

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

June 23, 2022

In Open Session

Members of the Finance Committee of the University of Louisville Board of Trustees met on June 23, 2022, in the Jefferson Room, Grawemeyer Hall, Belknap Campus, at 3:25 p.m. with members present and absent as follows:

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

Absent: Ms. Diane Medley, Chair

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  
Mr. Josh Heird, Athletic Director and Vice President for Athletics  
Mr. Rehan Khan, Vice President for Information Technology Services  
Dr. Toni Ganzel, Vice President for Academic Medical Affairs  
Dr. Douglas Craddock, Interim Vice President for Community Engagement  
Ms. Mariana Barzun, Co-Interim Vice President for University Advancement  
Ms. Julie Dials, Co-Interim Vice President for University Advancement  
Mr. John Drees, Sr. Assoc. Vice President for Communications & Marketing  
Mr. Rick Graycarek, Assistant Vice President for Budget and Finance  
Ms. Brigid Gies, Associate Vice President for University Counsel

Dr. Amy Lingo, Dean of the College of Education and Human Development  
Dr. Cherie Dawson-Edwards, Vice Provost for Faculty Affairs  
Ms. Kitty De Voogd, Director of Faculty Affairs  
Ms. Erica Gabbard, Project Director in the Center of Engaged Learning  
Mr. John Karman, Executive Director of Communications  
Ms. Beverly Santamouris, Treasurer  
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  
Ms. Leslie Harper, Coordinator in Academic Planning & Accountability  
Mr. Matt Banker, Associate Athletic Director for Compliance  
Mr. Zack McKay, Director of NIL Services and Engagement  
Ms. Becky Patterson, Executive Director of Institutional Research  
Ms. Julia Collins, Associate Director for Budget and Planning  
Ms. Jill Mullaney, Senior Associate Director of Budget and Financial Planning  
Ms. Jennifer Novak, Senior Associate Director of Budget and Financial Planning  
Ms. Denitra Booker, Policy and Budget Analyst  
Mr. Karim Elsayed, Policy and Budget Analyst  
Mr. Nathan Hedges, Policy and Budget Analyst  
Mr. Nick Peak, Policy and Budget Analyst  
Dr. Faisal Aqlan, Associate Professor of Industrial Engineering, Speed School  
Mr. Neil Gibbs, Data Analyst, Enrollment Management and Student Success  
Ms. Prindle Gayle Hinton, Senior Compliance Specialist, Risk and Compliance  
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

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

I. Call to Order

Dr. Burse noted that Chair Medley requested that Dr. Burse serve as Chair Pro Tem in her absence. There were no objections.

Chair Pro Tem Burse called the roll. Having determined a quorum present, he called the meeting to order at 3:25 p.m.

Approval of Minutes, 3-17-2022

Mr. Brinkman made a motion, which Dr. Schultz seconded, to approve the minutes of the March 17, 2022, meeting.

The motion passed.

II. Action Item: Approval of 2022-2023 Operating Budget

Interim President Gonzalez and Executive Vice President Durbin briefed the committee on the recommendation to approve the 2022-2023 Operating Budget. Together, they explained that the proposed Fiscal Year 2022-23 budget totals \$1,521,853,578 which includes general and non-general funds. The general fund portion of the budget equals \$555,962,979.

They specified that the budget is structurally balanced and linked to the University's strategic plan. The top budget priorities are:

1. Helping students succeed and includes funding for new financial aid programs, opening two new residence halls, and creating the Center for Military-Connected students, among others;
2. Investing in faculty and staff by providing a cost-of-living increase, raising the starting wage rate, and beginning to address wage compression and equity, among others; and
3. Improving the university by updating the physical infrastructure, improving the website, and continuing brand marketing, among others.

Dr. Burse was dutifully impressed by the budget document, noting its clarity, conciseness, transparency, and depth. He thanked Dr. Gonzalez, Mr. Durbin, and the Budget & Planning team for their work.

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

**President's recommendation that the Board of Trustees approve the proposed University operating budget for Fiscal Year 2022-2023, as attached.**

The motion passed.

III. Action Item: Approval to Renew Line of Credit

CFO Durbin briefed the committee on a recommendation to renew the line of credit that the Board originally approved on April 18, 2019.

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

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

The motion passed.

IV. Action Item: Approval of Asset Preservation Project Plan

Mr. Durbin explained the university's asset preservation project plan, noting that as part of its 2022-2024 budget recommendation, the Council on Postsecondary Education requested

\$700.0 million in state funds to address a projected \$7.3 billion collective need for renovation, renewal, and preservation of education and general facilities at Kentucky colleges and universities.

The Governor and General Assembly supported the request and the enacted budget of the Commonwealth (22 RS, HB 1) authorized \$683.5 million in General Fund support for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions.

The University of Louisville's allotment from that authorization is \$81,886,000 and the University is required to contribute \$24,566,000 for a total of \$106,452,000 in authorized spending.

The CFO then fielded questions.

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

**President's recommendation that the Board of Trustees approve the Asset Preservation Project Plan to spend \$106,452,000 to preserve, repair, or adaptively re-use the university's current facility and infrastructure assets.**

The motion passed.

V. Action Item: Approval of Brodschi Hall Renovations

Mr. Watkins stated that in order to create the university's Center for Military-Connected Students, the current home of the military programs, Brodschi Hall, must be renovated. The project will renovate all floors of the hall, which was constructed in 1970 and consists of two floors and a basement with an external gross square foot area of 4,967. The existing building is comprised of offices and small open areas.

The renovation will include selective demolition of interior partitions and ceilings and reconfiguring the space to meet the program needs. When renovated, the modern Center will include office space for three full-time Center staff members, flexible office space for support staff, a welcoming lobby space offering student lounge areas and a kitchenette, and a quiet study space.

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

**President's recommendation that the Board of Trustees authorize the approval of renovations to Brodschi Hall, at an estimated cost of \$600,000, in order to create a center for military-connected students.**

The motion passed.

VI. 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 4:03 p.m.

Approved by:

 Signature on file \_\_\_\_\_  
Assistant Secretary

RECOMMENDATION TO THE BOARD OF TRUSTEES  
CONCERNING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2022-2023

Finance Committee – June 23, 2022  
Executive and Compensation Committee – June 23, 2022

**RECOMMENDATION:**

The President recommends that the Board of Trustees approve the proposed University operating budget for Fiscal Year 2022-2023, as [attached](#).

**BACKGROUND:**

The proposed Fiscal Year 2022-23 budget totals \$1,521,853,578 which includes general and non-general funds. The general fund portion of the budget equals \$555,962,979.

The Fiscal Year 2022-23 budget is structurally balanced and linked to the University’s strategic plan. The top budget priorities are: 1) helping students succeed and includes funding for new financial aid programs, opening two new residence halls, and creating the Center for Military-Connected students, among others; 2) investing in faculty and staff by providing a cost-of-living increase, raising the starting wage rate, and beginning to address wage compression and equity, among others; and 3) improving the university by updating the physical infrastructure, improving the website, and continuing brand marketing, among others.

Bundled tuition and mandatory fees for undergraduate, graduate, and professional degree programs are listed in the following table and incorporated in the proposed budget.

(amounts in dollars)	AY 2022	AY 2023	\$ Change	% Change
<b>Undergraduate</b> (In-Person and Online courses)	<b>Semester Rates</b>			
Resident	6,087	6,162	75	1.2%
Nonresident	14,260	14,335	75	0.5%
Military*	3,000	3,000	0	0.0%
<b>Graduate</b> (In-Person and Online courses)				
Resident	6,762	6,972	210	3.1%
Nonresident	13,819	14,170	351	2.5%
Military*	2,250	2,250	0	0.0%
<b>Law</b> (In-Person and Online)				
Resident	11,899	12,275	376	3.2%
Nonresident	14,474	14,775	301	2.1%
<b>Medicine</b>				
Resident	21,305	21,805	500	2.3%
Nonresident	32,399	33,120	721	2.2%
<b>Dentistry</b>				
Resident	18,121	18,558	437	2.4%
Nonresident	37,804	38,634	830	2.2%

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

Bundled tuition and mandatory fees for special academic programs are listed in the following table and incorporated in the proposed budget.

(amounts in dollars)	AY 2022	AY 2023	\$ Change	% Change
<b>Semester Rates</b>				
<b>College of Education and Human Development</b>				
Advanced Educator Preparation - Resident	5,071	5,229	158	3.1%
Advanced Educator Preparation - Nonresident	10,364	10,627	263	2.5%
<b>School of Nursing</b>				
Doctor of Nursing Practice - Resident	6,762	6,972	210	3.1%
Doctor of Nursing Practice - Nonresident	7,875	8,107	232	2.9%
MSN APRN Program - Nonresident	13,819	8,112	(5,707)	-41.3%
PhD Nursing - Nonresident	13,819	8,112	(5,707)	-41.3%
<b>Urban Planning and Public Admin. (In-Person)</b>				
Resident	7,662	7,872	210	2.7%
Nonresident	14,719	15,070	351	2.4%
<b>Per Credit Hour</b>				
<b>Online Education</b>				
CBE Healthcare Leadership	508	514	6	1.2%
Graduate - Advanced Educator Preparation	564	575	11	2.0%
Graduate Certificates - College of Business	800	800	0	0.0%
Military*	600	600	0	0.0%
Graduate - M.S. in Engineering Mgmt.	752	775	23	3.1%
Military*	690	690	0	0.0%
Graduate - Urban Planning & Public Admin.	923	946	23	2.5%
M.S. in Health Administration	465	474	9	1.9%
RN to BSN	375	375	0	0.0%
<b>Fixed Price, Multi-Year</b>				
<b>College of Business</b>				
Dual MBA	26,600	26,600	0	0.0%
Entrepreneurship MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Full-Time MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Global MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Online MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Professional MBA (Evenings)	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Master of Accountancy	25,000	25,000	0	0.0%
M.S. in Business Analytics	30,000	30,000	0	0.0%
<b>College of Education and Human Development</b>				
Ed.D. Practitioner	16,200	16,200	0	0.0%
M.S. in Human Resources and Organization Development	16,500	16,500	0	0.0%
Military*	2,250	2,250	0	0.0%
Principal Preparation	15,000	15,000	0	0.0%

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

**COMMITTEE ACTION:**

Passed     X      
 Did Not Pass \_\_\_\_\_  
 Other \_\_\_\_\_

*ls*  
**Signature on file**  
 Assistant Secretary

**BOARD ACTION:**

Passed     X      
 Did Not Pass \_\_\_\_\_  
 Other \_\_\_\_\_

*ls*  
**Signature on file**  
 Assistant Secretary



# FY 2023 BUDGET





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To the University of Louisville Board of Trustees:

On behalf of the University of Louisville community, I am pleased to submit the university's operating budget inclusive of capital spending for Fiscal Year 2023. Engagement and accountability are keys to the positive financial performance of our university and this budget includes both of those attributes. Furthermore, this budget is the work of many people and serves as a testament to our university community's commitment to success. Therefore, a special thanks is owed to our leadership team as well as deans, faculty, staff and students for the time, effort and input they contributed to this project. As you will see, the FY 2023 budget demonstrates attainable goals thanks to a sound planning process along with healthy and stable finances.

Our proposed budget is mathematically balanced. It ensures that our efforts over the past few years to develop a solid and predictable financial base continue, even in the face of the many challenges that the COVID-19 pandemic brought us. This budget also underscores our commitment to be responsible stewards of our funds.

Equally important is that our budget is strategically balanced. Our focus is to develop a budget that reflects our institutional values and main priorities – students, faculty, staff and our infrastructure. In this spirit, budgetary commitments correlate to action plans outlined in the university's strategic plan to address how we can ensure student success, how we create and support a thriving workforce and how our university connects with the community.

We are planning for student success with affordable tuition and the development of a new Cardinal Commitment financial aid program that will supplement other forms of financial aid to help ensure full cost of attendance for resident Pell-eligible students. Commitments to increased student persistence funding and graduate student stipends are among the financial priorities included in our plan. The next fiscal year will see the opening of two new residence halls, the Center for Engaged Learning and the Center for Military-Connected Students as examples to connect with our students and offer a vibrant and productive educational experience.

Compensation and benefits are priority investments earmarked for faculty and staff. A cost-of-living salary increase of 2.5% will take effect July 1, 2022. The minimum starting wage for regular full-time and part-time staff will increase to \$14.75 per hour with efforts underway to further increase that to \$15 per hour by early 2023. The budget continues the current employer retirement contributions (7.5% automatic, plus 2.5% match) and 100% tuition remission for eligible employees and dependents. Employee health insurance premiums will be frozen for the first half of the fiscal year.

This budget also calls for supporting university infrastructure and programs to improve the university's image and effectiveness. Investments are planned for the Digital Transformation Center, Web Improvement Project, in deferred maintenance and in a new customer relationship management system for Advancement. Fueled by the spirit of the new Here & Beyond brand campaign, the university will invest in new community resources, such as the Christina Lee Brown Envirome Institute, which furthers UofL's reputation as a premier metropolitan university.

