter must be signed by the designated project manager for the RECIPIENT in responsible charge.

Reimbursement by the CABINET is also subject to the provisions of Sections 35 and 38 of this Agreement hereof. The CABINET or FHWA reserves the right to require additional documentation.

Section 7. Reporting and Monitoring The RECIPIENT shall maintain and comply with all reporting requirements outlined by the CABINET and FHWA.

This Federal-aid project is subject to the reporting requirements contained in the Federal Funding Accountability and Transparency Act (Transparency Act) of 2006 Public Law No. 109-282 and/or 31 USC 6101 and its associated amendments. The Transparency Act requires entities receiving Federal awards such as Federal contracts, sub-contracts, grants and sub-grants, to disclose certain information. This Agreement is subject to 31 USC 6101, 2 CFR 170, and 2 CFR Subtitle A, Chapter I and Part 25. The CABINET may require that the RECIPIENT provide a completed Federal Funding Accountability and Transparency Act form prior to execution of this Agreement.

The making, recording and reporting of any purchases shall be undertaken in accordance with the requirements of KRS 45A and applicable federal guidelines. All checks, invoices, contract records,

vouchers, orders, purchasing documents, and monthly employment data pertaining in whole or in part to the PROJECT shall be clearly identified and readily accessible. The RECIPIENT shall permit the CABINET and/or FHWA to conduct periodic site visits to ascertain compliance with Federal and State laws and regulations. The RECIPIENT shall maintain financial records for three years after the latest of project completion, the execution of the Project Closure Form by KYTC, Final Acceptance and final reimbursement.

Section 8. Environmental Requirements. With the advice and assistance of the CABINET, the RECIPIENT shall ensure that all applicable environmental requirements are met including the preparation of appropriate environmental documentation prepared pursuant to the National Environmental Policy Act (NEPA) of 1969 addressing the social and environmental effects of the proposed PROJECT. Adequate resources must be devoted to ensuring that all applicable environmental reviews under NEPA are completed on an expeditious basis and that the shortest existing applicable process under NEPA shall be utilized. Compliance with NEPA 42 USC 4321 et seq, Section 4(f) of 49 USC 303, Section 106 of the National Historic Preservation Act 54 USC 300101 et seq, Sections 401 and 404 of the Clean Water Act, Section 7 of the Endangered Species Act, and any other applicable environmental laws and regulations must be received to permit funding authorization by the FHWA. Specifically, Phase I design activities will be allowed to proceed without a valid environmental document; however, the commencement of any Phase II design, right-of-way acquisition, utility relocation, or construction activities shall not be permitted prior to approval of the appropriate environmental document. Federal funds will be available for reimbursement of construction costs upon successful completion of design activities.

Section 9. Land Acquisition. Should the PROJECT require the acquisition of any interest in real property by the RECIPIENT; the RECIPIENT must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49CFR part 24), State Law and KYTC Division of Right of Way & Utilities Right of Way Guidance Manual and Relocation Assistance Manual. In the event condemnation occurs, the CABINET shall require prior written approval prior to the institution of any condemnation proceedings by the RECIPIENT.

The RECIPIENT shall ensure that all real property acquisition, relocation assistance, and property management are completed in a fair, equitable and approved manner consistent with all State and Federal laws and regulations governing the acquisition of real property for public use using State or Federal highway funding. (1) The RECIPIENT shall either adopt in writing the CABINET's written Policies and Procedures for Right of Way Acquisition and Relocation Assistance or present its own written Policies and Procedures for approval by the CABINET's Division of Right of Way and Utilities and, if applicable, the FHWA. (2) The RECIPIENT shall conduct all appraisals and appraisal reviews using personnel meeting the CABINET's minimum qualifications and listed on the CABINET's pre-qualified appraiser and reviewer list. (3) The RECIPIENT must use an acquisition consultant, prequalified by the CABINET, on all or any portion of the PROJECT, unless given prior approval by the CABINET to acquire property utilizing the RECIPIENT's staff. The selection of the consultant shall be in accordance with the CABINET's Division of Right of Way Guidance Manual. (4) All appraisals must be reviewed and approved by the CABINET's Central Office

review appraisers, failure to do so will result in the PROJECT being ineligible for reimbursement. (5) The RECIPIENT shall provide property management in accordance with approved procedures and be responsible for the abatement of any asbestos containing materials and removal of contaminated soils pursuant to applicable State and Federal laws and regulations. (6) The RECIPIENT shall provide the CABINET and, when applicable, FHWA, necessary assurance that all real property has been acquired and all displaced individuals, businesses, non-profit organizations and farms have been offered relocation assistance according to applicable State and Federal laws and regulations. (7) The RECIPIENT shall provide the CABINET, and when applicable, FHWA, necessary documentation for review and approval at various stages of the acquisition process, as described in the CABINET's Right of Way Relocation Assistance Guidance Manual.

The CABINET shall: (1) Review all appraisal reports to ensure proper appraisal practice and procedures as well as compliance with State and Federal laws and regulations, and (2) Approve the final value conclusion through the Director, Division of Right of Way and Utilities.

The RECIPIENT shall provide to the CABINET the following information on each parcel of real property to be acquired:

- A title opinion for the Property,
- An accurate legal description and plat delineating the shape and location of the Property to be acquired, *(In accordance to KYTC Division of Design Specifications)*
- The total area of the Property,
- The Property interest to be acquired

Should the acquisition of real property result in the displacement of a tenant-occupant, such displacement shall be subject to the requirements of the URA, as set out in implementing regulations 49 CFR Part 24. A displaced tenant shall be eligible for moving expenses and any other relocation expenses for which they might qualify.

Section 10. Restrictive Easements. The RECIPIENT acknowledges that the CABINET will require the placement of a restrictive easement approved by and in favor of the CABINET in the chain of title of any real property acquired or improved pursuant to the PROJECT in favor of the CABINET. If the Owner of any real property acquired or improved pursuant to the PROJECT is different from the RECIPIENT, then the Owner shall sign and be made a party to this AGREEMENT and the Owner hereby acknowledges, covenants and consents to the placement of a restrictive easement for perpetual maintenance of the property acquired or improved pursuant to the PROJECT in the chain of title in favor of the CABINET prior to final reimbursement by the CABINET.

Section 11. Reimbursable Utility Relocations. When conducting a utility relocation, KRS 177.035 and KRS 179.265 determine the necessity of payment on behalf of the utility company in question. When law requires the reimbursement of the work, the cost of constructing the most economical type of facilities that satisfactorily meet the service requirements of the former facilities is negotiated, and an agreement is executed between the RECIPIENT and the utility company. Utility relocations shall be designed by the

utility company and shown on the PROJECT's survey and general plan sheets. The impacted utility company, with its regular construction or maintenance personnel, and/or with an approved contractor or subcontractor, will furnish all engineering, administration, labor, and materials to make and complete all necessary adjustments of its facilities to accommodate the PROJECT. The RECIPIENT shall inspect the relocation and document the proper installation of the facilities. If it is determined that the utility relocation work is best conducted within the PROJECT's construction contract, the RECIPIENT or the authority designated by the RECIPIENT will negotiate, execute the agreement, and inspect the relocation work. If a conflict of interest arises between the RECIPIENT and a utility company, the CABINET shall intercede to provide the utility coordination.

Section 12. Non-Reimbursable Utility Relocations. When KRS 179.265 indicates the work is not reimbursable, the utility company shall design their relocation plan on the PROJECT's survey and general plan sheets. The RECIPIENT shall perform a review and approval of the relocation per agency policy and procedure. The RECIPIENT shall inspect the relocation and document the proper installation of the facilities. If a conflict of interest arises between RECIPIENT and a utility company, the CABINET shall intercede to provide the utility coordination.

Section 13. General Railroad Coordination. The RECIPIENT shall be charged with any railroad coordination for the PROJECT, the execution of a contract with the impacted railroad and oversight of the execution. All work related to the PROJECT shall be done in accordance with the CABINET's Standards, Specifications, Standard Drawings, and the Utilities and Rail Manual. Correspondence pertaining to railroad coordination may impact both the project development and construction of the PROJECT. Therefore any and all correspondence regarding railroad coordination activities must be provided to both contracted parties. The CABINET's representative in such matter is the Central Office Rails Coordinator.

The RECIPIENT shall provide the following with the bid package for the PROJECT: a railroad coordination note defining any and all special project terms and conditions due to the involvement of the railroad company and an estimate of the PROJECT expenses for railroad coordination.

Section 14. General Utility Coordination. The RECIPIENT shall be charged with the identification of utility facilities in conflict with the PROJECT, the execution of a remedy for said conflict, and oversight of the execution. The CABINET encourages dutiful consideration of utility avoidance via design considerations. When avoidance is impossible, uneconomical or otherwise invalid, utility relocation is an acceptable remedy for conflict. All work related to the PROJECT shall be done in accordance with the CABINET's Standards, Specifications, Standard Drawings, and the Utilities and Rail Guidance Manual. Correspondence pertaining to utility coordination may affect both the project development and construction of the PROJECT. Therefore any and all correspondence regarding utility coordination activities must be provided to both contracted parties. The CABINET's representative on these matters is the District Office Utility Supervisor.

The RECIPIENT shall provide the following upon full execution of the utility relocation for the PROJECT: 3 sets of as-built plans for each utility company that completes facility relocation on the project

prior to the construction letting, a utility and rail certification note defining the utilities and railroad identified in the PROJECT scope, relocations that have been performed, incomplete relocations, and completion schedules for the incomplete work. If no railroad is involved the note shall indicate as such.

Section 15. Permits and Licenses. The RECIPIENT is responsible for obtaining all permits and licenses required to initiate, perform and complete all phases of the PROJECT in an appropriate and timely manner. Per the CABINET/FHWA Stewardship Agreement, the PROJECT may require more involvement from the FHWA.