Thank you for your consideration of this proposed budget. I am confident that you will find it reflective of UofL's healthy financial position and commitment to meeting the needs of higher education now and into the future.

Sincerely,



Lori Stewart Gonzalez

Interim President

University of Louisville

## SUMMARY OF FY 2023 BUDGET

The FY 2023 operating budget for the University of Louisville is \$1,521,853,578 making it the largest operating budget in history, more than \$186 million larger than last fiscal year. The main drivers behind the increase are detailed in the document. The budget includes two primary fund groups: general funds and non-general funds as well as capital spending. The general fund budget encompasses routine activities of the university including instruction, administration and operation and is primarily funded by unrestricted revenues derived from tuition and state appropriations. The university's non-general fund budget includes activities tied to specific purposes such as grants, gifts and endowments, clinical operations, and athletics. Most non-general fund revenues flow through the university's two affiliated corporations: University of Louisville Research Foundation, Inc. (ULRF) and the University of Louisville Athletic Association, Inc. (ULAA).

The FY 2023 operating budget does not include University of Louisville Health (i.e., University of Louisville Physician practice and University Medical Center) or the University of Louisville Foundation (including the Real Estate Foundation). Both entities are discretely presented component units of the university with separate governing boards who review and approve those operating budgets. However, the funds that these entities transmit to the university are included in the budget displayed herein.

Table 1 shows the university's all funds operating budget for FY 2023. General Funds for FY 2023 are presented in the first column to the right of the category descriptions. Non-general funds are shown in the subsequent four columns. The shaded columns include the group of activities called "UofL Standalone" that are reflected in the university's internal monthly financial statements.

Anticipated revenues for FY 2023 total \$1,490,267,918. Tuition and fee revenues of \$344.9 million and clinical/hospital revenues of \$454.2 million are the two largest revenue sources and represent 54 percent of the total. State asset preservation funding of \$40.9 million is also included. This represents the first of two annual allocations from the state that will be used to complete needed repairs and maintenance on campus facilities. The FY 2023 budget also includes the use of \$31.6 million in prior year funds that are associated with one-time expenses.

Salaries and fringe benefits remain the largest expense categories and total \$758.9 million or 49.9 percent of the total expense budget. Scholarship expenses—including federal and state pass-through aid such as Pell and Kentucky Educational Excellence Scholarship (KEES)—total \$160.9 million, a \$12.2 million increase from FY 2022.

The FY 2023 operating budget is balanced. Budgeted expenses match available resources.

**TABLE 1: FY 2023 OPERATING BUDGET BY GENERAL AND NON-GENERAL FUND REVENUES AND EXPENSES**

UofL STANDALONE ENTITY						
	GENERAL FUNDS	FOUNDATION	INTERNALLY DESIGNATED	UL RESEARCH FOUNDATION	ATHLETICS	ALL FUNDS
<b>Revenues</b>						
Tuition and Fees	344,928,809					<b>344,928,809</b>
State Funds	145,080,400					<b>145,080,400</b>
Transfers to General Fund	26,567,934					<b>26,567,934</b>
Auxiliaries	15,081,626					<b>15,081,626</b>
Clinical (including Hospital support)	1,106,473			453,062,841		<b>454,169,314</b>
Sponsored Agreements				166,700,000		<b>166,700,000</b>
Pass Through Financial Aid				59,000,000		<b>59,000,000</b>
Other Revenue	21,897,580	75,442,471	10,815,998	14,840,786	114,800,000	<b>237,796,835</b>
Asset Preservation			40,943,000			<b>40,943,000</b>
CARES						<b>0</b>
Total Fiscal Year Revenues	554,662,822	75,442,471	51,758,998	693,603,627	114,800,000	<b>1,490,267,918</b>
Plus use of prior year funds	<b>1,300,157</b>		<b>12,775,366</b>	<b>17,510,137</b>		<b>31,585,660</b>
<b>Total Revenues</b>	<b>\$555,962,979</b>	<b>\$75,442,471</b>	<b>\$64,534,364</b>	<b>\$711,113,764</b>	<b>\$114,800,000</b>	<b>\$1,521,853,578</b>
<b>Expenditures</b>						
Salary	276,578,344	21,020,466	5,885,025	256,513,623	39,840,368	<b>599,837,826</b>
Fringe Benefits	82,551,525	5,220,587	719,429	62,976,887	7,549,360	<b>159,017,788</b>
Operating	76,355,319	37,712,569	13,134,705	308,844,778	43,118,976	<b>479,166,347</b>
Scholarships	68,698,389	11,413,849	1,275,618	63,212,097	16,262,410	<b>160,862,363</b>
Capital Asset plus Debt Service	29,398,772	75,000	2,371,265	31,539		<b>31,876,576</b>
Transfers to General Fund				19,470,000	7,097,934	<b>26,567,934</b>
Asset Preservation			40,943,000			<b>40,943,000</b>
Utilities	22,380,630		205,322	64,840	930,952	<b>23,581,744</b>
<b>Total Expenditures</b>	<b>\$555,962,979</b>	<b>\$75,442,471</b>	<b>\$64,534,364</b>	<b>\$711,113,764</b>	<b>\$114,800,000</b>	<b>\$1,521,853,578</b>
<b>Revenues less Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* FY 2023 general fund budget includes \$5.2 million in unit contingency funds plus a university-wide reserve. Unit-by-unit detail of contingency funds is provided on page 32.

## CONNECTION TO THE STRATEGIC PLAN

The University of Louisville is committed to being a great place to learn, a great place to work and a great university in which to invest. That commitment is embedded in our existing strategic plan which will be updated this fall. It is also embodied in our values, the Cardinal Principles. The FY 2023 budget is designed to support the current plan and retains flexibility to meet possible future plan changes. From increasing available student aid to providing an array of compensation improvements to our faculty and staff to investing millions of dollars to improve the university's physical and operational infrastructure, the budget moves in lock-step with the university's strategic plan and values.

### Strategic Planning

The following pages provide examples of how the budget links funding to accomplishing our strategic plan goals and live up to our principles.

# A GREAT PLACE TO LEARN

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

**Strategy 1:** Attract and graduate the most talented, diverse student body through meaningful and structured commitment to student success, guided by the Strategic Enrollment Management Plan, to raise the university's national prominence.

**Strategy 2:** Engage every undergraduate student in required, meaningful experiential learning opportunities.

**Strategy 3:** Engage students in research that will bolster our prominence among Carnegie-classified Research 1 universities.



Strategy 1 focuses the institution on the importance of recruiting and retaining a talented student body which also strategically aligns with the state performance funding model. To achieve success, the FY 2023 budget includes the following investments:

- Establishes a new institutional aid program, Cardinal Commitment, for Pell-eligible students that enables them to attend UofL tuition-free;
- Includes funding to open and operate the second new residence hall on Belknap Campus plus a third, Denny Crum Hall.
- Supports the recently opened Cultural Center which provides space for a variety of student-focused support programs, including the Office of Diversity Education and Inclusive Excellence, Women's Center, Muhammad Ali Institute for Peace and Social Justice, LGBT Center, to name several. It also supports the creation of new space for the Center for Engaged Learning which prepares students for real-world experiences by coordinating opportunities outside the classroom.
- Continues the Evolve 502 agreement designed to increase access for underrepresented and marginalized communities in Kentucky.

Strategies 2 and 3 focus institutional effort on creating a distinctive student experience that highlights the importance of engaged learning. To achieve this strategy, the university has invested in the following items:

- Provides funding for the Center for Engaged Learning that includes offices of Undergraduate Research and Experiential Learning, and the Career Center. The Center for Engaged Learning enhances student success by combining classroom learning with real-world experience, teaching students how to make an impact on society once they leave the university. The center is particularly helpful to underrepresented minorities and underestimated students who often need additional support in transitioning from college to career.

The Center for Engaged Learning also provides formal undergraduate research programming, involving our students in meaningful projects with top research faculty to prepare them for their careers.

- Continues development and funding of the Center for Digital Transformation to provide additional training opportunities and certifications that will enhance students' success upon graduation. Through the Center, UofL students have access to the Adobe Creative Cloud, LinkedIn Learning, and for-credit micro-certifications and badges in a variety of technical areas.
- Continues support for the Center for Military-Connected Students to successfully assist the transition into the Cardinal community through cultural inclusion and engagement, including \$300,000 in both FY 2023 and FY 2024 in state funding for the construction of a dedicated space.
- Adds funding for the Disability Resource Center funded by a student government request to increase a fee.
- Includes one-time seed funding from the Office of the Provost for new interdisciplinary programs within the College of Arts and Sciences to help stimulate new programming.

# A GREAT PLACE TO WORK

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

**Strategy 1:** Become an employer of choice that intentionally attracts and retains the most talented, diverse faculty and staff through meaningful and structured commitment to employee success.

**Strategy 2:** Inspire a culture of care, trust, accountability, equity and transparency by embedding the Cardinal Principles in the fabric of the university.

**Strategy 3:** Provide all faculty and staff fair and equitable compensation, recognizing that our employees are critical to attaining institutional success.

Outstanding faculty and staff contribute to the success of our students and community.

**Strategy 1** focuses on attracting and retaining exceptional faculty and staff by providing them with professional growth opportunities and the opportunity to maintain work-life balance. To do this, the FY 2023 budget includes the following:

- Continued support for the Employee Success Center at \$483k, which focuses specifically on programming and professional development opportunities for staff and faculty.
- Designates \$6.8 million of general funds for a compensation improvement program, including associated fringe benefits.
- Continues to provide an automatic 7.5 percent employer retirement contribution to eligible employees plus a 2.5 percent match on employee contributions of the same amount.
- Limits employee health insurance premium increases to the last six months of the fiscal year even as employer costs increase on July 1, 2022.

Together, we can do great things. The Cardinal Principles set the standard for how the university will establish a sense of community that will enable our individuals to shine and our community to grow into an even stronger Cardinal Family.

**Strategy 2**, embedding the Cardinal Principles, is reflected in the following example:

- Through the Employee Success Center, annual awards for faculty and staff who exemplify the principles and publicly recognizing their accomplishments to inspire pride among the community.

While the university has invested heavily in our employees' professional development and climate,

**Strategy 3** emphasizes the need to provide fair compensation, as well as necessary administrative processes and good customer service, to our faculty and staff. The FY 2023 budget addresses this.

- Allocates about \$400,000 of one-time support toward completing a compensation study to ensure that our faculty and staff receive fair and equitable compensation. Total cost of the project is \$850,000.
- Continues support of \$5 million for implementation of the Workday human capital management system, an on-demand, enterprise-level, cloud-based software that will provide enhanced services and exceptional customer experiences to our applicants, faculty, staff, and students. Workday will streamline numerous administrative processes to improve workflows, reduce redundancies and improve the ways in which UofL utilizes data. The standardized auditable business process workflows will increase transparency and accountability.
- Invests \$6.8 million for a 2.5 percent cost of living increase, including fringe benefits, plus \$600,000 to bring the starting wage for employees to \$14.75 per hour beginning July 1, 2022.

# A GREAT PLACE IN WHICH TO INVEST

**Goal:** The University of Louisville is a great place in which to INVEST because of its demonstrated and potential impact on individual and community health and the economic, social and cultural health and well-being of Louisville, the commonwealth and beyond. We accomplish this through innovative teaching, research, scholarship and creative activity, principled leadership, responsible stewardship and engaged partnerships.

**Strategy 1:** Increase productivity and innovation in research, scholarship and creative activities addressing the Grand Challenges to bolster our prominence among Carnegie-classified Research 1 universities.

**Strategy 2:** Improve the ease and impact of partnering with the university by building and stewarding mutually beneficial relationships that support student success, faculty productivity and staff development.

**Strategy 3:** Create social, cultural and learning opportunities that bring people to campus or bring the campus to people through virtual and external partnerships that improve quality of life by leveraging faculty, staff and student expertise and talent.

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

**Strategy 1** focuses on increasing and enhancing research and activities that address the Grand Challenges, or areas in which UofL has the unique ability to make immediate and dramatic impact. The budget supports this effort in several ways:

- Investing \$4.7 million in the expansion of the School of Medicine Family Medicine program.
- Investing an additional \$1.5 million in the School of Medicine's clinical trials research unit.
- Investing in the creation of a certified nurse anesthetist program to expand the School of Nursing academic offerings to meet the workforce needs of our community.
- Partnering with a significant private donor to expand the research capabilities and program for the Envirome Institute.

**Strategy 2** emphasizes the need to build partnerships for the benefit of our students, faculty and staff and the community.

- The Office of Research and Innovation has partnered with the Louisville Healthcare CEO Council, appointing an associate vice president for research development and partnerships to build stronger ties between the university and local healthcare organizations.
- The university is rebuilding its web presence through a three-year project that will improve productivity, accountability and ease of use among faculty, staff, and students, and provide easier access and navigation to the community including potential students.