Section 16. Design and Construction Standards. All Federal and State design and construction criteria for the type of work shall be followed, including but not limited to 23 CFR 625, the CABINET's Highway Design Manual, the CABINET's Standard Drawings, the CABINET's Standard Specifications for Road and Bridge Construction, the CABINET's Drainage Manual, the CABINET's Structural Design Manual, the American Association of State Highway Transportation Officials' (AASHTO) "Policy on Geometric Design of Highways and Streets", and the FHWA's Manual on Uniform Traffic Control Devices (MUTCD). All work performed shall be in accordance with the most recent edition of the CABINET's Standard Specifications for Road and Bridge Construction, as revised, and as provided in Subsection 105.01 of said Specifications. All materials furnished shall be in accordance with Subsection 106 of said Specifications to include all CABINET List of Approved Materials. These standards, specifications, and criteria are incorporated in this AGREEMENT by this reference.

Section 17. Consultant Selection. The RECIPIENT shall be responsible for all PROJECT design activities, which may be completed either by the RECIPIENT's staff or a consultant. If the RECIPIENT selects to perform the design work with internal staff, these costs will be eligible for an in-kind match if pre-approved by the CABINET Administering Office. If the RECIPIENT selects to perform the work through a consultant, the RECIPIENT, with the oversight and approval of the CABINET, shall be responsible for the advertisement, selection, and contracting for consultant engineering and related services for the PROJECT in compliance with the Federal requirements set forth in the Brooks Act USC 40 1101, Public Law 92-582, the FHWA policy outlined in 23 CFR 172, CABINET policies and procedures, the CABINET procurement policies, and the Kentucky Model Procurement Code as defined within KRS 45A.730-750. This requires the use of a Qualifications Based Selection (QBS) process for the selection of all engineering and related services. By complying with KRS 45A.730-750, the required Federal provisions of the Brooks Act will be satisfied. All plans and specifications must be prepared by a professional engineer or architect licensed in the Commonwealth of Kentucky and prequalified by the CABINET to practice the type of work to be done. If no CABINET prequalification category exists, a consultant must receive approval by the CABINET prior to working on the PROJECT. The RECIPIENT may choose to enter into a letter agreement with a consultant that has a statewide contract with the CABINET instead of going through the procurement process itself.

Section 18. Contractor Procurement. The RECIPIENT shall be responsible for all PROJECT construction activities, which may be completed either by the RECIPIENT's staff or by a contractor. If the

RECIPIENT intends to use contractor services, the RECIPIENT shall be responsible for the advertisement, opening of bids, selection, and contracting for contractor services for the PROJECT, with the concurrence of the CABINET, in accordance with the Federal contract provisions listed in FHWA Form 1273 which take precedence over the Kentucky Model Procurement Code provisions KRS 45A.343 and KRS 45A.345-460, as well as KRS 424, 23 CFR 635, 23 USC 112. Bid proposals must be accepted for a minimum of 21 days from the date of the first advertisement for award. Contractors and subcontractors must be pre-qualified by the CABINET for the type of work prior to being awarded a contract. If no CABINET prequalification category exists, a contractor or subcontractor must receive the approval of the CABINET prior to working on the PROJECT.

The RECIPIENT shall prepare an independent engineer's estimate in accordance with 23 CFR 630, Subpart B to compare against the contractors' bids for reasonableness. The RECIPIENT shall thoroughly review all bids and obtain concurrence from the CABINET prior to the award or the rejection of any contract of bids for work or materials to be used on this PROJECT. Factors that should be considered and documented in reviewing submitted bids are: a comparison of the bids against the engineer's estimate, the number of bids submitted, the distribution or range of bids received, the geographic location of bidders, any potential savings from re-advertising the PROJECT, a comparison of bids against other recent bids for the same item or service, the urgency of the PROJECT, the number of times previously advertised or contracted for, the current market conditions, a comparison of unit bids versus engineer's estimate unit bids, the funding available. Determining whether the bids received are adequate involves considering any critical safety improvements, emergency repair or replacement of damaged facilities, the opening of otherwise completed facilities to traffic, furthering a phased construction schedule, or any other factors deemed important by the CABINET or FHWA. Specific Federal requirements defined within 23 CFR 635 require that the award be made to the lowest responsive bidder meeting the criteria of responsibility established by the CABINET.

Section 19. Contract Administration and Inspection It is understood that the RECIPIENT shall be responsible for all aspects of administration, testing, and inspections to ensure the materials and construction meet CABINET specifications and Federal quality assurance specifications referenced in 23 CFR 637 and 23 CFR 635.105 (a) or (b). This includes providing daily on-site inspection of contractor work activities and prompt processing all of the paperwork associated with the construction contract, including any change orders. The RECIPIENT must receive prior written CABINET approval for all change orders, but such approval shall not increase the funding obligated to the RECIPIENT under this AGREEMENT or otherwise.

The RECIPIENT shall use the most recent edition of the CABINET's Regional Highway and Bridge Construction Inspection advertisement for construction inspectors, or must receive CABINET approval to submit an Alternative Construction Inspection Plan. If the RECIPIENT does not have adequate staff to perform this work, the RECIPIENT may hire a consultant or enter into an agreement with another governmental agency to provide these services. The CABINET must review and approve the Construction

Engineering and Inspection agreement and the agreement with the service provider and a copy of both in the PROJECT file as required by FHWA. If the RECIPIENT elects to hire a consultant, the RECIPIENT must ensure that the consultant staff is competent in construction inspection and performs all work under the direct supervision of a registered professional engineer or architect licensed in the Commonwealth of Kentucky. The use of a consultant does not relieve the RECIPIENT of ultimate responsibility for the proper administration and inspection of the construction. If a consultant is used to provide inspection services, the RECIPIENT must also provide an appropriately certified and licensed RECIPIENT employee to be in responsible charge of the PROJECT and oversee the inspections.

When an Alternative Construction Inspection Plan is submitted, the RECIPIENT must ensure sufficient quantity and quality are delivered and that proper inspection documentation is maintained. The Alternative Construction Inspection Plan must be performed under the supervision of a Professional Engineer licensed in the State of Kentucky, include credentials and experience of inspectors, indicate testing consistent with the CABINET's Sampling Manual, detail the frequency, who will be responsible, and what will be included in reports, and coordinate with the CABINET's construction inspector.

The CABINET and/or the FHWA may conduct an announced or unannounced field review of the PROJECT at any time. This field review is intended to verify conformance with all laws, regulations, and policies applicable to the Federal-aid Highway Program and provide assistance to the RECIPIENT where necessary.

Section 20. Davis-Bacon and Related Acts. The 1931 Davis-Bacon Act (prevailing Federal wage) requires the RECIPIENT of all Federal-aid construction projects to comply with contractor and subcontractor payment rates and fringe benefits as determined by the Secretary of Labor for corresponding classes of laborers and mechanics engaged on similar construction, alteration, and/or repair of public buildings or public works, painting, or decorating projects in the locality. Specific wage rates shall be included in the construction contract between the RECIPIENT and the contractor, which must also include a contract provision that overrides the general applicability provisions in Form FHWA-1273, Sections IV and V.

Section 21. The Contract Work Hours and Safety Standards Act. During the construction of the PROJECT, the RECIPIENT shall comply with the Contract Work Hours and Safety Standards Act which contains weekly (after 40 hours) overtime pay requirements and applies to most Federal contracts which may require or involve the employment of laborers and mechanics, including watchmen and guards. Section 107 of the Act provides health and safety standards on covered construction work which are administered by the Occupational Safety and Health Administration (OSHA). The RECIPIENT shall refer to the Contract Work Hours and Safety Standards Act for the requirements under this provision.

Section 22. The Copeland "Anti-Kickback" Act. The RECIPIENT shall comply with the "Anti-Kickback" section of the Copeland Act, which makes it punishable to induce any person working on a Federally funded or assisted construction project to "give up any part of the compensation to which he is entitled under his contract of employment." The RECIPIENT shall refer to the Copeland Act for the requirements under this provision.

Section 23. Title VI - Civil Rights Act of 1964. The RECIPIENT shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964 (78 Stat. 252), the Regulations of the United States Department of Transportation issued thereunder (CFR Title 49, Subtitle A, Part 21), and the assurance by the RECIPIENT pursuant thereto, including prohibition regarding discrimination.

Section 24. Equal Employment Opportunity (Equal Opportunity Act of 1972). In connection with the execution of this AGREEMENT, the RECIPIENT shall take affirmative action and not discriminate against any employee or applicant for employment to ensure that applicants are employed, and that employees are fairly treated during their employment. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection of training including apprenticeship. The RECIPIENT shall incorporate the foregoing requirements of this paragraph in all subcontracts for services covered by this AGREEMENT.