Despite the COVID pandemic, which limited the university's ability and efforts to bring people to campus, the university made strides in reaching out to the community, as proposed in **Strategy 3**. That includes:

- Expansion of the Center for Digital Transformation has enabled the University to provide community-focused classes on topics vital to Louisville's future. These classes, many of which are free of charge, range from cybersecurity to Google Analytics.
- Continued funding to support the university's national branding campaign to enhance awareness of the university's distinctive offerings and improve institutional reputation locally and in key recruitment markets.

## Budget Goals

The need to maintain a solid and predictable financial foundation was made especially clear the past two years. The university successfully navigated that time due to thoughtful actions and sound financial planning and management. Structurally balanced operating budgets along with university-wide efforts to monitor revenues and adjust expense activity as needed helped ensure this accomplishment. Further evidence of these successes is found in the university's improved cash position (which is closely evaluated by our academic accreditor and credit rating agencies) and fiscal year-end results.

The FY 2023 budget builds upon the significant financial and operational improvements made over the past four years. Building a structurally sound operating budget and maintaining a strong financial position remain the top budget goals for FY 2023. The four budget goals are to:

1. Develop and deploy a structurally balanced operating budget based on informed revenue and expense projections;
2. Establish a budget framework that helps the university achieve improved credit ratings and meets all financial and operational standards of our accrediting bodies;
3. Connect the budget to the university's strategic plan; and
4. Address financial uncertainty by including mitigation strategies.

## Budget Priorities

The FY 2023 budget has three priorities: investing in students; investing in employees; and improving the university's infrastructure. Those priorities, along with examples of how the budget operationalizes them follow.

### 1. Investing in the success of our students

- Creates the Cardinal Commitment program to pay full tuition for many Pell-eligible students;
- Increases graduate student stipends at a total cost of \$600,000;
- Adds \$500,000 in persistence funding to help students continue to work on earning their degree;
- Funds the Center for Engaged Learning;
- Creates the Center for Military-Connected Students; and
- Opens two new residence halls.

### 2. Investing in faculty and staff

- Provides funding for a 2.5 percent cost-of-living increase for eligible faculty and staff effective July 1, 2022;
- Raises the starting employee wage rate to \$14.75 per hour on July 1, 2022, followed by an increase to \$15.00 per hour in the spring of 2023;
- Allocates \$1.5 million to begin addressing compression and equity items identified by the university's compensation study in the spring of 2023;
- Awards one-time bonuses to certain medical school clinical faculty who are not eligible to receive the cost-of-living increase;
- Holds employee health insurance premiums flat through December 2022 even though employer costs will increase on July 1, 2022; and
- Maintains full tuition remission for eligible employees and their dependents.

### 3. Improving the university

- Includes funding to begin the first phase of improvements to the university's physical infrastructure with initial access to \$81.9 million in state appropriations;
- Provides funding to begin work on improving the university's website—the first contact point for many potential students and their parents;
- Continues funding for the university's brand marketing campaign, launched in 2021; and
- Opens and funds the operation of two new residence halls.

## Assessment of Financial Risks and Development of Mitigation Plans

Almost two-thirds of the university's unrestricted operating budget comes from tuition, fees, housing and dining revenues which makes enrollment the top financial risk. This risk exposure is not unique to UofL. Enrollment pressures exist across the US higher education landscape. Declining numbers of high school graduates (including as much as a 15 percent drop in Kentucky by 2029) coupled with a strong labor market that may make college less attractive for some people are raising competition for a limited pool of traditional undergraduate students.

The university is actively engaged in activities to address the demographic enrollment cliff and ensure steady, and possibly improved, future enrollment streams. This includes:

1. Created a Demographic 25 Steering Committee whose charge by the provost and vice provost of enrollment management is to "mitigate the challenges posed by the expected drop in the number of high-school graduates over the next ten years." The FY 2023 budget includes \$500,000 in one-time funding to kick-start these efforts through investments in student recruitment and retention programs.
2. Expanding recruitment efforts to out-of-state markets (e.g., Southwest Ohio). The FY 2023 budget includes \$1.2 million for this effort.
3. Establishing new student financial aid programs (e.g., Cardinal Commitment). The FY 2023 budget includes \$600,000 for this effort.
4. Partnering with employers to connect our academic programs to needed credentials and training for their employees (e.g., GE computer science degree; UofL Health Certified Registered Nurse Anesthetist program).
5. Focusing on retention efforts. The Office of Enrollment Management, for example, continues to collaborate with deans to interact with students who have not registered for the upcoming semester.

A reoccurrence or variant of the coronavirus is another potential financial risk. While the university successfully navigated this type of event once, the disruption caused by another outbreak could be different. To ensure the university is financially equipped to handle an unanticipated revenue or expense shock such as this, the FY 2023 budget incorporates the following mitigation levers:

- Required every academic and support unit to set aside one percent of its general fund expense budget into a contingency account (reduced from the three percent requirement in FY 2022);
- Continues to require each academic and support unit to balance their expenses to revenues. Continuous active monitoring of budget-to-actual data, liquidity, enrollment, tuition billings, collections and receivables help the university identify adverse trends and take appropriate mitigating actions as quickly as possible.



## General Fund Budget

The FY 2023 General Fund budget is structurally balanced: available resources equal planned expenses.

Table 2 displays the progression of FY 2022 to the proposed FY 2023 general fund budget. Highlights of the changes are identified on the following page.

**TABLE 2: GENERAL FUND: PROGRESSION FROM FY 2022 ADOPTED TO FY 2023 PROPOSED BUDGET**

	FY 2022	CHANGE IN SOURCES AND USES	FY 2023
	ADOPTED BUDGET		PROPOSED BUDGET
<b>REVENUES</b>			
Tuition and Fees	339,524,920	5,403,889 <b>A</b>	<b>344,928,809</b>
State Funds	130,129,300	14,951,100 <b>B</b>	<b>145,080,400</b>
Transfers to General Fund	30,779,202	(4,211,268) <b>C</b>	<b>26,567,934</b>
Auxiliaries	13,620,308	1,461,318 <b>D</b>	<b>15,081,626</b>
Clinical (including Hospital)	1,133,097	(26,624)	<b>1,106,473</b>
CARES/Federal Relief Funds	6,000,000	(6,000,000) <b>E</b>	<b>0</b>
Sponsored Agreements	-	0	<b>0</b>
Pass Through Financial Aid	-	0	<b>0</b>
Other Revenue	13,882,080	8,015,500 <b>F</b>	<b>21,897,580</b>
<b>Total Fiscal Year Revenues</b>	<b>535,068,907</b>	<b>19,593,915</b>	<b>554,662,822</b>
Funds Received in Prior Periods	3,581,945	(2,281,788)	<b>1,300,157</b>
<b>Total Funding Available</b>	<b>538,650,852</b>	<b>17,312,127</b>	<b>555,962,979</b>
<b>EXPENDITURES</b>			
Salary	264,361,559	12,216,785 <b>G</b>	<b>276,578,344</b>
Fringe Benefits	78,818,957	3,732,568 <b>H</b>	<b>82,551,525</b>
Operating	83,270,083	(6,914,764) <b>I</b>	<b>76,355,319</b>
Scholarships	66,260,272	2,438,117 <b>J</b>	<b>68,698,389</b>
Capital Assets plus Debt Service	24,048,129	5,350,643 <b>K</b>	<b>29,398,772</b>
Transfers to General Fund	-	0	<b>0</b>
Utilities	21,891,852	488,778	<b>22,380,630</b>
<b>Total Expenses</b>	<b>\$538,650,852</b>	<b>\$17,312,127</b>	<b>\$555,962,979</b>
<b>Budget Surplus/(Deficit)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

## Highlights from Table 2 for FY 2023 include:

- A.** Tuition and fee revenues increase by \$5.4 million.
  - About \$2.25 million due to a new campus modernization fee to help the university access state funding of a similar nature. (See page 22 for more details.)
  - About \$2.6 million is associated with tuition revenue growth from continued strong demand from non-resident student populations along with graduate and professional tuition rate increases.
- B.** State appropriations increase by \$14.9 million primarily due to the allocation of performance funding dollars. (See page 25 for more details.)
- C.** Transfers to the General Fund reflect a correction to how Housing's debt service payment was budgeted. It does not reflect a net change to university revenues or expenses.
- D.** Auxiliary revenue increase associated with addition of two new residence halls, housing and parking rate increases, and anticipated strengthening of demand for visitor parking.
- E.** Drawdown of one-time federal CARES funding concluded in FY 2022 and is removed from the FY 2023 budget.
- F.** Other Revenue increases include improved interest income due to rising interest rates, improved Early Learning Campus activity, and various other conference and rental revenues.
- G.** Salary expense increase largely a result of a planned compensation improvement program. (See page 31 for more details.)
- H.** Fringe benefit increase is associated with a 6.5 percent increase in employer health insurance costs, rising tuition remission costs, and FICA and retirement costs associated with the planned increases in compensation. (See page 31 for more details.)
- I.** Operating expense decrease is primarily associated with unit-driven reallocations to help pay for compensation increases, health insurance premium increase, and other costs;
- J.** Increase in institutional financial aid related to new Cardinal Commitment program which awards full-tuition to certain Pell-eligible students and expanded recruitment activity in Southwest Ohio. (See page 33 for more details.)
- K.** Capital asset expenses increase by \$5.3 million primarily due to the addition of debt service on the second new Belknap residence hall, costs associated with the institution's match of state asset preservation fund, and full year debt service on the recently refinanced Student Recreation Center. (See page 35 for more details.)

## Revenues

The FY 2023 general fund revenue budget totals \$555.9 million, a \$17.3 million increase from FY 2022. Increased state appropriations account for \$14.9 million of the change, which is mostly tied to the state's performance funding model.

General fund revenues represent unrestricted dollars primarily used to support the day-to-day operation of the university. The three largest general fund sources are tuition and fees, state appropriations, and auxiliaries. Transfers into the general fund are another important revenue source. It includes overhead recovery associated with sponsored research as well as payments from affiliated entities for debt service.

## Tuition and Fees

In FY 2023, tuition and fee revenues are projected to increase by \$5.4 million, or 1.6 percent, from the FY 2022 budget. A combination of continued non-resident enrollment growth, along with graduate and professional tuition rate increases, and a new Campus Modernization student fee contribute to the overall increase. Table 3 shows budgeted tuition and fee revenue by degree type. Table 4 presents the proposed tuition rates for AY 2022-2023 by degree type. Table 5 presents proposed tuition rates for special academic programs.

**TABLE 3: TUITION AND FEE REVENUES**

CATEGORY	ACTUALS	BUDGET	ESTIMATE	BUDGET	\$ CHANGE	% CHANGE
	FY 2021	FY 2022	FY 2022	FY 2023		
Undergraduate	186,015,144	186,177,861	185,210,000	187,280,579	1,102,718	0.6%
Graduate	53,632,457	56,301,085	56,510,000	57,025,141	724,056	1.3%
Professional	66,173,745	69,746,659	67,720,000	70,586,446	839,787	1.2%
Fees & Other	24,874,273	27,299,315	24,780,000	30,036,643	2,737,328	10.0%
<b>TOTAL</b>	<b>\$330,695,618</b>	<b>\$339,524,920</b>	<b>\$334,220,000</b>	<b>\$344,928,809</b>	<b>\$5,403,889</b>	<b>1.6%</b>

Budgeted tuition revenues for FY 2023 were based on enrollment and credit hour projections submitted by each academic unit and reviewed by both the Office of Enrollment Management and Budget Office.

Undergraduate tuition revenues increase by \$1.1 million from the FY 2022 budget, despite no increase to undergraduate tuition rates. Continued growth in non-resident enrollment and higher numbers of full-time students contribute to modest improvements in average tuition revenue per student.

Graduate tuition revenue increases by \$0.7 million in FY 2023, which is mostly attributable to a two percent increase in resident and non-resident graduate tuition rates exclusive of increases to mandatory fees. The overall market for graduate degrees and certificates is projected to remain relatively stable.

Professional degree tuition revenue—medicine, dentistry, and law—increases by \$0.8 million. Tuition rate increases for these three professional programs (see Table 4) are the primary contributor to the revenue increase in FY 2023. Enrollment at the School of Law has improved, Dentistry is expected to remain consistent, while enrollment for the School of Medicine is expected to slightly decrease in FY 2023.

Fees & Other Revenues increases by \$2.7 million in FY 2023. This increase is partly attributable to a \$10 per full-time student per semester increase to the Student Services Fee for which the revenues will be split between the Office of Student Involvement and the Disability Resource Center. This fee increase was endorsed by the Student Government Association. The budget also includes a new \$65 per full-time student per semester pro rata fee for Campus Modernization. The revenues raised from this fee will go toward a required match to access \$81.9 million of state funds appropriated to UofL for asset preservation over the next two fiscal years. Revenue from the student fee along with the state funds will be used to fund asset preservation (i.e., deferred maintenance) projects such as electrical, plumbing and HVAC system upgrades; campus safety and building access system improvements; classroom and common space renovations; and roof replacements. While significant, the funding will only begin to address the nearly \$1 billion deferred maintenance need on campus. Every other public university in Kentucky also has a large deferred maintenance need.