Section 25. Non Discrimination (Executive Order 11246). Discrimination (because of race, religion, color, national origin, sex, sexual orientation, gender identity) is prohibited. This section applies only to contracts utilizing federal funds, in whole or in part. During the performance of this contract, the RECIPIENT agrees as follows:

- a. The RECIPIENT will not discriminate against any employee, applicant, contractor or consultant for employment because of race, religion, color, national origin, sex, sexual orientation, gender identity, or age. The RECIPIENT further agrees to comply with the provisions of the Americans with Disabilities Act (ADA) 42 USC 12101 et seq, Public Law 101-336, and applicable federal regulations relating thereto prohibiting discrimination against otherwise qualified disabled individuals under any program or activity. The RECIPIENT agrees to provide, upon request, needed reasonable accommodations. The RECIPIENT will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability. Such action shall include, but not be limited to the following; employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensations; and selection for training, including apprenticeship. The RECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- b. The RECIPIENT will, in all solicitations or advertisements for work placed by or on behalf of the RECIPIENT; state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, sex, sexual orientation, gender identity, age or disability.
- c. The RECIPIENT will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the RECIPIENT's commitments under this section, and shall

post copies of the notice in conspicuous places available to employees and applicants for employment. The RECIPIENT will take such action with respect to any contract, subcontract or purchase order as the CABINET or FHWA may direct as a means of enforcing such provisions, including sanctions for noncompliance.

d. The RECIPIENT will comply with all provisions of Executive Order No. 11246 of September 24, 1965 as amended, and of the rules, regulations and relevant orders of the Secretary of Labor.

e. The RECIPIENT will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the PROJECT books, records and accounts by the CABINET or FHWA and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

f. In the event of the RECIPIENT's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the RECIPIENT may be declared ineligible for further government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in or as otherwise provided by law.

g. The RECIPIENT will include the provisions of paragraphs (1) through (7) of section 202 of Executive Order 11246 in every contract, subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor, issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, consultant or vendor. The RECIPIENT will take such action with respect to any contract, subcontract or purchase order as the CABINET or FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a RECIPIENT becomes involved in, or is threatened with, litigation with a contractor, subcontractor or vendor as a result of such direction by the CABINET or FHWA, the RECIPIENT may request the United States to enter into such litigation to protect the interests of the United States.

Section 26. Disadvantaged Business Enterprise (DBE) Requirements. An applicant DBE firm must be given consideration for participation in the PROJECT and a DBE goal shall be set by the CABINET for work on the PROJECT. The CABINET shall review and approve the DBE goal based on CABINET processes and procedures. Any participating DBE firm must be certified as a DBE firm and be prequalified with the CABINET. The RECIPIENT agrees to comply with the DBE Requirements contained within 23 CFR 635 Subpart A, Section 1101(b) of Public Law 109-59 and 49 CFR Part 26 to ensure equal opportunity to socially and economically disadvantaged small businesses.

Assurance. The contractor, subrecipient or subcontractor shall not discriminate in the performance of this AGREEMENT. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of contracts assisted by the United States Department of Transportation. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other allowable remedy the CABINET deems appropriate. Each contract signed with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include this provision.

DBE Prompt Payment Requirement. The contract between the RECIPIENT and the contractor shall include a contract provision that requires the contractor to comply with 49 CFR 26.29 and pay its subcontractors within ten (10) working days from receipt of each payment RECIPIENT makes to the contractor. The RECIPIENT shall prohibit the contractor from withholding retainage on any subcontract on this PROJECT to ensure prompt and full payment from the contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed.

Section 27. Prohibited Interest. No member, officer, or employee of the CABINET or the RECIPIENT during his tenure or for one (1) year thereafter shall have any financial interest, direct or indirect, in this AGREEMENT or the proceeds thereof as identified in KRS 45A.340. The CABINET and the RECIPIENT shall comply with the requirements of the Executive Branch Code of Ethics KRS Chapter 11A. No member, officer, or employee of the CABINET or RECIPIENT shall collude or lobby on behalf of this PROJECT without penalty, including but not limited to suspension or debarment.

Section 28. Covenant Against Contingent Fees. The RECIPIENT warrants that no person, selling agency or other organization has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, the CABINET shall have the right to annul this AGREEMENT without liability or, in its discretion, to deduct from the compensation, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Section 29. Interest of Members of or Delegates to Congress. No funding has been or will be paid to a member or delegate to the Congress of the United States in connection with the awarding of this Federal contract. Nor shall any member of or delegate to the Congress of the United States receive any benefit arising out of this Federal contract.

Section 30. Standards for the Treatment of Historic Properties. Projects including but not limited to Historic preservation, impacting properties on or eligible for the National Register of Historic Places shall meet applicable Secretary of the Interior's Standards for the Treatment of Historic Properties, the Standards and Guidelines for Archeology and Historic Preservation, and all other applicable federal or state historic property requirements prior to the payment of any monies under this AGREEMENT.

Section 31. Maintenance as Public Facilities. The RECIPIENT agrees to maintain the facilities in an acceptable condition and for a public purpose in accordance with the Maintenance Plan. In addition, any applicable landscaping in any project shall be maintained in an acceptable condition to include mowing,

trimming, or other maintenance. In the event that the property is not maintained as a public facility, the RECIPIENT shall reimburse the FHWA for all proceeds provided for in this PROJECT including any applicable interest, unless such change in use is approved in writing by the CABINET and FHWA, if applicable. The RECIPIENT shall obtain concurrence from the CABINET's District 5 Chief District Engineer in Louisville of a Maintenance Plan for any facilities to be constructed, prior to the awarding of any contract to construct such facilities.

Section 32. Americans with Disabilities Act. 42 USC 1201 et seq. The RECIPIENT agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (ADA) and Section 504 of the Rehabilitation Act of 1973, P.L. 93-112, and other applicable Federal regulations relating hereto, issued by the U.S. Department of Transportation. ADA prohibits discrimination against otherwise qualified individuals under any program or activity receiving Federal financial assistance covered by this AGREEMENT and imposes requirements that affect the design, construction, and maintenance of all transportation projects, to provide access to all facilities.

Section 33. Applicable Laws. This AGREEMENT shall be in accordance with the laws of the United States Department of Transportation, Federal Highway Administration, the United States of America, and the Commonwealth of Kentucky.

Section 34. Hold Harmless Clause. To the extent permitted by law, the RECIPIENT shall indemnify and hold harmless the FHWA and the CABINET and all of its officers, agents, and employees from all suits, actions, or claims of any character arising from any injuries, payments or damages received or claimed by any person, persons, or property resulting from implementation of any phase of the PROJECT or occurring on or near the PROJECT site.

Section 35. Contract Completion. The RECIPIENT is responsible for ensuring that all PROJECT construction activities have been completed and is responsible for providing all of the necessary paperwork as required by the construction contract. This involves conducting a pre-audit of all contract items and associated paperwork. When complete, the RECIPIENT's project engineer in responsible charge of the PROJECT shall notify the CABINET the PROJECT is ready for final inspection. The RECIPIENT will conduct, document and submit to the CABINET a field inspection to verify completion of the work in substantial conformance with the AGREEMENT. The RECIPIENT's project manager shall certify the PROJECT was constructed in accordance with the plans and specifications and that the contractor has paid all suppliers and subcontractors in full.

In accordance with 2 CFR 200, the RECIPIENT shall maintain all PROJECT records for three (3) years after final payment.

Section 36. Audit and Inspection. The RECIPIENT, contractor and any subcontractors shall permit the CABINET, the Comptroller General of the United States and the Secretary of the United States Department of Transportation, or their authorized representatives, to inspect and approve all phases of the PROJECT and all relevant PROJECT data and records, including any audit(s) of the RECIPIENT pertaining to the PROJECT.

The RECIPIENT hereby acknowledges its duty to the CABINET to determine whether it is subject to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. The RECIPIENT shall follow 2 CFR 200. In Accordance with 2 CFR Subpart F, If the RECIPIENT has expended more than \$750,000 in Federal funding from all sources in the RECIPIENT's fiscal year, the RECIPIENT shall provide the CABINET copies of their 2 CFR 200 Subpart F audit reports within 9 months of their fiscal year end.

The RECIPIENT hereby acknowledges it is responsible to inform any entity it intends to hire or use as a contractor, as defined in KRS 45A.030(9), that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any of the contractor's books, documents, papers, records, or other evidence, which are directly pertinent to this AGREEMENT for the purpose of financial audit or program review. Furthermore, any of the contractor's books, documents, papers, records or other evidence provided to the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, or the Legislative Research Commission which are directly pertinent to the AGREEMENT shall be subject to public disclosure regardless of the proprietary nature of the information, unless specific information is identified and exempted and agreed to by the Secretary of the Finance and Administration Cabinet as meeting the provisions of KRS 61.878(1)(c) prior to the execution of the AGREEMENT. The Secretary of the Finance and Administration Cabinet shall not restrict the public release of any information, which would otherwise be subject to public release if a State government agency were providing the service.

Section 37. Campaign Finance. The RECIPIENT shall certify that the contractor swears under the penalty of perjury, as provided by KRS 523.020, that neither he/she nor the entity which he/she represents has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of a contract to him/her or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

Section 38. Violations. Pursuant to KRS 45A.485, the RECIPIENT shall certify that all contractors shall reveal to the CABINET any final determination of a violation within the previous five (5) year period pursuant to KRS Chapter 139, 136, 141, 337, 338, 341 and 342. These statutes relate to the State sales and use tax, corporate and utility tax, income tax, wages and hours laws, occupational safety and health law, unemployment compensation law, and workers compensation insurance law, respectively.

The RECIPIENT shall certify that all contractors agree to be in continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 for the duration of this AGREEMENT. Failure to reveal a final determination of a violation of the referenced statutes or to comply with these statutes for the duration of this AGREEMENT shall be grounds for the cancellation of the contract or subcontract and disqualification of the contractor from eligibility for future State contracts for a period of two (2) years.

Section 39. Personal Service Contracts and Memoranda of Agreement. If this AGREEMENT comes under the purview of KRS 45A.690 - 45A.725, payments on personal service contracts and

memoranda of agreement shall not be authorized for services rendered after disapproval of the Government Contract Review Committee unless the decision of the committee is overridden by the Secretary of Finance and Administration Cabinet or agency head, if the agency has been granted delegation authority.

Section 40. Disputes. Any dispute concerning a question of fact in connection with the work, not disposed of by agreement between the RECIPIENT and the CABINET, shall be referred to the Secretary of the Transportation Cabinet of the Commonwealth of Kentucky, or his duly authorized representative, whose decision shall be final. Regulations concerning any claims to be filed by a contractor are referenced in 23 CFR 635.124.

Section 41. Agreement Change. Any proposed change to the Scope of Work or time extension to this AGREEMENT shall comply with 23 CFR 635.120 and 635.121 and shall be evidenced in writing at the mutual consent of the RECIPIENT and the CABINET.

Section 42. Termination. The CABINET may cancel all reimbursements under this AGREEMENT at any time deemed to be in the best interest of the CABINET by giving thirty (30) calendar days written notice of such cancellation to the RECIPIENT. If reimbursement under this AGREEMENT is canceled under this section by reason other than violation of this AGREEMENT or any applicable law by the RECIPIENT, its agents, employees and contractors, the CABINET shall reimburse the RECIPIENT according to the terms hereof for all expenses incurred under this AGREEMENT to the date of such cancellation of reimbursement. The RECIPIENT may seek to cancel its obligations under this AGREEMENT at any time deemed to be in the best interest of the RECIPIENT by giving thirty (30) calendar days written notice of such request to the CABINET. If the CABINET agrees to allow the RECIPIENT to cancel the PROJECT or cancel its obligations under this AGREEMENT, the RECIPIENT shall reimburse the CABINET for all Federal funding reimbursements made under this AGREEMENT.

Section 43. Resolution. The RECIPIENT shall pass a resolution authorizing the President to sign this AGREEMENT on behalf of the RECIPIENT. An acceptable Resolution shall contain the Project name, description, amount of funds being provided and an acknowledgement that the RECIPIENT agrees to ratify and adopt all statements, representations, warranties, covenants, and agreements contained in the AGREEMENT. Furthermore, by accepting the funds the RECIPIENT agrees to all terms and conditions stated in the AGREEMENT. A copy of the resolution shall be attached to the AGREEMENT (Attachment B) and returned to the CABINET prior to full execution of this PROJECT.

Section 44. Responsible Charge. The RECIPIENT shall designate a Person in Responsible Charge of this PROJECT according to the terms outlined in Attachment C. The RECIPIENT will provide the name and contact information for the Person in Responsible Charge prior to full execution of this PROJECT. The Attachment C information must be current for the RECIPIENT to be in compliance with the federal regulations and an eligible recipient of federal funds. Should a change occur, the RECIPIENT must submit a revised Attachment C within 7 days. Failure to comply can result in cancellation of the PROJECT.

IN TESTIMONY WHEREOF, the parties have hereto caused this AGREEMENT to be executed upon signature by their proper officers and representatives.

COMMONWEALTH OF KENTUCKY TRANSPORTATION CABINET:

Approved as to form and legality:

Attorney

Jim Gray, Secretary

Date: _____

Date: _____

UNIVERSITY OF LOUISVILLE:

Approved as to form and legality:

Attorney

Lori Stewart Gonzalez, Interim President

Date: _____

Date: _____

**ATTACHMENT A
SCOPE OF WORK AND BUDGET SUMMARY**

Scope of Work:

RECIPIENT DUNS NUMBER: _____

This PROJECT is located within University of Louisville's Belknap Campus in downtown Louisville. The PROJECT will improve vehicular safety and traffic flow along 2nd (KY-1020 NB) and 3rd Streets (KY 1020 SB) at the Museum Drive intersection and improve pedestrian connectivity and safety at the intersection and along W. Brandeis Avenue (CS 2377F) between 3rd and 4th streets. Under this agreement, the PROJECT will undertake the Design phase of these improvements and reimburse for associated eligible costs. KYTC has agreed to make available \$560,000 in FD04 state funds for this project. These funds have been reallocated from 05-08804.00/05-08805.00 MOA (Supp 1) for use as match for federal funds on any phases of this PROJECT (Design, ROW, Utility and/or Construction) up to the maximum of \$2,800,000 (\$560,000 state (20%) + \$2,240,000 fed (80%)). The \$560,000 will come from the previously authorized funds. This initial DESIGN phase agreement approves \$82,475 federal CRRSAA-MPO (100% federal) funding, \$166,020 federal STBG-SLO (80% fed/20% state) funding and \$41,505 state match funds (from 05-08804/08805). The Cabinet will retain \$23,200 STBG-SLO for project oversight with \$5,800 state dollars as match for those funds. This design phase is expected to cover Preliminary and Final Design. The PROJECT may not move into final design until a NEPA document has been approved for the PROJECT. The federal end date for this PROJECT is June 30, 2025.

Budget:

		Federal Funds SLO/ CRRSAA	Local Funds	Toll Credits/ State Funds	Total
Current MOA	Design Phase Funding: RECIPIENT Program# 1458801D	\$166,020.00	-	\$41,505.00	\$207,525.00
	Design Phase Funding: RECIPIENT Program# 1458802D	\$82,475.00	-	-	\$82,475.00
	Design Phase Funding: Cabinet Program# 1458803D	\$23,200.00	-	\$5,800.00	\$29,000.00
Design Phase Total for RECIPIENT		\$248,495.00	-	\$41,505.00	\$290,000.00
Design Phase Total for Cabinet		\$23,200.00	-	\$5,800.00	\$29,000.00

All federally-funded projects are set up in phases (design, ROW, utilities, construction). No work can begin on any phase of a project until the CABINET provides a written notice to proceed for that phase. Funding for this project will be programmed with FHWA as each phase is approved. Effective December 26, 2014, FHWA requires a project end date for each federal project phase programmed. As each phase of the project is programmed with FHWA a supplemental agreement will be sent to the project sponsor to add the funding and adjust the project end date. Any expenditure incurred by the project sponsor after the end date will not be eligible for reimbursement. If the project sponsor requires an extension, they must notify the Administering Office thirty (30) days before the project end date.

Estimated Future Phases:

		Federal Funds	Fiscal Year
Estimated	Utilities	\$1,105,280	2022
	Construction	\$1,650,000	2022

***KYTC State Forces Oversight matching funds are not to be counted against U of L's \$560,000 state funds match credit.**

UNIVERSITY OF LOUISVILLE
UNIVERSITY INTERSECTION AND PEDESTRIAN IMPROVEMENTS
ITEM NO. 05-00581.00
\$166,020 SLO FUNDS
\$82,475 CRRSAA FUNDS
\$41,505 STATE FUNDS

ATTACHMENT B

ATTACH A RESOLUTION HERE

**ATTACHMENT C
PERSON IN RESPONSIBLE CHARGE**

Upon federal-aid project delegation to the RECIPIENT by the CABINET, the undersigned hereby certifies the following, to the best of his or her knowledge and belief, on behalf of the RECIPIENT:

1. Pursuant to 23 CFR 635.105(c) (4), the RECIPIENT acting as a subrecipient of federal transportation funds must provide an employee of that agency, who is available full time, to be in responsible charge of the PROJECT. The individual in responsible charge of the PROJECT is held accountable for ensuring that all applicable Federal and State regulations are followed on the PROJECT. This person will have the authority and resources to manage the PROJECT and will be the primary point of contact with the CABINET. This person may be the project engineer provided that the project engineer is a full-time employee of the RECIPIENT. If the project engineer is a consultant, the person in responsible charge must be a full-time employee of the RECIPIENT.
2. The undersigned and the designated RECIPIENT's person in responsible charge of this PROJECT has read and understands the contract administration and inspection responsibilities described in the CABINET's *Federal-Aid Highway Program Project Development Guide for Local Public Agencies* (LPA Guide).
3. The undersigned will carry out this PROJECT in accordance with the applicable Federal and State laws and associated regulations identified in the LPA Guide.
4. The undersigned will enforce compliance with the above-mentioned laws, regulations, policies, and guidelines by its consultants, contractors, and subcontractors.
5. The undersigned certifies the designated person in responsible charge will:
 - Have the ability to visit the PROJECT or attend meetings related to the PROJECT as needed.
 - Be responsible for ensuring that the PROJECT is delivered on time in accordance with established milestones and the terms of the contract between the RECIPIENT and the CABINET.
6. In accordance with the requirements outlined above, RECIPIENT has selected the following individual as the person in responsible charge for the PROJECT:

Name: Mike Materna	Position with RECIPIENT: Assistant Dir.,UPDC
E-mail: mike.materna@louisville.edu	Phone: 502 852 0211
Signature: Signature on file	

7. Should the RECIPIENT require a change to the Person in Responsible Charge, they will notify the CABINET, designate a new Person in Responsible Charge, and resubmit the Attachment C within 7 days of the change. The new Attachment C will be incorporated into this Agreement upon approval by the CABINET.

Lori Stewart Gonzalez, Interim President Date



Financial Update

Dan Durbin
EVP Finance/CFO

January Financial Results Highlights

- **Cash and accrual based activity trending similarly**
- **Revenues and Expenses:**
 - In aggregate, University is generating a positive margin
 - Both revenues and expenses continue to exceed last year's amounts
 - College tuition revenue budgets still off by approx. \$7 million
 - March 1 raise plan operationalized (including 3-pronged strategy to fund)
 - Continue trending toward balanced budget
- **Net Position (Balance Sheet) continues to improve:**
 - Liquidity/cash position continues to improve
 - Total assets increased 5% from last year
 - Total liabilities decreased 5% from prior year
 - Unrestricted and Total Net Position continues to improve

Review of Actual Revenues, Expenses & Changes in Net Position
YTD 1/31/2022
Accrual Basis



Summary of Accrual Based Revenues, Expenses, and Changes in Net Position

YTD Period Ended January 31, 2022 and 2021 (in thousands)

	FY 2022	FY 2021	\$ Diff	% Diff
REVENUES				
Student tuition and fees, net	\$ 269,585	\$ 265,558	\$ 4,027	1.5%
Clinical services and practice plan	216,086	187,235	28,851	15.4%
State appropriations	105,162	102,458	2,704	2.6%
Grants and contracts	132,885	96,530	36,355	37.7%
Intercollegiate athletics	50,793	28,774	22,019	76.5%
Affiliate contributions, net	19,551	18,385	1,166	6.3%
Capital appropriations & gifts	30,760	21,133	9,627	45.6%
Other revenue	46,247	33,051	13,196	39.9%
Total Revenue	871,069	753,124	117,945	15.7%
EXPENSES				
Salaries and wages	311,383	303,713	7,670	2.5%
Employee benefits	83,864	69,422	14,442	20.8%
Utilities	10,368	10,242	126	1.2%
Scholarships and fellowships	88,843	79,720	9,123	11.4%
Depreciation and amortization	29,336	30,925	(1,589)	(5.1%)
Supplies and services	201,443	158,854	42,589	26.8%
Total Expenses	725,237	652,876	72,361	11.1%
Increase/(decrease) in net position	145,832	100,248	45,584	45.5%

Significant Revenue Fluctuations:

- Student tuition and fee revenue increased due to 1.75% rate increase with an offset due to slightly fewer students.
- Clinical revenue: Rent and lease payments from UL Health received monthly during FY22; payments during FY21 not consistently received/recorded month to month (further offset by expenses).
- Grant revenue: Increase primarily due to timing of CARES funding year-over-year, \$16.6 million additional in FY22, and increase in other various grants of \$14.3 million.
- Intercollegiate athletic: increase in FY22 due to release of COVID capacity restrictions and game cancellations for the football and men's basketball seasons in FY21.
- Other revenue increased primarily due to F&A cost recoveries related to increased grant activities.