**TABLE 4: PROPOSED AY 2022-23 TUITION RATES AND MANDATORY FEES BY DEGREE TYPE AND RESIDENCY**

(amounts in dollars)		AY 2022	AY 2023	\$ Change	% Change
		SEMESTER RATES			
<b>UNDERGRADUATE</b>					
(In-Person and Online courses)					
	Resident	6,087	6,162	75	1.2%
	Nonresident	14,260	14,335	75	0.5%
	Military*	3,000	3,000	0	0.0%
<b>GRADUATE</b>					
(In-Person and Online courses)					
	Resident	6,762	6,972	210	3.1%
	Nonresident	13,819	14,170	351	2.5%
	Military*	2,250	2,250	0	0.0%
<b>LAW</b>					
(In-Person and Online)					
	Resident	11,899	12,275	376	3.2%
	Nonresident	14,474	14,775	301	2.1%
<b>MEDICINE</b>					
	Resident	21,305	21,805	500	2.3%
	Nonresident	32,399	33,120	721	2.2%
<b>DENTISTRY</b>					
	Resident	18,121	18,558	437	2.4%
	Nonresident	37,804	38,634	830	2.2%

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

## TABLE 5: PROPOSED AY 2022-23 TUITION RATES FOR SPECIAL PROGRAMS

(amounts in dollars)	AY 2022	AY 2023	\$ CHANGE	% CHANGE
<b>SEMESTER RATES</b>				
<b>COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT</b>				
Advanced Educator Preparation - Resident	5,071	5,229	158	3.1%
Advanced Educator Preparation - Nonresident	10,364	10,627	263	2.5%
<b>SCHOOL OF NURSING</b>				
Doctor of Nursing Practice - Resident	6,762	6,972	210	3.1%
Doctor of Nursing Practice - Nonresident	7,875	8,107	232	2.9%
MSN APRN Program - Nonresident	13,819	8,112	(5,707)	-41.3%
PhD Nursing - Nonresident	13,819	8,112	(5,707)	-41.3%
<b>URBAN PLANNING AND PUBLIC ADMIN. (In-Person)</b>				
Resident	7,662	7,872	210	2.7%
Nonresident	14,719	15,070	351	2.4%
<b>PER CREDIT HOUR</b>				
<b>ONLINE EDUCATION</b>				
CBE Healthcare Leadership	508	514	6	1.2%
Graduate - Advanced Educator Preparation	564	575	11	2.0%
Graduate Certificates - College of Business	800	800	0	0.0%
Military*	600	600	0	0.0%
Graduate - M.S. in Engineering Mgmt.	752	775	23	3.1%
Military*	690	690	0	0.0%
Graduate - Urban Planning & Public Admin.	923	946	23	2.5%
M.S. in Health Administration	465	474	9	1.9%
RN to BSN	375	375	0	0.0%
<b>FIXED PRICE, MULTI-YEAR</b>				
<b>COLLEGE OF BUSINESS</b>				
Dual MBA	26,600	26,600	0	0.0%
Entrepreneurship MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Full-Time MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Global MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Online MBA	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Professional MBA (Evenings)	32,000	32,000	0	0.0%
Military*	32,000	22,500	(9,500)	-29.7%
Master of Accountancy	25,000	25,000	0	0.0%
M.S. in Business Analytics	30,000	30,000	0	0.0%
<b>COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT</b>				
Ed.D. Practitioner	16,200	16,200	0	0.0%
M.S. in Human Resources and Organization Development	16,500	16,500	0	0.0%
Military*	2,250	2,250	0	0.0%
Principal Preparation	15,000	15,000	0	0.0%

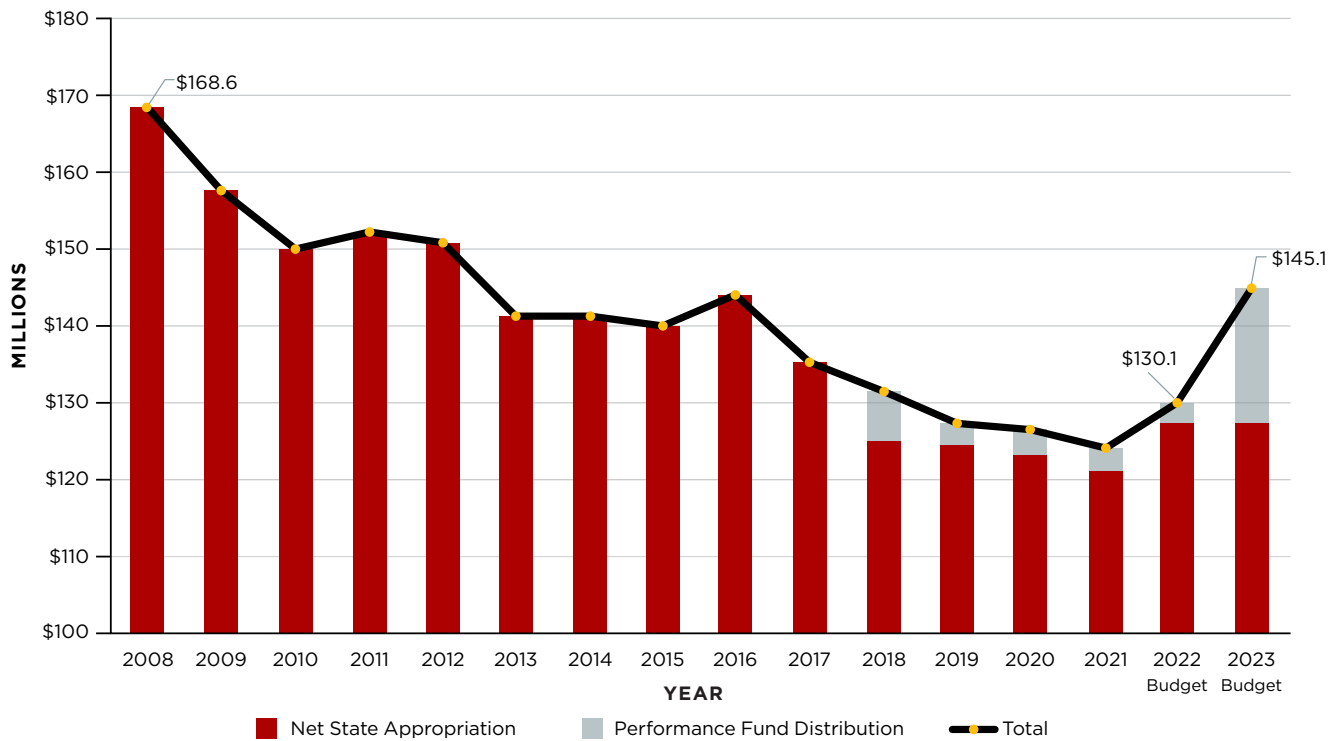
\* Active Duty Military and qualifying members of the Reserves and National Guard

### State Appropriations

State appropriations in FY 2023 total \$145,080,400, an increase of 11.5 percent from FY 2022. That represents a \$14.9 million increase in state appropriations from FY 2022. It is primarily attributable to the state adding funds to their performance funding pool and UofL subsequently receiving more dollars based on our performance on 11 separate metrics. The year-over-year budget increase also represents \$100,000 in new funding for support of a rural dental clinic operated by the School of Dentistry and \$300,000 for a new Center for Military-Connected Students, for which an additional \$300,000 is committed to UofL in FY 2024.

Figure 1 shows 15 years of state appropriations to UofL from FY 2008 through FY 2023. State appropriations in FY 2023 move us closer to pre-Great Recession levels.

**FIGURE 1: STATE APPROPRIATIONS TO UOFL FROM FY 2008 THROUGH FY 2023**



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



A portion of each public university’s state appropriation is based upon a legislatively mandated performance funding model. Funds are allocated based on 11 different metrics. University performance is scored relative to each other and corresponding dollar allocations follow. From FY 2018 through FY 2021 the state did not appropriate new dollars to the Postsecondary Education Performance Fund. Instead, the state carved out a percentage of each institution’s State General Fund appropriation, pooled them in the Performance Fund, and then redistributed the dollars according to the state performance funding model. Some universities gained funding, but others lost state funding. The University’s performance in these metrics becomes increasingly important since the state has signaled that any new state General Fund dollars to postsecondary institutions for operating expenses will be made via the Postsecondary Education Performance Fund.

Table 6 provides a list of state performance funding metrics used to calculate distributions from the Postsecondary Education Performance Fund. The formula share indicates the weight that the funding model places on each of the performance metrics, with Credit Hours Earned the most significant metric. Metrics highlighted green indicate where UofL’s performance outpaced the sector average for FY 2023. UofL performed better than the sector average on 7 of 11 metrics. As a result, performance funding to UofL will increase by almost \$14.6 million in FY 2023.

**TABLE 6: STATE PERFORMANCE FUNDING METRICS AND UOFL OUTCOMES**

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

\*Items in green indicate metrics where UofL’s performance outpaced the sector average from the FY 2022 iteration to the FY 2023 iteration of the funding model.

Table 7 shows how the dollars associated with the increase in state performance funding were used. The list starts with offsetting the \$6 million loss of federal CARES funding that ended in FY 2022. Subsequent allocations were made in alignment with the university’s strategic plan. Those included direct and indirect allocations to academic units to help support the recruitment and retention of students, such as increased financial aid, higher graduate student stipend awards, and student persistence funding.

**TABLE 7: DEPLOYMENT OF ADDITIONAL STATE PERFORMANCE FUNDING ALLOCATION IN FY 2023 BUDGET**

<b>CHANGE IN STATE PERFORMANCE</b>			
Funding Allocation (FY22 to FY23)	\$14,551,100		
<b>Budget Items</b>	<b>Budgeted Amount</b>	<b>Benefits</b>	<b>Unit</b>
Offsetting CARES revenue decrease	6,000,000	University	University-wide
Increasing institutional financial aid (gross)	2,100,000	Students	Provost
<i>less cost allocation</i>	<i>(1,470,000)</i>		
Increasing funding to academic units	1,910,000	Students	University-wide
Adding 0.5% COLA increase	1,500,000	Employees	University-wide
Addressing salary compression and equity	1,500,000	Employees	University-wide
Rising state-mandated tuition waiver costs	1,355,000	Students	Provost
Raising starting wages	600,000	Employees	University-wide
Increasing graduate student stipends	600,000	Students	Graduate School
Increasing student persistence fund	500,000	Students	Provost
<b>Total</b>	<b>\$14,595,000</b>		

In addition to general support, the state budget included funds for asset preservation, renovation, and maintenance projects at postsecondary institutions. The state appropriated a total of \$81.9 million to UofL for FY 2023 and FY 2024 for these capital projects, with UofL required to provide \$24.6 million, over the same two-year span, which is a 30 percent match. UofL’s FY 2023 expense budget includes a \$65 per full-time student per semester campus modernization fee to help support the university’s match requirement. The combined \$106.5 million in state and university funding over two fiscal years will help address the current need for asset preservation and renovation improvements across all three campuses. Reference to the state asset preservation allocation is found in the Non-general Fund section (see page 66).

## Housing

Ground was broken in spring 2021 on the second of two new residence halls. Opening fall 2022, New Residence Hall is replacing a 50-year-old residence hall. The New Residence Hall is adjacent to the one-year-old Belknap Residence Hall and is a replica in design and structure. It will have a 452-bed capacity and primarily house first-year students. Those students will live in the heart of the Belknap campus and have easy access to the Student Activity Center, library, bookstore, and most academic classrooms. A bond was issued last spring to fund the second residence hall and debt service is included in the FY 2023 budget. Denny Crum Hall will add rooms for student-athletes and students pursuing a sports administration degree. Denny Crum Hall is funded by Athletics using a combination of non-general fund dollars and donor gifts.

Most housing rates increase in FY 2023 following a year of no increases. Across all residence halls and room types, the weighted average room rate increase is 3.6 percent. Table 8 shows university operated housing halls and the associated cost by room type. The university also has affiliation agreements and master leases with several other properties, but those housing rates are not set by the university. Campus housing application fees remain unchanged.