Summary of Accrual Based Revenues, Expenses, and Changes in Net Position

YTD Period Ended January 31, 2022 and 2021 (in thousands)

	FY 2022	FY 2021	\$ Diff	% Diff
REVENUES				
Student tuition and fees, net	\$ 269,585	\$ 265,558	\$ 4,027	1.5%
Clinical services and practice plan	216,086	187,235	28,851	15.4%
State appropriations	105,162	102,458	2,704	2.6%
Grants and contracts	132,885	96,530	36,355	37.7%
Intercollegiate athletics	50,793	28,774	22,019	76.5%
Affiliate contributions, net	19,551	18,385	1,166	6.3%
Capital appropriations & gifts	30,760	21,133	9,627	45.6%
Other revenue	46,247	33,051	13,196	39.9%
Total Revenue	871,069	753,124	117,945	15.7%
EXPENSES				
Salaries and wages	311,383	303,713	7,670	2.5%
Employee benefits	83,864	69,422	14,442	20.8%
Utilities	10,368	10,242	126	1.2%
Scholarships and fellowships	88,843	79,720	9,123	11.4%
Depreciation and amortization	29,336	30,925	(1,589)	(5.1%)
Supplies and services	201,443	158,854	42,589	26.8%
Total Expenses	725,237	652,876	72,361	11.1%
Increase/(decrease) in net position	145,832	100,248	45,584	45.5%

Significant Expense Fluctuations:

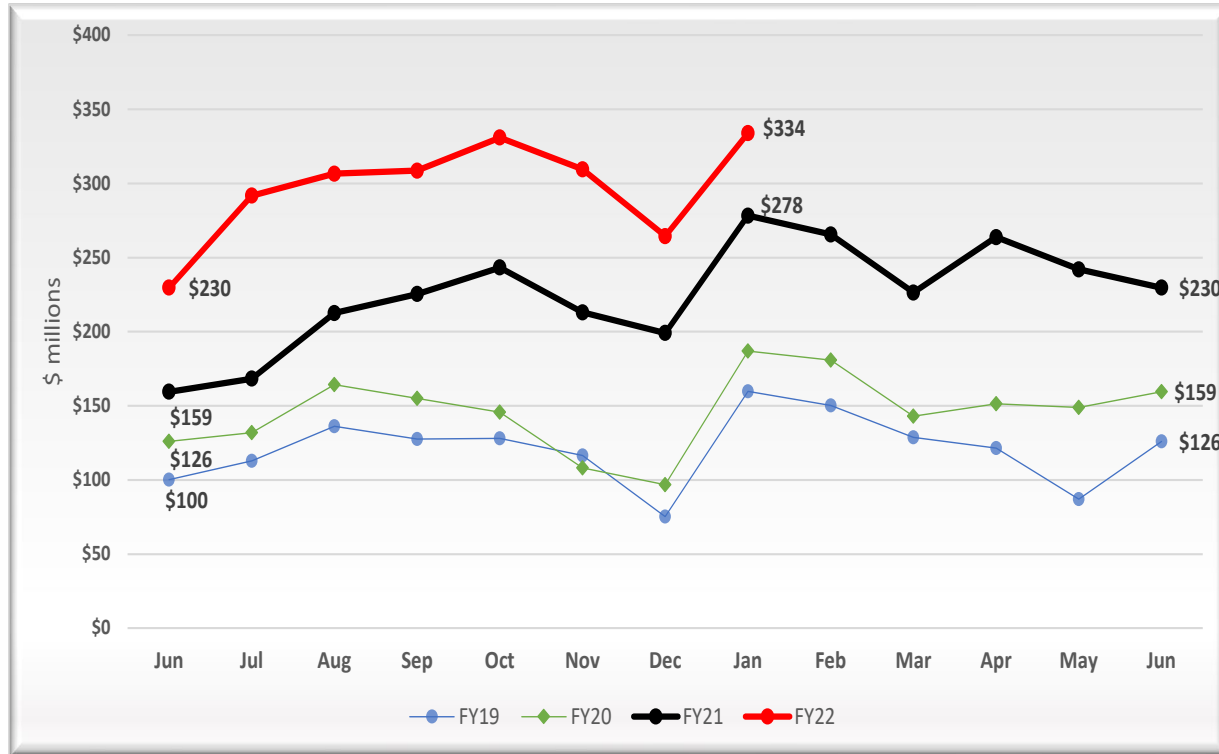
- Salaries increased primarily due to 1% COLA adjustment and increased hiring.
- Employee benefits increased due to the university reinstating the full 7.5% 403b contribution in FY22 and increased hiring.
- Scholarships increase due to HEERF (CARES) and other financial aid grants to students given during the Fall 2021 and Spring 2022 semesters.
- The increase in supplies and services expense is generally driven by normal return to campus activities vs. COVID restrictions in FY21. Operational expenditures have risen partially in response to purchases delayed from prior year and increased campus activity.

Revenue and Expense Activity by Component Unit
YTD Period Ended January 31, 2022 (FY2022) and 2021 (FY2021)
(in thousands)

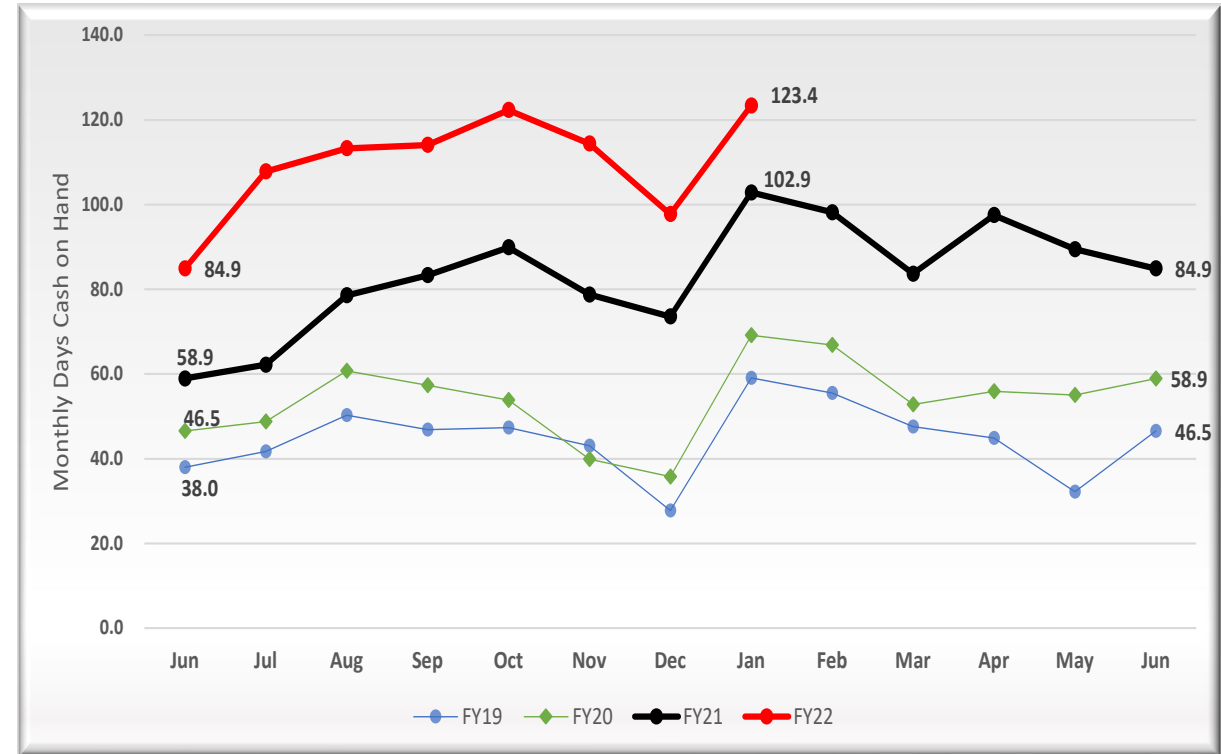
	FY 2022				FY 2021			
	Consolidated	ULSA (mostly general fund)	ULRF	ULAA	Consolidated	ULSA (mostly general fund)	ULRF	ULAA
Total Revenues	871,069	458,691	329,573	82,805	753,124	428,788	273,622	50,714
Total Expenses	725,237	320,266	331,083	73,888	652,876	302,574	291,504	58,798
Total Increase in Net Position	145,832	138,425	(1,510)	8,917	100,248	126,214	(17,882)	(8,084)
Year-Over-Year Change	45,584	12,211	16,372	17,001				
FYE 6/30/2021 normalized results (for reference)	(5,784)	4,332	6,088	(16,204)				