**TABLE 8: PROPOSED HOUSING RATES**

(amounts in dollars)	AY 2022	AY 2023	\$ Change	% Change
<b>SEMESTER RATES</b>				
<b>UNITAS TOWER</b>				
Double	2,690	2,690	0	0.0%
Triple	2,035	2,035	0	0.0%
<b>BELKNAP RESIDENCE HALL</b>				
Double	3,295	3,440	145	4.4%
Deluxe Double	n/a	3,935	n/a	n/a
Single	4,120	4,305	185	4.5%
<b>NEW RESIDENCE HALL (NEW 2022)</b>				
Double	n/a	3,440	n/a	n/a
Deluxe Double	n/a	3,935	n/a	n/a
Single	n/a	4,305	n/a	n/a
<b>LOUISVILLE HALL SUITES</b>				
Double	2,800	2,880	80	2.9%
Three Bedroom Suite	3,160	3,255	95	3.0%
Two Bedroom Suite	3,265	3,360	95	2.9%
Deluxe Double	3,410	3,510	100	2.9%
Single	3,580	3,685	105	2.9%
<b>BILLY MINARDI HALL</b>				
Two Bedroom, Two Bath	4,315	4,440	125	2.9%
<b>UNIVERSITY TOWER APARTMENTS (UTA)</b>				
Standard studio, double	2,945	2,945	0	0.0%
Large studio, double	3,100	3,100	0	0.0%
Two Bedroom, double	3,100	3,100	0	0.0%
One Bedroom, double	3,300	3,300	0	0.0%
Two Bedroom, single	3,565	3,565	0	0.0%
<b>DENNY CRUM HALL</b>				
One Bed, One Bath	n/a	8,904	n/a	n/a
Two Bed, Two Bath	n/a	6,000	n/a	n/a
<b>FOUNDATION HOUSING</b>				
<b>COMMUNITY PARK</b>				
Double	3,395	3,495	100	2.9%
Deluxe Double	4,075	4,195	120	2.9%
Deluxe Single	5,370	5,530	160	3.0%
<b>KURZ HALL</b>				
Double	3,395	3,495	100	2.9%
Deluxe Double	4,075	4,195	120	2.9%
Single	4,740	4,880	140	3.0%
Deluxe Single	5,370	5,530	160	3.0%
<b>BETTIE JOHNSON HALL</b>				
Four Bed, Two Bath	3,720	3,830	110	3.0%
Two Bed, One Bath	3,825	3,935	110	2.9%
Two Bed, Two Bath	4,185	4,310	125	3.0%
Three Bed, Two Bath	4,030	4,150	120	3.0%
One Bed, One Bath	4,790	4,930	140	2.9%
Deluxe One Bed, One Bath	5,535	5,700	165	3.0%

Source: Office of Housing and Residence Life

## Expenditures

The FY 2023 general fund expense budget totals \$555.9 million, a \$17.3 million increase from FY 2022. Keeping with the university's budget priorities, increased compensation and fringe benefits account for the majority, or \$15.7 million, of the change. In addition, the budget includes a \$2.4 million increase in student financial aid. Successful efforts to control costs and the university's prioritization of faculty and staff compensation explain the year-over-year decrease in budgeted operating expenses.

The university is making financial commitments to several important areas. To help accomplish the priority of investing in faculty and staff, the FY 2023 budget includes \$6.8 million for a 2.5 percent cost-of-living increase that will be effective on July 1, 2022. In addition, \$1.5 million is allocated to begin addressing compensation equity and compression, including raising the starting wage to an ultimate goal of increasing to \$15 per hour by spring of 2023.

Table 9 shows the notable general fund expense changes in the FY 2023 budget.

### TABLE 9: NOTABLE FY 2023 GENERAL FUND EXPENSE INCREASES

EXPENSE ITEM	AMOUNT
2.5% cost-of-living (inclusive of fringe)	6,800,000
Compensation equity and compression	1,500,000
Employer health insurance costs	1,500,000
Student financial aid	2,400,000
Campus modernization debt service	2,250,000
Debt service on new residence hall	1,900,000
<b>Total</b>	<b>\$16,350,000</b>

## Salaries and Wages

Salary and wage budgeted expenses for FY 2023 increase by \$12.2 million, a 4.6 percent change from FY 2022. The increase includes \$6.1 million for a 2.5 percent cost-of-living increase for eligible employees plus \$1.5 million in funding to begin addressing equity and compression items identified by the compensation study in addition to other normal budgeted changes within units (e.g., adding and deleting positions).

**TABLE 10: GENERAL FUND SALARY AND WAGE BUDGETS BY POSITION TYPE**

POSITION TYPE	FY 2022 BUDGET	FY 2023 BUDGET	\$ CHANGE	% CHANGE
Faculty	125,062,015	128,229,957	3,167,942	2.5%
Salary staff	64,371,952	70,347,387	5,975,435	9.3%
Hourly staff	44,504,065	47,936,824	3,432,759	7.7%
Administrators	10,186,287	9,989,743	(196,544)	-1.9%
Students (exldg. grad stipend increase)	18,010,938	17,840,022	(170,916)	-0.9%
Temporary	1,891,267	2,102,596	211,329	11.2%
All other	335,035	131,816	(203,219)	-60.7%
<b>Total</b>	<b>264,361,559</b>	<b>276,578,344</b>	<b>12,216,785</b>	<b>4.6%</b>

## Fringe benefits

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

For FY 2023 the general fund fringe benefit expense budget totals \$82.5 million, which is a 4.7 percent increase from FY 2022. Rising health insurance premiums, coupled with no employee health insurance premium increase since January 1, 2021, largely explains the budget increase. The university is self-insured for health insurance. The FY 2023 budget maintains full employer-funded retirement contributions at 7.5 percent of an eligible employee's salary/wage plus a 2.5 percent match for a similar employee contribution.

## Contingency

For FY 2023 each academic and support unit is required to reserve at least a one percent contingency based on their general fund expenditure budget. The contingency functions like a shock absorber allowing each unit to automatically offset an unanticipated revenue loss, expense increase, or to meet a strategic priority of the unit/university during the fiscal year. These dollars are partitioned in each unit's operating budget and must remain uncommitted until approved for use. As reference, the minimum contingency rate for FY 2022 was three percent.

Table 11 shows budgeted contingency amounts for FY 2022 and FY 2023 by unit which, in some cases, exceed the minimum required amount.

### TABLE II: ACADEMIC AND SUPPORT UNIT GENERAL FUND CONTINGENCY BUDGETS

VP NAME	FY 2022 BUDGET	FY 2023 BUDGET
Advancement	20,617	230,113
Audit Services	54,053	18,543
College of Arts & Sciences	2,762,791	611,122
College of Business	1,207,956	622,743
College of Education	487,345	210,843
Community Engagement	17,030	8,433
Graduate School	51,338	35,521
Human Resources	63,272	30,335
Kent School	329,492	379,639
Law School	273,591	138,443
Libraries	491,517	172,578
Music School	179,691	170,469
Office of EVPRI	242,432	118,386
Office of Health Affairs	214,385	57,175
Office of the CFO	187,049	54,738
Office of the COO	1,171,826	474,293
Office of the President	358,882	105,792
Office of the Provost	1,753,848	469,362
School of Dentistry	641,157	276,192
School of Medicine	1,110,623	425,521
School of Nursing	177,104	76,201
School of Public Health	839,992	60,003
Speed School	672,578	300,965
Student Affairs	442,313	148,853
<b>Total</b>	<b>13,750,882</b>	<b>5,196,263</b>

## Institutional Financial Aid/Scholarships

Tuition discounting, which is another name for institutional scholarships or financial aid, increases from \$66.3 million in FY 2022 to \$68.7 million in FY 2023, which is a 3.7 percent increase. These amounts reflect institutional financial aid to students and are funded from the university's unrestricted, or general funds, budget. The increase aligns with the university's investments in the Cardinal Commitment program, new recruiting efforts in Southwest Ohio and providing additional one-time funding to help students stay in college to complete their degree.

The university also distributes restricted student financial aid through its non-general fund. This includes pass-through aid from Pell and Kentucky Higher Education Assistance Authority (KHEAA) programs as well as awards made to students through university gifts, endowments and Athletics.

Table 12 presents a summary of all financial aid—general and non-general fund—expected to be awarded to students in FY 2023 to allow the reader a convenient view of all financial aid.

### TABLE 12: FINANCIAL AID EXPENSE BUDGET BY GENERAL AND NON-GENERAL FUNDING SOURCES

FUNDING SOURCES	FY 2022 BUDGET	FY 2023 BUDGET	\$ CHANGE	% CHANGE
General Funds	66,260,272	68,698,389	2,438,117	4%
Research Foundation	65,593,273	63,212,097	(2,381,176)	-4%
Athletics	15,889,072	16,262,410	373,338	2%
Gifts and Endowments	8,219,340	11,413,849	3,194,509	39%
Internally Designated	1,446,800	1,275,618	(171,182)	-12%
<b>Total</b>	<b>\$157,408,757</b>	<b>\$160,862,363</b>	<b>\$3,453,606</b>	<b>2.2%</b>

Financial aid expenses received through the Research Foundation decrease by \$2.4 million in FY 2023. The Research Foundation operates as a pass-through entity for all federal and state financial aid awards such as Pell and Kentucky Educational Excellence Scholarship (KEES) to students. FY 2022 pass-through aid included \$16 million in one-time federal CARES funding which is no longer available in FY 2023. That large decrease is partially offset by a \$12.2 million increase in other pass-through financial aid, in particular, the state's College Access Program (CAP). As part of its 2022-24 biennial budget, the Commonwealth of Kentucky increased the maximum CAP award from \$2,900 to \$5,300 per student for those attending four-year higher education institutions. The federal government also increased the maximum Pell award by \$400 from \$6,495 to \$6,895.



## Utilities

For FY 2023 anticipated utility expenses increase by \$292,000 or 1.4 percent compared to FY 2022. Despite anticipated increases in utility rates, the university's ongoing energy savings efforts, diminished use of on-campus spaces due to continued remote work environments, and the demolition of two 50-year-old energy inefficient residence halls, contribute to the minimal increase in budgeted expenses.

**TABLE 13: UTILITY EXPENSES BY CATEGORY**

UTILITY ITEM	FY 2022 BUDGET	FY 2022 ESTIMATE	FY 2023 BUDGET	\$ CHANGE	% CHANGE
Electricity	9,810,000	9,532,774	10,101,000	291,000	3.0%
Water	3,030,000	3,292,647	3,459,000	429,000	14.2%
Natural Gas	2,100,000	2,742,651	2,981,000	881,000	42.0%
Steam/Chilled Water	5,990,000	4,457,486	4,681,000	(1,309,000)	-21.9%
<b>Total</b>	<b>20,930,000</b>	<b>20,025,558</b>	<b>21,222,000</b>	<b>292,000</b>	<b>1.4%</b>

## Capital Assets and Debt Service

The FY 2023 budget includes expenses for debt service, capital leases, and capital purchases of less than \$1 million. (Capital purchases greater than \$1 million must be approved by the state legislature if not included in the university's six-year capital plan.)

Table 14 lists each outstanding bond issue along with its general purpose, debt service amount (principal and interest), and final maturity date. Total amounts for capital leases and other capital expense amounts are also listed.

### TABLE 14: SUMMARY OF FY 2023 CAPITAL ASSET EXPENSES AND DEBT SERVICE AMOUNTS: GENERAL FUND

BOND ISSUE	SUMMARY OF BOND USES	FY23 BUDGET	FUNDING SOURCE	MATURITY
2010 - Series B	Energy conservation projects	2,351,810	University	2028
2012 - Series A	HSC parking garage, Shumaker Building, Natatorium	1,716,750	Parking, ULRF, Athletics	2023
2016 - Series A	Primarily Student Activity Center renovations	1,231,250	University	2036
2016 - Series B	Center for Predictive Medicine, various Athletics	2,807,100	University, ULRF & Athletics	2028
2016 - Series C	Dental School renovation, parking, Ctr for Translational Res.	6,282,900	Dental School, ULRF, Parking	2029
2016 - Series D	Football stadium expansion - Tax Exempt	2,208,050	Athletics	2036
2016 - Series E	Football stadium expansion - Taxable	1,082,430	Athletics	2024
2016 - Series F	Football stadium - Metro bonds	3,062,000	Athletics	2028
2020 - Series A	New Residence Hall #1	see note	Housing	2051
2021 - Series A	Student Rec Center	2,265,039	Student Affairs	2032
2021 - Series B	New Residence Hall #2	1,959,738	Housing	2051
<b>Subtotal: Debt service</b>		<b>24,967,067</b>		
<b>Subtotal: Campus Modernization</b>		<b>2,250,000</b>		
<b>Subtotal: Capital leases</b>		<b>2,181,705</b>		
<b>Total debt service, capital leases (General Fund)</b>		<b>29,398,772</b>		

Note: Principal and interest for 2020 - Series A was capitalized; payments will not begin until FY 2024.

## Prior Year Funds

Revenues received in previous fiscal years for which a corresponding expense was not incurred are recognized as “Prior Year Funds” in the FY 2023 budget. Revenues can only be counted in one fiscal year, which is why these funds are separately identified in the budget. All expenses associated with Prior Year Funds are one-time in nature, corresponding to the one-time nature of the funds. Requests to budget Prior Year Funds are carefully examined and their use is monitored on a regular basis throughout the fiscal year.

The FY 2023 general fund expense budget includes the use of \$1.3 million in prior year funds. These dollars will only be used to fund one-time expenses. On the non-general fund side, the FY 2023 budget includes \$30.2 million in planned use of prior year funds.

Table 15 shows, by activity, an estimate of funds expected to be expended in FY 2023. Most expenses are related to spending residual and research grant dollars, faculty start-up, and improvements to physical plant (e.g., lab, classroom, or office renovations). In many cases, units spend years accumulating dollars to complete these projects.

### TABLE 15: ESTIMATED USE OF PRIOR YEAR FUNDS

ACTIVITY	FY 2023
Grant-related (residuals and RIFs)	8,488,025
Plant Funds	1,569,714
Clinical/Hospital	5,248,578
Faculty Start-up	3,013,102
Special Purpose	13,267,241
<b>Total</b>	<b>31,585,660</b>

## Multi-Year Outlook

In addition to providing a detailed revenue and expense plan for FY 2023, academic and support units were asked to identify potential financial obligations across all funds for FY 2024 and FY 2025. Although the university operates under an annual budget, this multi-year outlook provides an enhanced line of sight into potential future revenue and expense challenges which helps inform the university's short-term and long-term budgeting practices. It also encourages individual colleges, schools, and departments to anticipate upcoming expenses and intentionally plan how they can be managed.

Table 16 presents a rolled-up summary of each unit's multi-year outlook. It lists notable expenses by category. The dollar amounts represent potential financial impacts. Actual amounts are likely to change as each successive budget is developed. Every unit understands that revenues for these potential expenses must come from within their respective budgets.

### TABLE 16: MULTI-YEAR OUTLOOK, ALL FUNDS

Expense item categories	FY 2024	FY 2025
	<b>POTENTIAL NEW EXPENSES - ALL FUNDS</b>	
Implementation of compensation study	TBD	TBD
Accreditation	62,693	65,333
Dean / VP recruitment	205,000	258,500
Dean / VP start up	450,000	650,000
Faculty recruitment	2,844,437	2,556,937
Faculty start up	2,236,500	3,661,000
Net faculty personnel changes	4,060,377	2,805,428
Net staff personnel changes	3,112,454	3,081,447
Net change in Scholarships/Financial Aid	63,700	22,200
Renovations to physical plant (>\$25,000 each)	7,336,120	11,884,500
Other notable (>\$25,000 each)	3,070,000	2,970,000
Notable Net Expense Reductions	-	(81,000)
<b>Total</b>	<b>\$23,441,281</b>	<b>\$27,874,345</b>

A few examples of activities in Table 16 include:

- College of Business included \$5.7 million in FY 2024 and \$5.8 million in FY 2025 for classroom, office, and common area renovations.
- School of Medicine included \$5 million in FY 2025 for a surgical simulation laboratory.
- Dean recruitment and start-up expenses for the College of Education and Human Development, Kent School and School of Public Health and Information Sciences
- Office of Advancement included \$1.0 million in FY 2024 and \$1.1 million in FY 2025 to hire development staff to help refill positions lost in FY 2017.

## SUPPLEMENTAL INFORMATION: GENERAL FUND EXPENDITURES BY UNIT

The following tables summarize each academic and support unit's general fund expenditure budget. Actual expenses for FY 2021 are presented first, followed by each unit's expense budgets for FY 2022 and FY 2023. Several factors affect every unit's budget and a third relates just to academic units.

1. Employer health insurance costs increase in FY 2023 by 6.4 percent from FY 2022. This will have a corresponding impact on year-over-year budget comparisons within the fringe benefit category.
2. Every unit was required to budget a minimum one percent contingency. Some units elected to budget more. In FY 2022, units were required to budget a three percent contingency.
3. Every academic and support unit funded a 2.0 percent COLA from within their general funds expense budgets; for eligible faculty and staff. The additional 0.5 percent COLA was added to their general fund budget pool via the reallocation of central funds.
4. General fund expense budgets for academic units are based upon three components:
  - a. share of tuition revenues generated by the unit;
  - b. unrestricted university support; and
  - c. revenues generated from fees and other activities specific to the unit.

The university implemented a revenue allocation model in FY 2021. It gives each dean clear line of sight and influence over the size of their general fund expense budget by connecting it to enrollment and credit hours instructed. As graduate enrollment and undergraduate credit hours instructed generally increase, more financial resources automatically follow. This places each dean in the driver's seat with respect to the amount of funding their college or school receives. It also reinforces the importance of student retention which is a key component of the university's mission as well as the state performance funding model. Academic units utilized the same allocation model to build their FY 2023 general fund budgets.

Tuition revenues are allocated to each academic unit based upon the number of undergraduate credit hours instructed and a portion of their graduate and professional tuition revenues. Academic units also retain 100 percent of fees and other general fund revenues they generate. The following sections highlight year-over-year revenue budget changes for every academic unit which include tuition, fee, and other allocations.

# Advancement

## TABLE 17: ADVANCEMENT GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	1,025,931	1,011,285	1,235,614	224,329
<b>Expenses</b>				
Salaries and wages	734,067	746,842	751,191	4,349
Fringe benefits	181,694	243,826	230,731	(13,095)
Financial aid	-	-	-	-
Operating	20,521	-	23,579	23,579
Contingency	-	20,617	230,113	209,496
<b>Total Expenses</b>	<b>936,282</b>	<b>1,011,285</b>	<b>1,235,614</b>	<b>224,329</b>
<b>Balance</b>	<b>89,649</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- \$200k increase in contingency for the purchase and implementation of a new customer relationship management software system designed to better serve donors as well as the colleges and schools which benefit from Advancement activities.

# Athletics

**TABLE 18: ATHLETICS GENERAL FUND SUMMARY**

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	2,217,710	1,982,060	1,982,060	-
<b>Expenses</b>				
Salaries and wages	-	-	-	-
Fringe benefits	-	-	-	-
Financial aid	52,000	50,700	50,700	-
Operating	1,844,091	1,931,360	1,931,360	-
Contingency	-	-	-	-
<b>Total Expenses</b>	<b>1,896,091</b>	<b>1,982,060</b>	<b>1,982,060</b>	<b>-</b>
<b>Balance</b>	<b>321,619</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Overall, Athletics’ general fund expense budget remains the same as FY 2022. Funding is used to support gender equity, retention, and cheerleader scholarships.

# Audit Services

## TABLE 19: AUDIT SERVICES GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	1,812,078	1,826,972	1,834,569	7,597
<b>Expenses</b>				
Salaries and wages	1,045,207	1,258,547	1,318,063	59,516
Fringe benefits	282,698	387,354	398,276	10,922
Financial aid	-	-	-	-
Operating	127,611	127,018	99,687	(27,331)
Contingency	-	54,053	18,543	(35,510)
<b>Total Expenses</b>	<b>1,455,516</b>	<b>1,826,972</b>	<b>1,834,569</b>	<b>7,597</b>
<b>Balance</b>	<b>356,562</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Salary and fringe benefit increase primarily represent internal staffing changes.



# College of Arts and Sciences

## TABLE 20: COLLEGE OF ARTS AND SCIENCES GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	63,731,036	65,546,289	62,758,716	(2,787,573)
<b>Expenses</b>				
Salaries and wages	44,896,090	45,078,784	44,468,487	(610,297)
Fringe benefits	11,649,038	13,559,085	13,462,283	(96,802)
Financial aid	795,713	861,599	678,000	(183,599)
Operating	3,478,935	3,284,030	3,538,824	254,794
Contingency	-	2,762,791	611,122	(2,151,669)
<b>Total Expenses</b>	<b>60,819,776</b>	<b>65,546,289</b>	<b>62,758,716</b>	<b>(2,787,573)</b>
<b>Balance</b>	<b>2,911,260</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- A&S' general fund revenue and expense budgets decrease by a total of \$2.8 million. This reflects a loss of tuition revenue due to continued enrollment decreases which is partially offset by an increase in the college's budget subsidy of \$2.4 million (\$825k was funded centrally plus \$1.6 million was reallocated from other academic units).
- A&S expects to receive about \$2.8 million more in available gift and endowment funds in FY 2023 (these are non-general fund budget activities and are not shown in the table above).
- Extensive work, led by the provost and dean of the college, is underway to address this enrollment trend and improve the college's financial condition.
- When considering both general and non-general fund budgets, the College of Arts and Sciences budget will increase slightly from FY 2022 to FY 2023.

# College of Business

## TABLE 21: COLLEGE OF BUSINESS GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	27,827,777	31,702,243	31,244,761	(457,482)
<b>Expenses</b>				
Salaries and wages	18,067,401	20,838,025	20,977,877	139,852
Fringe benefits	3,589,804	4,632,638	4,824,058	191,420
Financial aid	525,543	1,170,151	869,467	(300,684)
Operating	2,628,938	3,853,473	3,950,616	97,143
Contingency	-	1,207,956	622,743	(585,213)
<b>Total Expenses</b>	<b>24,811,686</b>	<b>31,702,243</b>	<b>31,244,761</b>	<b>(457,482)</b>
<b>Balance</b>	<b>3,016,091</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- College's general fund revenue and expense budgets decrease by about \$500k relative to FY 2022. A decrease in earned tuition and fee revenues combined with a reallocation transfer of general fund resources to other academic units accounts for the change.
- Although the scholarship expense budget decreases, the FY 2023 budget more closely reflects actual historical expense amounts.
- Contingency account budget is greater than one percent minimum recognizing greater uncertainty with graduate enrollment projections.

# College of Education and Human Development

## TABLE 22: COLLEGE OF EDUCATION AND HUMAN DEVELOPMENT GENERAL FUND SUMMARY

	GENERAL FUNDS			\$ Change YEAR OVER YEAR
	FY 2021* ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET	
<b>Revenues</b>	22,190,921	21,316,643	21,155,274	(161,369)
<b>Expenses</b>				
Salaries and wages	13,346,192	14,855,584	14,801,005	(54,579)
Fringe benefits	3,671,393	4,631,055	4,683,002	51,947
Financial aid	20,282	-	-	-
Operating	1,001,368	1,342,659	1,460,424	117,765
Contingency	-	487,345	210,843	(276,502)
<b>Total Expenses</b>	<b>18,039,235</b>	<b>21,316,643</b>	<b>21,155,274</b>	<b>(161,369)</b>
<b>Balance</b>	<b>4,151,686</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenue and expense budgets marginally decrease due to the decline in the instructed 500 and 600 level courses.
- College plans to more fully utilize available gift and endowment funds in FY 2023 (included in the non-general funds budget).

# Community Engagement

## TABLE 23: COMMUNITY ENGAGEMENT GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	814,333	814,557	817,666	3,109
<b>Expenses</b>				
Salaries and wages	509,002	566,565	575,268	8,703
Fringe benefits	126,203	180,114	164,080	(16,034)
Financial aid	-	-	-	-
Operating	35,849	50,848	69,885	19,037
Contingency	-	17,030	8,433	(8,597)
<b>Total Expenses</b>	<b>671,053</b>	<b>814,557</b>	<b>817,666</b>	<b>3,109</b>
<b>Balance</b>	<b>143,280</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Minimal change to Community Engagement's general fund revenue and expense budgets.

# Finance and Administration

## TABLE 24: FINANCE AND ADMINISTRATION GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	5,720,689	5,672,011	5,496,003	(176,008)
<b>Expenses</b>				
Salaries and wages	3,482,195	3,676,387	3,945,119	268,732
Fringe benefits	996,026	1,230,220	1,243,849	13,629
Financial aid	399	-	-	-
Operating	16,597	213,355	252,297	38,942
Contingency	-	187,049	54,738	(132,311)
<b>Total Expenses</b>	<b>4,495,217</b>	<b>5,307,011</b>	<b>5,496,003</b>	<b>188,992</b>
<b>Balance</b>	<b>1,225,472</b>	<b>365,000</b>	<b>-</b>	<b>(365,000)</b>

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget change:

- Slight increase in the operating expense budget associated with the purchase of new software to aid in preparing the university's financial statements and track lease arrangements which ensures compliance with external audit requirements.
- Greater use of other generated revenues.

# Graduate School

## TABLE 25: GRADUATE SCHOOL GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	12,182,950	12,222,400	12,828,270	605,870
<b>Expenses</b>				
Salaries and wages	-	3,579,823	3,553,353	(26,470)
Fringe benefits	-	740,887	744,804	3,917
Financial aid	-	7,737,000	8,326,400	589,400
Operating	11,522,645	113,352	168,192	54,840
Contingency	-	51,338	35,521	(15,817)
<b>Total Expenses</b>	<b>11,522,645</b>	<b>12,222,400</b>	<b>12,828,270</b>	<b>605,870</b>
<b>Balance</b>	<b>660,305</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Increase in financial aid expense budget tied to \$600,000 increase in graduate student stipends. This represents the first of a multi-year plan to more closely align graduate student stipends with amounts paid by similar institutions. This investment will help attract and retain graduate students.

# Human Resources

**TABLE 26: HUMAN RESOURCES GENERAL FUND SUMMARY**

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	2,691,547	2,736,490	3,046,232	309,742
<b>Expenses</b>				
Salaries and wages	1,797,514	1,897,137	2,173,359	276,222
Fringe benefits	505,610	589,401	655,858	66,457
Financial aid	-	-	-	-
Operating	88,521	186,680	186,680	-
Contingency	-	63,272	30,335	(32,937)
<b>Total Expenses</b>	<b>2,391,646</b>	<b>2,736,490</b>	<b>3,046,232</b>	<b>309,742</b>
<b>Balance</b>	<b>299,901</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- With the implementation of the university's new human resources management platform (Workday), the FY 2023 budget includes funding for one new position to help operate and maintain the platform.
- Benefits Specialist and Retirement Specialist positions were also added to provide greater capacity to address the demand for these services.