Liquid Cash and Days Cash on Hand – FY 2019 to FY 2022

Actuals through January 31, FY 2022



Dollar amounts in millions



Days cash on hand amounts

Summary of University Based Investments

As of January 31, 2022 (in thousands)

Investment Type	Maturity	Total Amount Invested	Average Category Yield	Estimated Annual Income
Money Markets	Current	195,039	0.04%	77
Checking Account, CEBRB, etc.	Current	34,836	0.03%	10
Treasury Bill	Less than 3 Months	60,000	0.10%	61
Agency Notes	Less than 3 Years	35,564	0.51%	183
Municipal Bonds	Less than 3 Years	10,920	0.44%	48
Certificates of Deposit	Less than 3 Years	499	0.17%	1
Total Portfolio*		336,857		379

* Investments portfolio includes cash in operating bank accounts. Cash held by third party trustees or the state is not included

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Net Position
January 31, 2022 and 2021

	YTD January:		Difference		30-Jun-21		
	FY 2022	FY 2021	Amount	Percent	FY 2021	Difference	Percent
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 289,613	\$ 112,860	\$ 176,753	157 %	206,674	\$ 82,939	40 %
Short-term investments	49,818	172,282	(122,464)	(71)%	7,853	41,965	534 %
Deposit with bond trustee and escrow agent	33	6,257	(6,224)	(99)%	776	(743)	(96)%
Loans, accounts and contributions receivable, net	114,152	94,682	19,470	21 %	104,836	9,316	9 %
Due from affiliates	37,228	7,103	30,125	424 %	53,027	(15,799)	(30)%
Inventories	5,288	5,946	(658)	(11)%	6,278	(990)	(16)%
Investments held with University of Louisville Foundation, Inc.	3,470	5,345	(1,875)	(35)%	3,410	60	2 %
Other assets	3,207	2,158	1,049	49 %	9,655	(6,448)	(67)%
Total current assets	502,809	406,633	96,176	24 %	392,509	110,300	28 %
Noncurrent Assets							
Restricted cash and cash equivalents	32,682	36,261	(3,579)	(10)%	55,964	(23,282)	(42)%
Deposit with bond trustee and escrow agent	15,362	10,610	4,752	45 %	14,607	755	5 %
Loans, accounts and contributions receivable, net	50,955	55,052	(4,097)	(7)%	47,790	3,165	7 %
Due from affiliates	12,423	23,237	(10,814)	(47)%	12,423	-	- %
Other long-term investments	757	956	(199)	(21)%	26,812	(26,055)	(97)%
Other long-term assets	382	260	122	47 %	382	-	- %
Capital assets, net	1,055,867	1,064,574	(8,707)	(1)%	1,069,819	(13,952)	(1)%
Total noncurrent assets	1,168,428	1,190,950	(22,522)	(2)%	1,227,797	(59,369)	(5)%
Total assets	1,671,237	1,597,583	73,654	5 %	1,620,306	50,931	3 %
DEFERRED OUTFLOWS OF RESOURCES							
	17,305	13,687	3,618	26 %	17,305	-	- %
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,688,542	1,611,270	77,272	5 %	1,637,611	50,931	3%
LIABILITIES							
Current Liabilities							
Accounts payable and accrued liabilities	79,402	98,901	(19,499)	(20)%	112,519	(33,117)	(29)%
Line of credit	9,000	-	9,000	- %	9,000	-	- %
Unearned compensation and wages payable	220	2,699	(2,479)	(92)%	1,537	(1,317)	(86)%
Advances	3,329	42,571	(39,242)	(92)%	50,894	(47,565)	(93)%
Bonds and notes payable	22,514	23,969	(1,455)	(6)%	21,443	1,071	5 %
Total current liabilities	114,465	168,140	(53,675)	(32)%	195,393	(80,928)	(41)%
Noncurrent Liabilities							
Note payable to University of Louisville Foundation, Inc.	1,000	1,000	-	- %	1,000	-	- %
Unearned compensation and wages payable	949	1,246	(297)	(24)%	949	-	- %
Deposits	1,795	1,040	755	73 %	1,142	653	57 %
Advances	6,533	6,989	(456)	(7)%	6,542	(9)	(0)%
Amounts due to federal government for student loan programs	17,311	17,145	166	1 %	17,311	-	- %
Other post-retirement benefits	80,238	74,239	5,999	8 %	80,238	-	- %
Other long-term liabilities	5,045	6,131	(1,086)	(18)%	5,045	-	- %
Bonds and notes payable	273,930	253,817	20,113	8 %	288,547	(14,617)	(5)%
Total noncurrent liabilities	386,801	361,607	25,194	7 %	400,774	(13,973)	(3)%
Total liabilities	501,266	529,747	(28,481)	(5)%	596,167	(94,901)	(16)%
DEFERRED INFLOWS OF RESOURCES							
	61,480	65,829	(4,349)	(7)%	61,480	-	- %
NET POSITION							
Net investment in capital assets	782,808	802,602	(19,794)	(2)%	800,980	(18,172)	(2)%
Restricted:							
Nonexpendable	1,868	1,377	491	36 %	1,868	-	- %
Expendable	67,937	84,799	(16,862)	(20)%	73,377	(5,440)	(7)%
Unrestricted	273,183	126,916	146,267	115 %	103,739	169,444	163 %
Total net position	1,125,796	1,015,694	110,102	11 %	\$ 979,964	145,832	15 %
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 1,688,542	\$ 1,611,270	\$ 77,272	5 %	\$ 1,637,611	\$ 50,931	3 %

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Revenues, Expenses, and Changes in Net Position
January 31, 2022 and 2021

	YTD Through January:		Difference	Variance
	FY 2022	FY 2021		
OPERATING REVENUES				
Gross student tuition and fees	\$ 314,377	\$ 314,800	\$ (423)	0%
Less: Discount	\$ (44,792)	(49,242)	4,450	-9%
Net student tuition and fees	\$ 269,585	\$ 265,558	\$ 4,027	2%
Clinical services and practice plan	216,086	187,235	28,851	15%
Federal grants and contracts	50,778	43,560	7,218	17%
State and local grants and contracts	10,246	3,886	6,360	164%
Nongovernmental grants and contracts	10,324	9,558	766	8%
Sales and services of educational departments	3,395	2,526	869	34%
Facilities and administrative cost recoveries	21,736	16,386	5,350	33%
Auxiliary enterprises	12,344	9,839	2,505	25%
Intercollegiate athletics	50,793	28,774	22,019	77%
Other operating revenue	10,393	7,308	3,085	42%
Total operating revenue	<u>655,680</u>	<u>574,630</u>	<u>81,050</u>	<u>14%</u>
OPERATING EXPENSES				
Instruction	148,761	138,816	9,945	7%
Research	88,684	82,091	6,593	8%
Public service	87,992	72,249	15,743	22%
Academic support	99,299	95,397	3,902	4%
Student services	18,865	16,374	2,491	15%
Institutional support	55,059	48,865	6,194	13%
Operation and maintenance of plant	44,770	38,624	6,146	16%
Scholarships and fellowships	83,429	75,400	8,029	11%
Auxiliary enterprises	4,969	5,035	(66)	(1)%
Intercollegiate athletics	64,073	49,100	14,973	30%
Depreciation and amortization	29,336	30,925	(1,589)	(5)%
Total operating expense	<u>725,237</u>	<u>652,876</u>	<u>72,361</u>	<u>11%</u>
Operating gain/(loss)	<u>(69,557)</u>	<u>(78,246)</u>	<u>8,689</u>	<u>(11)%</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations	105,162	102,458	2,704	3%
Gifts and donations	24,247	14,778	9,469	64%
Nonexchange grants and contracts	61,537	39,526	22,011	56%
Contributions from University of Louisville Foundation, Inc.	19,551	18,385	1,166	6%
Investment income	390	385	5	1%
Realized and unrealized gain on investments	(986)	(15)	(971)	6473%
Interest on capital asset-related debt	(1,469)	(3,509)	2,040	(58)%
Other nonoperating revenue (expense)	444	131	313	239%
Net nonoperating revenue	<u>208,876</u>	<u>172,139</u>	<u>36,737</u>	<u>21%</u>
Income (Loss) before other revenue, expense, gains and losses	<u>139,319</u>	<u>93,893</u>	<u>45,426</u>	<u>48%</u>
Capital appropriations	169	55	114	207%
Capital gifts	6,344	6,300	44	1%
Total other revenue	<u>6,513</u>	<u>6,355</u>	<u>158</u>	<u>2%</u>
Special Items	-	-	-	
Increase (decrease) in net position	<u>145,832</u>	<u>100,248</u>	<u>45,584</u>	<u>45%</u>

Comparison to Budget Analysis

YTD 1/31/2022

Modified Cash Basis

Budget-to-Actual Report thru January

FY2022 versus FY2021 (Modified-Cash Basis)