# Kent School of Social Work

## TABLE 27: KENT SCHOOL GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	9,253,799	8,751,920	10,005,658	1,253,738
<b>Expenses</b>				
Salaries and wages	5,514,597	6,054,443	7,070,002	1,015,559
Fringe benefits	1,288,104	1,624,533	1,810,618	186,085
Financial aid	195,036	224,851	244,351	19,500
Operating	323,368	518,601	501,048	(17,553)
Contingency	-	329,492	379,639	50,147
<b>Total Expenses</b>	<b>7,321,106</b>	<b>8,751,920</b>	<b>10,005,658</b>	<b>1,253,738</b>
<b>Balance</b>	<b>1,932,693</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- General fund revenues increase by \$1 million due to anticipated contract growth in the Center for Family and Community Well-Being.
- Salary and fringe benefit increases are related to hiring new faculty and staff for the new Doctor of Social Work degree and supporting the Center for Family and Community Well-Being.
- Increase in financial aid expense budget will provide additional scholarships to support the unit's enrollment growth.



# Law School

## TABLE 28: LAW SCHOOL GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	11,631,065	11,328,536	12,127,255	798,719
<b>Expenses</b>				
Salaries and wages	5,635,717	5,530,025	6,086,826	556,801
Fringe benefits	1,342,401	1,625,644	1,754,579	128,935
Financial aid	2,510,857	2,274,400	2,098,700	(175,700)
Operating	1,356,042	1,624,876	2,048,707	423,831
Contingency	-	273,591	138,443	(135,148)
<b>Total Expenses</b>	<b>10,845,017</b>	<b>11,328,536</b>	<b>12,127,255</b>	<b>798,719</b>
<b>Balance</b>	<b>786,048</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues increase due to enrollment growth coupled with an increase in the professional tuition rate.
- Increase in salaries and wages as well as operating expenses associated, in part, with start-up activities for new dean.
- Decrease in financial aid expense budget reflects efforts to use available endowments instead of general funds.

# Libraries

## TABLE 29: LIBRARIES' GENERAL FUND SUMMARY

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

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	17,617,454	17,673,924	17,864,250	190,326
<b>Expenses</b>				
Salaries and wages	4,776,563	5,259,889	5,571,952	312,063
Fringe benefits	1,588,110	1,906,724	2,077,251	170,527
Financial aid	399	-	-	-
Operating	9,946,347	10,015,794	10,042,469	26,675
Contingency	-	491,517	172,578	(318,939)
<b>Total Expenses</b>	<b>16,311,418</b>	<b>17,673,924</b>	<b>17,864,250</b>	<b>190,326</b>
<b>Balance</b>	<b>1,306,035</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues and expenses increase slightly due to a change in the flow of support from the university's research enterprise (allocated facilities and administrative overhead dollars) and a university commitment of \$80,000 to pay for a new security services contract in the Ekstrom Library.

# Office for Health Affairs

## TABLE 30: OFFICE FOR HEALTH AFFAIRS GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	13,466,213	5,244,446	5,686,174	441,728
<b>Expenses</b>				
Salaries and wages	3,148,868	3,336,434	3,500,751	164,317
Fringe benefits	850,727	1,094,070	1,071,203	(22,867)
Financial aid	11,052	133,544	132,464	(1,080)
Operating	8,165,705	466,013	924,581	458,568
Contingency	-	214,385	57,175	(157,210)
<b>Total Expenses</b>	<b>12,176,352</b>	<b>5,244,446</b>	<b>5,686,174</b>	<b>441,728</b>
<b>Balance</b>	<b>1,289,861</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Overall revenue and expense budget increase due to investment in services provided through campus health services.
- Change between FY 2021 and FY 2022 reflects shift of hospital rent (\$7.5 million) from general fund to non-general fund account.

# Office of Executive Vice President for Research and Innovation

## TABLE 31: OFFICE OF EVPRI GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	11,448,309	11,428,793	10,833,853	(594,940)
<b>Expenses</b>				
Salaries and wages	5,451,936	6,481,165	6,862,093	380,928
Fringe benefits	1,550,534	2,030,971	2,128,294	97,323
Financial aid	46,938	246,488	9,154	(237,334)
Operating	2,878,831	2,427,737	1,715,926	(711,811)
Contingency	-	242,432	118,386	(124,046)
<b>Total Expenses</b>	<b>9,928,239</b>	<b>11,428,793</b>	<b>10,833,853</b>	<b>(594,940)</b>
<b>Balance</b>	<b>1,520,070</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Expense budget decrease due, in part, to position transfers of about \$200k to the General Counsel's office and \$30k to an academic unit.
- Remaining expense budget decrease is attributable to a change in the flow of funding for Libraries support. The FY 2023 funding will be a direct allocation from sponsored research activities to Libraries as opposed to passing through the EVPRI budget as a revenue and expense.

# Campus Safety and Facilities

## TABLE 32: CAMPUS SAFETY AND FACILITIES GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	46,595,749	44,766,943	46,914,072	2,147,129
<b>Expenses</b>				
Salaries and wages	21,417,091	24,671,062	26,310,862	1,639,800
Fringe benefits	7,345,019	9,947,686	10,467,236	519,550
Financial aid	1,596	-	-	-
Operating	14,188,693	8,304,313	9,661,681	1,357,368
Contingency	-	1,171,826	474,293	(697,533)
<b>Total Expenses</b>	<b>42,952,399</b>	<b>44,094,887</b>	<b>46,914,072</b>	<b>2,819,185</b>
<b>Balance</b>	<b>3,643,350</b>	<b>672,056</b>	<b>-</b>	<b>(672,056)</b>

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenue and expense increases include \$657k in parking associated with rising use of visitor spots and meters along with a slight increase in parking rate and operations/maintenance.
- Increasing the university's starting wage to \$14.75 on July 1, 2022, primarily affects physical plant and campus security employees under the Office of the COO and explains much of the year-over-year increase in salary and fringe benefits expenses.
- Greater use of earned revenues.

# Office of the President

## TABLE 33: OFFICE OF THE PRESIDENT GENERAL FUND SUMMARY

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

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	9,381,532	9,698,106	10,617,783	919,677
<b>Expenses</b>				
Salaries and wages	5,864,859	6,217,726	7,094,210	876,484
Fringe benefits	1,378,699	1,661,209	1,759,002	97,793
Financial aid	20,792	82,677	25,648	(57,029)
Operating	1,715,997	1,377,612	1,633,131	255,519
Contingency	-	358,882	105,792	(253,090)
<b>Total Expenses</b>	<b>8,980,347</b>	<b>9,698,106</b>	<b>10,617,783</b>	<b>919,677</b>
<b>Balance</b>	<b>401,185</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- University-wide initiatives and activities that benefit the entire university:
  - Web development project, \$227k
  - Diversity and Equity, \$70k
  - Employee Success Center, \$100k
  - Governmental Relations, \$23k
  - General Counsel, \$70k
- Another portion of the change is explained by a shift of position and the associated funding (\$200k) from the EVPRI office to the General Counsel’s office..
- Financial aid expense budget decreases due to a shift to non-general funds to utilize the increase in available endowment funds.

# Office of the Provost

## TABLE 34: OFFICE OF THE PROVOST GENERAL FUND SUMMARY

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

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	96,641,688	93,897,717	97,981,524	4,083,807
<b>Expenses</b>				
Salaries and wages	25,973,599	24,261,860	26,244,582	1,982,722
Fringe benefits	7,025,849	7,768,864	8,369,767	600,903
Financial aid	55,274,890	48,618,716	52,207,244	3,588,528
Operating	2,545,726	11,446,184	10,690,569	(755,615)
Contingency	-	1,753,848	469,362	(1,284,486)
<b>Total Expenses</b>	<b>90,820,065</b>	<b>93,849,472</b>	<b>97,981,524</b>	<b>4,132,052</b>
<b>Balance</b>	<b>5,821,623</b>	<b>48,245</b>	<b>-</b>	<b>(48,245)</b>

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Expense budget change is mostly attributable to an increase in institutional financial aid, the addition of funding for the Center for Engaged Learning and cybersecurity and Information Technology investments that benefit the entire university.
  - Institutional financial aid increases by \$3.6 million and directly relates to the university's budget priority of investing in students.
    - Southwest Ohio undergraduate recruiting, \$1.2 million
    - Cardinal Commitment Program, \$643k
    - Helping students stay in school, \$500k;
    - Local partnerships, \$270k and
    - State regulated financial assistance obligations, \$1 million.

# School of Dentistry

## TABLE 35: SCHOOL OF DENTISTRY GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	26,384,411	27,610,855	27,710,122	99,267
<b>Expenses</b>				
Salaries and wages	14,718,439	17,449,076	19,159,825	1,710,749
Fringe benefits	3,916,024	5,166,535	5,880,011	713,476
Financial aid	276,387	265,380	265,380	-
Operating	5,639,328	4,088,707	2,128,714	(1,959,993)
Contingency	-	641,157	276,192	(364,965)
<b>Total Expenses</b>	<b>24,550,178</b>	<b>27,610,855</b>	<b>27,710,122</b>	<b>99,267</b>
<b>Balance</b>	<b>1,834,233</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Overall revenues increase by just \$99k and represents a combination of tuition rate increases and reallocation of university support to other academic units.
- Increase in salary and wage expense is offset by a decrease in planned operating expenses. In FY 2022 operating expenses were strategically used to purchase equipment for clinical practices in Paducah, Shelbyville, and Home of the Innocents. In FY 2023 those dollars were reallocated to salary and wages to support additional hiring in those expanded clinical areas.



# School of Medicine

## TABLE 36: SCHOOL OF MEDICINE GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	42,095,548	43,356,706	42,626,753	(729,953)
<b>Expenses</b>				
Salaries and wages	28,338,427	28,291,507	29,505,935	1,214,428
Fringe benefits	6,612,460	7,565,308	7,936,669	371,361
Financial aid	692,507	1,595,859	603,093	(992,766)
Operating	2,300,370	4,793,409	4,155,535	(637,874)
Contingency	-	1,110,623	425,521	(685,102)
<b>Total Expenses</b>	<b>37,943,765</b>	<b>43,356,706</b>	<b>42,626,753</b>	<b>(729,953)</b>
<b>Balance</b>	<b>4,151,784</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues decrease by almost \$730k due to enrollment decreases associated with medical students taking leaves of absence in addition to the reallocation of university support to other academic units. Those changes outweighed new revenue generated by an increase in the professional tuition rate.
- Decrease in financial aid budget is due to shifting general fund expenses to non-general fund sources.

# School of Music

## TABLE 37: SCHOOL OF MUSIC GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	8,095,845	7,983,940	8,162,587	178,647
<b>Expenses</b>				
Salaries and wages	4,842,707	4,925,791	5,232,809	307,018
Fringe benefits	1,328,187	1,502,423	1,598,339	95,916
Financial aid	658,237	897,160	823,600	(73,560)
Operating	339,075	478,875	337,370	(141,505)
Contingency	-	179,691	170,469	(9,222)
<b>Total Expenses</b>	<b>7,168,205</b>	<b>7,983,940</b>	<b>8,162,587</b>	<b>178,647</b>
<b>Balance</b>	<b>927,640</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues increase by \$178k primarily due to slight improvement in anticipated tuition revenues.
- Salary and wage expense increases due to hiring two new faculty whose searches were delayed during FY 2022.
- Financial aid and operating expense budgets decrease by a combined total of \$225k and were largely reallocated to non-general sources including endowments.

# School of Nursing

## TABLE 38: SCHOOL OF NURSING GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	8,255,051	7,686,901	7,651,445	(35,456)
<b>Expenses</b>				
Salaries and wages	4,782,812	5,447,996	5,712,718	264,722
Fringe benefits	1,008,250	1,488,874	1,593,738	104,864
Financial aid	35,241	-	-	-
Operating	730,736	572,927	268,788	(304,139)
Contingency	247,780	177,104	76,201	(100,903)
<b>Total Expenses</b>	<b>6,804,819</b>	<b>7,686,901</b>	<b>7,651,445</b>	<b>(35,456)</b>
<b>Balance</b>	<b>1,450,231</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues remain relatively flat in FY 2023. Favorable enrollment in the restarted undergraduate Accelerated BSN program is offset by a decrease in the non-resident per credit hour tuition rates for the Ph.D and MSN degree programs along with enrollment pressures in programs where nurses in the workforce are facing pandemic fatigue.
- Salary and wage expense increase includes three new faculty hires.