Status Indicators	
Better than Expected	↑
As Expected	✓
Worse than Expected	⚠

Revenues	FY 2022				FY 2021	Year-over-Year	
	Annual Budget	YTD January	% Realized	Status	YTD January	\$ Change	
<i>General Funds</i>							
Tuition and Fees	339,524,920	314,701,783	92.7%	⚠	312,506,694	2,195,089	FY 22 tuition rate increase; grad enrollment increase
State Appropriations	130,129,300	104,103,300	80.0%	✓	101,645,500	2,457,800	Performance funding increase
Transfers In	30,779,202	6,397,478	20.8%	⚠	12,295,533	(5,898,055)	Timing of debt service from ULAA and ULRF
Other Revenue	13,882,080	7,505,178	54.1%	✓	6,783,570	721,608	Increase in child care revenues from state among others
Auxiliaries	13,620,308	11,884,692	87.3%	✓	10,433,763	1,450,928	Improvement in parking, housing, bookstore revenues from COVID lows
Hospital-Related	1,133,097	382,091	33.7%	✓	2,603,612	(2,221,521)	Hospital rent recorded in non-general fund beginning with FY22
CARES / Federal Relief Funds	6,000,000	5,804,953	96.7%	✓	0	5,804,953	Lost tuition revenue and print service revenue
General Funds Total	535,068,907	450,779,474	84.2%	✓	446,268,671	4,510,803	
<i>Funds received in prior periods</i>	3,581,945	0			0		
<i>Non-General Funds</i>							
UL Research Foundation	601,175,406	450,924,720	75.0%	↑	335,929,061	114,995,660	See "Description of Notable Revenue Changes" section
UL Athletic Association	107,700,000	93,033,632	86.4%	✓	58,140,839	34,892,792	Post-pandemic increase in game attendance
UL Foundation	56,376,651	21,255,515	37.7%	⚠	18,261,224	2,994,290	See "Description of Notable Revenue Changes" section
Internally Designated	18,726,327	22,488,813	120.1%	✓	15,753,322	6,735,491	Mostly timing related (capitalized lease)
<i>Funds received in prior periods</i>	12,624,145	0			0	0	
Non-General Funds Total	796,602,530	587,702,680	73.8%	✓	428,084,447	159,618,233	
Total Revenues	\$1,335,253,382	\$1,038,482,154	77.8%	✓	\$874,353,118	\$164,129,036	

Expenses	FY 2022				FY 2021		
	Annual Budget	YTD January	% of Budget	Status	YTD January		Change
<i>All Funds</i>							
Salary	582,037,186	318,023,932	54.6%	✓	305,097,021	12,926,911	See "Description of Notable Expense Changes" section
Fringe Benefits	148,173,849	84,395,368	57.0%	✓	69,822,429	14,572,940	See "Description of Notable Expense Changes" section
Operating	393,177,129	306,472,042	77.9%	⚠	207,655,940	98,816,102	See "Description of Notable Expense Changes" section
Financial Aid	157,408,757	134,643,878	85.5%	✓	131,040,370	3,603,508	See "Description of Notable Expense Changes" section
Capital Asset & Debt Service	31,762,410	15,656,034	49.3%	✓	14,549,295	1,106,739	
Utilities	22,694,052	10,268,254	45.2%	✓	10,241,092	27,162	
Total Expenses	\$1,335,253,382	869,459,508	65.1%		\$738,406,146	\$131,053,362	
Revenue Over/(Under) Expenses	(\$0)	\$169,022,646			\$135,946,972	\$33,075,675	

Budget-to-Actual Report thru January

FY 2022 versus FY 2021 (Modified-Cash Basis)

Description of Notable Revenue Changes

Revenues	Actuals (January)		Change	
	FY 2022	FY 2021		
Tuition and Fees	314,701,783	312,506,694	2,195,089	Tuition rate increase; strong grad enrollment
UL Research Foundation	450,924,720	335,929,061	114,995,660	
<i>Sponsored Research</i>	<i>102,904,513</i>	<i>76,460,216</i>	<i>26,444,296</i>	<i>\$15.7M related to CARES and grants (e.g., wastewater testing)</i>
<i>F&A Recovery</i>	<i>20,863,546</i>	<i>15,738,309</i>	<i>5,125,236</i>	<i>Increase in research activity</i>
<i>Pass-through financial aid</i>	<i>54,318,151</i>	<i>39,633,808</i>	<i>14,684,343</i>	<i>Primarily CARES and timing of receipt of state CAP funds</i>
<i>Clinical-related activities</i>	<i>248,681,034</i>	<i>187,956,206</i>	<i>60,724,828</i>	<i>Increased clinical activity plus recognition of pass-through activity and Norton's</i>
<i>All other</i>	<i>24,157,478</i>	<i>16,140,522</i>	<i>8,016,956</i>	<i>+\$3.8M for grant residuals and RIFs;</i>

Description of Notable Expense Changes

Expenses	Actuals (January)		Change	
	FY 2022	FY 2021		
Salaries and Wages	318,023,932	305,097,021	12,926,911	Primarily due to one-time bonus and COLA in August
Fringe Benefits	84,395,368	69,822,429	14,572,940	Primarily due to restoring employer retirement contributions to pre-COVID levels
Financial Aid	134,643,878	131,040,370	3,603,508	Increase primarily due to CARES funding for student aid
Operating	306,472,042	207,655,940	98,816,102	
<i>Maintenance</i>	<i>9,075,085</i>	<i>7,593,483</i>	<i>1,481,602</i>	
<i>Operating</i>	<i>25,376,664</i>	<i>22,255,348</i>	<i>3,121,316</i>	
<i>Services</i>	<i>91,837,441</i>	<i>41,738,773</i>	<i>50,098,668</i>	<i>\$36M IGT pass-through activity (offsetting revenue); \$2M ERP upgrade; \$1M brand marketing</i>
<i>Subscriptions</i>	<i>23,154,544</i>	<i>14,707,867</i>	<i>8,446,676</i>	<i>Primarily Athletics' away game tickets +\$4.2M; +\$3.6M increase in Libraries (timing-related)</i>
<i>Travel</i>	<i>7,217,229</i>	<i>2,765,558</i>	<i>4,451,672</i>	<i>Increase follows year of historically low levels of travel due to COVID</i>

FY 2021 Actuals Thru January

	Uofl. Standalone					All Funds
	General Funds	Uofl Foundation	Internally Designated	Uofl Research Foundation	ULAA	
Revenues						
Tuition and Fees	312,506,694					312,506,694
State Funds	101,645,500					101,645,500
Transfers to General Fund	12,295,533					12,295,533
Auxiliaries	10,433,763					10,433,763
Clinical (inclgd Hospital support)	2,603,612			187,956,206		190,559,817
Sponsored Agreements				76,460,216		76,460,216
Pass Through Financial Aid				39,633,808		39,633,808
Other Revenue	6,783,570	18,261,224	15,753,322	31,878,831	58,140,839	130,817,786
CARES	0					0
Total Revenues	446,268,671	18,261,224	15,753,322	335,929,061	58,140,839	874,353,118
Expenditures						
Salary	141,591,374	9,896,294	2,094,843	130,978,393	20,536,118	305,097,021
Fringe Benefits	38,127,543	1,993,164	413,594	26,002,684	3,285,443	69,822,429
Operating	43,680,780	5,894,881	2,770,142	127,515,003	27,798,614	207,659,421
Scholarships	60,989,061	4,934,280	469,690	50,966,874	13,680,465	131,040,370
Capital Asset plus Debt Service	16,193,845	0	(1,886,716)	0	242,166	14,549,295
Utilities	9,771,628	2,158	0	34,694	429,131	10,237,610
Total Expenditures	310,354,230	22,720,778	3,861,553	335,497,647	65,971,938	738,406,146
Revenues less Expenses	135,914,441	(4,459,553)	11,891,769	431,413	(7,831,099)	135,946,972

FY 2022 Actuals Thru January

	Uofl. Standalone					All Funds
	General Funds	Uofl Foundation	Internally Designated	Uofl Research Foundation	ULAA	
Revenues						
Tuition and Fees	314,701,783					314,701,783
State Funds	104,103,300					104,103,300
Transfers to General Fund	6,397,478					6,397,478
Auxiliaries	12,479,128					12,479,128
Clinical (inclgd Hospital support)	382,091			231,552,233		231,934,324
Sponsored Agreements				102,904,513		102,904,513
Pass Through Financial Aid				54,318,151		54,318,151
Other Revenue	6,910,742	21,255,515	22,488,813	62,149,823	93,033,632	205,838,525
CARES	5,804,953					5,804,953
Total Revenues	450,779,474	21,255,515	22,488,813	450,924,720	93,033,632	1,038,482,154
Expenditures						
Salary	147,643,130	9,898,291	2,295,595	135,610,381	22,576,535	318,023,932
Fringe Benefits	44,626,400	2,411,047	539,905	32,562,928	4,255,087	84,395,368
Operating	48,794,220	8,254,332	2,888,909	201,887,407	44,647,175	306,472,042
Scholarships	55,516,232	5,053,835	411,743	62,107,069	11,554,999	134,643,878
Capital Asset plus Debt Service	16,223,103	0	(1,085,907)	25,721	493,117	15,656,034
Utilities	9,597,035	64,119	12,334	49,343	545,424	10,268,254
Total Expenditures	322,400,121	25,681,624	5,062,579	432,242,849	84,072,336	869,459,508
Revenues less Expenses	128,379,354	(4,426,109)	17,426,235	18,681,871	8,961,296	169,022,646

Change FY 2021 to FY 2022 (Thru January)

	Uofl. Standalone					All Funds
	General Funds	Uofl Foundation	Internally Designated	Uofl Research Foundation	ULAA	
Revenues						
Tuition and Fees	2,195,089	0	0	0	0	2,195,089
State Funds	2,457,800	0	0	0	0	2,457,800
Transfers to General Fund	(5,898,055)	0	0	0	0	(5,898,055)
Auxiliaries	2,045,364	0	0	0	0	2,045,364
Clinical (inclgd Hospital support)	(2,221,521)	0	0	43,596,028	0	41,374,507
Sponsored Agreements	0	0	0	26,444,296	0	26,444,296
Pass Through Financial Aid	0	0	0	14,684,343	0	14,684,343
Other Revenue	127,172	2,994,290	6,735,491	30,270,993	34,892,792	75,020,739
CARES	5,804,953	0	0	0	0	5,804,953
Total Revenues	4,510,803	2,994,290	6,735,491	114,995,660	34,892,792	164,129,036
Expenditures						
Salary	6,051,757	1,997	200,752	4,631,988	2,040,417	12,926,911
Fringe Benefits	6,498,857	417,883	126,311	6,560,245	969,644	14,572,940
Operating	5,113,440	2,359,451	118,766	74,372,403	16,848,560	98,812,621
Scholarships	(5,472,828)	119,554	(57,947)	11,140,196	(2,125,467)	3,603,508
Capital Asset plus Debt Service	29,258	0	800,810	25,721	250,950	1,106,739
Utilities	(174,593)	61,961	12,334	14,649	116,293	30,644
Total Expenditures	12,045,890	2,960,846	1,201,026	96,745,202	18,100,398	131,053,362
Revenues less Expenses	(7,535,087)	33,444	5,534,465	18,250,458	16,792,394	33,075,675



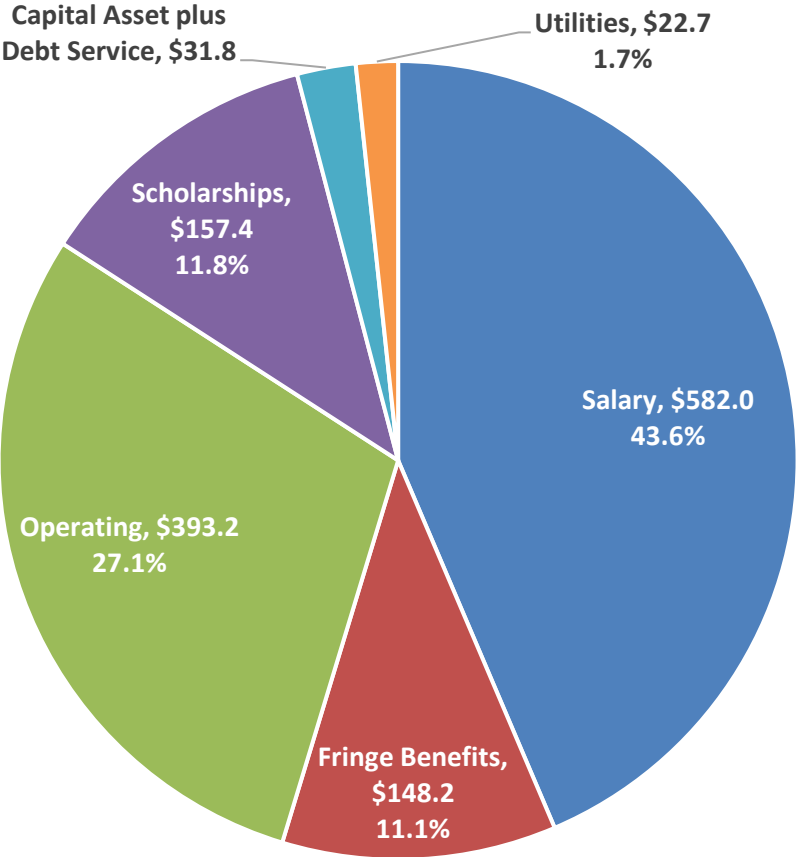
Update on the FY 2023 Budget Development Process

What We Budget and Where It Comes From

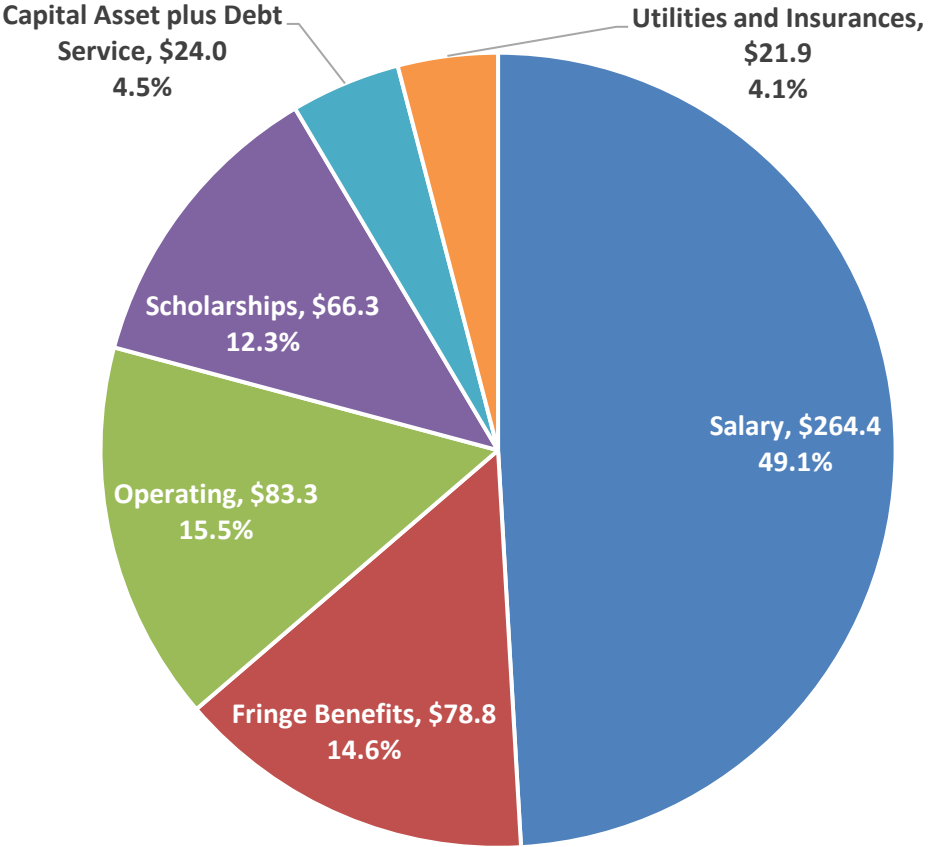
Revenue Category		Description
Non-general Fund		
	Clinical	Patient care services and laboratories performed by faculty & staff
	Grants and contracts	Research funding from federal government and others; federal student aid
	Gifts and endowments	Reimbursement from UofL Foundation for allowable costs
	Athletics	ACC conference; media; ticket sales; stadium and arena suites; licensing
	Other	Miscellaneous sources such as residuals on grants; research infrastructure
General Fund		
	Tuition and fees	Revenues associated with student enrollment in courses
	State appropriations	Amount approved by General Assembly; partially based on performance
	Other	Includes housing, parking, dining, investment income, etc.

What We Budget: Revenues & Expenses

FY 2022 Amounts Shown



All Funds = \$1.3 Billion



General Fund = \$538.7 million

FY 2023 Budget Development Timeline

January - February

- Budget goals & priorities formed; connections to strategic plan
- Budget instructions shared & training completed

✓ **Complete**

March

- Near-final revenue projections
- Estimates of fixed and other university-wide costs
- Meet with deans/VPs

April

- Finalize revenue projections
- Finalize expense budgets
- Colleges/schools submit balanced budgets; reviewed by Budget Office

May

- Review budget with internal audiences and stress test assumptions
- Develop mitigation plans
- Present draft budget to Board of Trustees for input

June

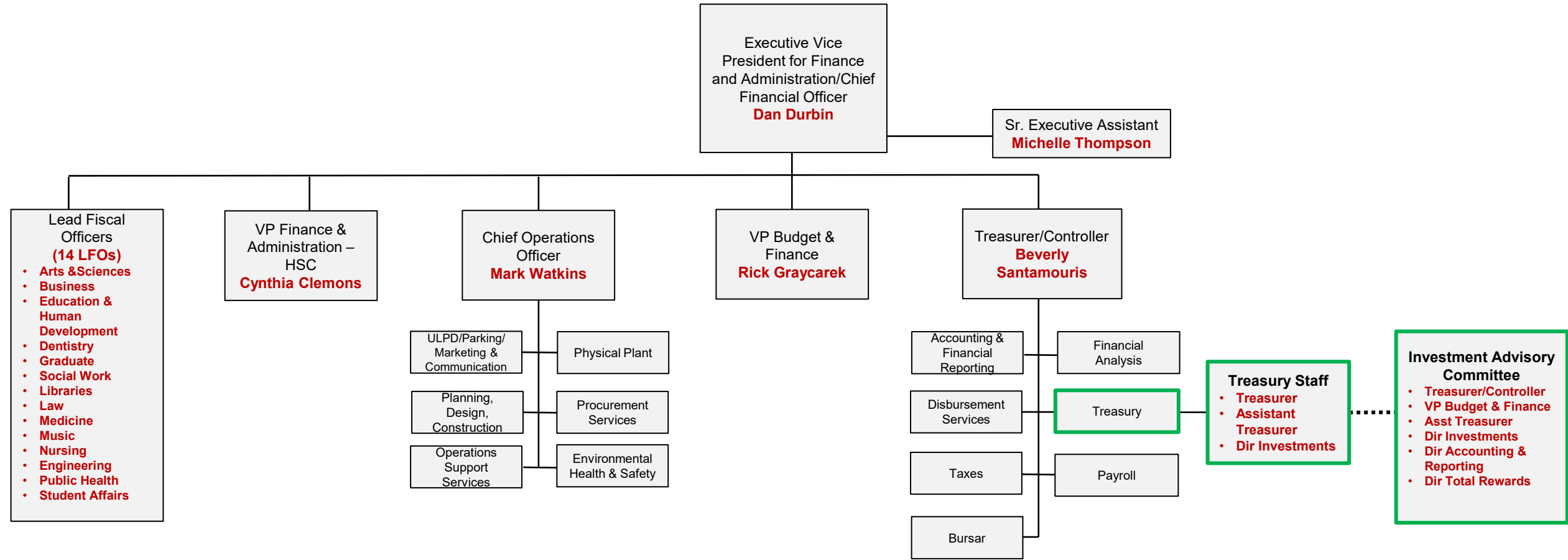
- Complete budget document
- Presentation of final budget to Board of Trustees

In process and on schedule

Continuous dialogs and updates with/from president and provost

Executive Vice President for Finance & Administration

Organizational Chart (with Treasury Functions)



Questions ?