# School of Public Health and Information Sciences

## TABLE 39: SCHOOL OF PUBLIC HEALTH AND INFORMATION SCIENCES GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	5,763,367	6,172,491	6,006,942	(165,549)
<b>Expenses</b>				
Salaries and wages	3,066,116	3,981,257	4,364,362	383,105
Fringe benefits	679,749	1,076,555	1,222,425	145,870
Financial aid	42,929	69,974	30,000	(39,974)
Operating	978,791	204,713	330,152	125,439
Contingency	-	839,992	60,003	(779,989)
<b>Total Expenses</b>	<b>4,767,585</b>	<b>6,172,491</b>	<b>6,006,942</b>	<b>(165,549)</b>
<b>Balance</b>	<b>995,782</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues decrease by \$165k primarily due to anticipated slight drop in demand for undergraduate and graduate degree programs. This reflects a more normal enrollment pattern; the pandemic induced a large increase in student interest for public health programs at UofL and across all of higher education.
- Salary and wage expense increase due, in part, to several faculty promotions.
- Operating expenses increase associated with IT costs and other Health Sciences Center costs.

# Speed School

## TABLE 40: SPEED SCHOOL GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	28,538,238	29,577,312	30,041,549	464,237
<b>Expenses</b>				
Salaries and wages	19,161,697	20,610,207	21,756,999	1,146,792
Fringe benefits	4,435,400	5,610,911	5,964,248	353,337
Financial aid	203,462	226,419	223,367	(3,052)
Operating	2,572,285	2,457,197	1,795,970	(661,227)
Contingency	-	672,578	300,965	(371,613)
<b>Total Expenses</b>	<b>26,372,844</b>	<b>29,577,312</b>	<b>30,041,549</b>	<b>464,237</b>
<b>Balance</b>	<b>2,165,394</b>	-	-	-

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Revenues increase primarily due to adding a new Bachelor of Arts degree in computer science, as well as offering a dual engineering degree with Eastern Kentucky University.
- Salary and fringe benefit increases due to hiring two new faculty in the Diversity and Inclusion programs and an additional graduate admissions counselor. Funding for the positions was, in part, reallocated from the school's operating expense budget.

# Student Affairs

## TABLE 4I: STUDENT AFFAIRS GENERAL FUND SUMMARY

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
<b>Revenues</b>	20,964,812	23,575,075	25,347,611	1,772,536
<b>Expenses</b>				
Salaries and wages	6,320,544	7,306,156	7,686,856	380,700
Fringe benefits	1,792,723	2,217,086	2,339,650	122,564
Financial aid	1,121,166	1,070,354	1,337,561	267,207
Operating	7,448,485	11,876,509	13,834,691	1,958,182
Contingency	-	442,313	148,853	(293,460)
<b>Total Expenses</b>	<b>16,682,919</b>	<b>22,912,418</b>	<b>25,347,611</b>	<b>2,435,193</b>
<b>Balance</b>	<b>4,281,893</b>	<b>662,657</b>	<b>-</b>	<b>(662,657)</b>

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Operating expense budget includes \$1.9 million in new debt service expenses for the second new Belknap residence hall.
- Revenues increase by almost \$1.8 million primarily due to additional revenues generated by two new residence halls and a weighted 3.6 percent increase in housing rates (see Table 8).
- Housing accounts for approximately \$10.4 million of the total general fund budget for the Office of Student Affairs.
- Approximately \$175k of the increase in salaries and wages is due to the reorganization of a position from the College of Business, plus a newly created position in the Office of International Affairs.
- Contingency reduction is due, in part, to the exclusion of the auxiliaries general fund expense budget.
- Greater use of earned revenues.

# University-wide (Utilities, Debt Service, Insurances)

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

	GENERAL FUNDS			
	FY 2021*	FY 2022	FY 2023	\$ Change
	ACTUAL	BUDGET	BUDGET	YEAR OVER YEAR
Salaries and wages	(159,078)	932,452	1,853,840	921,388
Fringe benefits	(7,018,015)	128,400	171,554	43,154
Financial aid	(614,351)	752,000	773,260	21,260
Operating	54,405,384	45,001,344	51,187,582	6,186,238
Contingency	-	-	-	-
<b>Total Expenses</b>	<b>46,613,940</b>	<b>46,814,196</b>	<b>53,986,236</b>	<b>7,172,040</b>

\*FY 2021 balance does not include post year-end adjustments

Notable general fund budget changes:

- Campus modernization expenses funded by corresponding fee, \$2.25 million;
- New reserve for addressing compression and equity items based on compensation study findings, \$1.5 million;
- Funding from academic unit transfers for strategic priorities, \$1.1 million;
- Increase in university property and liability insurance costs, \$300k;
- Increase in university utility expenses, \$300k;
- Military-Connected Student Center (funded by state), \$300k; and
- Debt service for Center for Engaged Learning space in new residence hall, \$150k.

## Non-general Fund Overview

The university's non-general fund budget represents activities tied to specific purposes such as grants, gifts and endowments, clinical operations, and athletics. They are self-balancing activities in that their expenses are also constrained by external requirements. Revenue and expense plans are developed and budgeted on an account-by-account basis and predicated upon the estimated activity for each account's funding source and expense requirements.

Most non-general fund revenues flow through the university's two affiliated corporations: University of Louisville Research Foundation, Inc. (ULRF) and the University of Louisville Athletic Association, Inc. (ULAA). Table 43 presents the non-general fund expense budget, including ULRF and ULAA, along with anticipated gift and endowment expenses, and other internally designated fund activities. For FY 2023, the university's non-general fund budget totals \$965.9 million, a \$169.2 million increase from FY 2022.

### TABLE 43: NON-GENERAL FUND REVENUE AND EXPENSE BUDGET FOR FY 2023

	FY 2022 BUDGET			FY 2023 BUDGET		
	TOTAL NON-GENERAL	FOUNDATION	INTERNALLY DESIGNATED	UL RESEARCH FOUNDATION	ATHLETICS	TOTAL NON-GENERAL
<b>REVENUES</b>						
Tuition and Fees						
State Funds						
Transfers to General Fund						
Auxiliaries						
Clinical (inclgd Hospital support)	341,438,891			453,062,841		<b>453,062,841</b>
Sponsored Agreements	151,000,000			166,700,000		<b>166,700,000</b>
Pass Through Financial Aid	46,790,000			59,000,000		<b>59,000,000</b>
Other Revenue	212,932,238	75,442,471	10,815,998	14,840,786	114,800,000	<b>215,899,255</b>
Asset Preservation			40,943,000			<b>40,943,000</b>
CARES	22,000,000					
<b>Total Fiscal Year Revenues</b>	<b>774,161,129</b>	<b>75,442,471</b>	<b>51,758,998</b>	<b>693,603,627</b>	<b>114,800,000</b>	<b>935,605,096</b>
Funds Received in Prior Periods	22,441,401		12,775,366	17,510,137		<b>30,285,503</b>
<b>Total Funding Available</b>	<b>796,602,530</b>	<b>75,442,471</b>	<b>64,534,364</b>	<b>711,113,764</b>	<b>114,800,000</b>	<b>965,890,599</b>
<b>EXPENDITURES</b>						
Salary	317,675,626	21,020,466	5,885,025	256,513,623	39,840,368	<b>323,259,482</b>
Fringe Benefits	69,354,892	5,220,587	719,429	62,976,887	7,549,360	<b>76,466,263</b>
Operating	279,127,844	37,712,569	13,134,705	308,844,778	43,118,976	<b>402,811,028</b>
Scholarships	91,148,485	11,413,849	1,275,618	63,212,097	16,262,410	<b>92,163,974</b>
Capital Asset plus Debt Service	7,714,281	75,000	2,371,265	31,539		<b>2,477,804</b>
Transfers to General Fund	30,779,202			19,470,000	7,097,934	<b>26,567,934</b>
Asset Preservation			40,943,000			<b>40,943,000</b>
Utilities	802,200		205,322	64,840	930,952	<b>1,201,114</b>
<b>Total Expenditures</b>	<b>796,602,530</b>	<b>75,442,471</b>	<b>64,534,364</b>	<b>711,113,764</b>	<b>114,800,000</b>	<b>965,890,599</b>
<b>Budget Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Non-general Fund Revenues

Non-general fund revenues increase by \$161.4 million in FY 2023. Planned use of prior year funds increases by \$7.8 million. These dollars will be used to fund one-time expenses including \$1.3 million to fund faculty start-up packages including lab equipment, for example (see Table 15). Requests to budget Prior Year Funds are carefully examined and their use is monitored on a regular basis throughout the fiscal year. Notable sources of non-general fund revenue increases include:

- Medicaid revenues grow due to expanded clinical activity and a requirement to recognize revenues that are passed-through to benefit ULH.
- Sponsored research of \$15.7 million based, in part, on record-setting year of awards;
- Pass-through financial aid increases by \$12.2 million primarily due to increase in maximum state College Access Program awards to students as well as increase in maximum Pell award.
- Revenues received from the UofL Foundation from endowments and gifts and in support of the Office of Advancement increase by \$19.1 million. Tables 44 and 45 show gift and endowment revenues only.
  - Increase of \$13.0 million in endowment funding due to raising the spend rate from 3.0 percent to 4.0 percent, favorable equity market conditions through December 2021 that contributed to a large increase in endowment values, and all endowment values being at or above their original donor contribution amounts; and
  - Anticipated gift revenues increase by \$4.2 million.
- First of two consecutive state allocations of \$40.9 million for asset preservation activities. State funding requires a 30 percent university match.
- Athletics' revenues increase by \$7.1 million largely on the strength of anticipated increases in men's basketball ticket purchases and improvements in media and marketing revenues.

**TABLE 44: UOFL FOUNDATION REVENUE BUDGET FY 2023, GIFTS AND ENDOWMENTS**

FUNDING SOURCE	FY 2021 ACTUALS	FY 2022 BUDGET	FY 2023 BUDGET	\$ CHANGE	% CHANGE
Endowments	18,713,425	25,991,795	39,035,718	13,043,923	50.2%
Gifts	19,325,901	24,957,047	29,198,328	4,191,281	16.8%
<b>Total</b>	<b>\$38,039,326</b>	<b>50,948,842</b>	<b>\$68,234,046</b>	<b>\$17,285,204</b>	<b>33.9%</b>

**TABLE 45: UNIT FOUNDATION REVENUE BUDGETS FOR FY 2022 AND FY 2023, GIFTS AND ENDOWMENTS**

UNIT NAME	FY 2022 BUDGET	FY 2023 BUDGET	\$ CHANGE	% CHANGE
Advancement	584,349	515,750	(68,599)	-11.7%
Athletics	19,851	50,412	30,561	154.0%
College of Arts & Sciences	2,675,997	5,525,781	2,849,784	106.5%
College of Business	3,637,279	4,371,840	734,561	20.2%
College of Education and Human Development	874,054	1,353,411	479,357	54.8%
Community Engagement	13,901	1,942	(11,959)	-86.0%
Graduate School	3,486	1,530	(1,956)	-56.1%
Kent School of Social Work	241,633	491,952	250,319	103.6%
Law School	855,738	1,157,060	301,322	35.2%
Libraries	1,342,183	1,269,918	(72,265)	-5.4%
Office for Health Affairs	223,943	165,375	(58,568)	-26.2%
Office of Executive Vice President for Research and Innovation	1,338,179	2,502,205	1,164,026	87.0%
Campus Safety and Facilities	91,065	127,960	36,895	40.5%
Office of the President	3,646,479	2,096,252	(1,550,227)	-42.5%
Office of the Provost	2,295,563	3,854,893	1,559,330	67.9%
School of Dentistry	753,353	1,071,870	318,517	42.3%
School of Medicine	25,313,984	35,037,736	9,723,752	38.4%
School of Music	964,486	1,203,571	239,085	24.8%
School of Nursing	757,383	806,496	49,113	6.5%
School of Public Health and Information Sciences	342,901	638,920	296,019	86.3%
Speed School	4,106,482	5,563,967	1,457,485	35.5%
Student Affairs	333,287	425,204	91,917	27.6%
University wide	533,266	-	(533,266)	-100.0%
<b>Total</b>	<b>50,948,842</b>	<b>68,234,046</b>	<b>17,285,204</b>	<b>33.9%</b>

## Non-general Fund Expenditures

Non-general fund budgets are self-balancing, meaning that expenditures match available resources. Most non-general fund activities including, for example, sponsored research funding are impacted by numerous factors outside of the university's control. Federal appropriations for research serve to expand or contract the amount of available research funding. Likewise, gift and endowment funds are dependent upon donors, market returns, and the University of Louisville Foundation spend policy decisions. In FY 2023, the University of Louisville Foundation board set a 4.0 percent spend policy rate. The total amount of endowment spend policy increased by about \$9 million relative to FY 2022 due, in part, to improved market returns but also a decrease in the number of endowments that had constrained spend policies due to being "underwater" (i.e., having a market value below the book value).

Table 46 presents a unit-by-unit detail of FY 2023 budgets by general and non-general fund categories.

### TABLE 46: FY 2023 OPERATING EXPENDITURE BUDGET BY UNIT AND FUNDING SOURCE

	FY 2023 BUDGET						ALL FUNDS
	GENERAL FUNDS	FOUNDATION	INTERNALLY DESIGNATED	UL RESEARCH FOUNDATION	ATHLETICS		
Office of the President	10,617,783	2,096,252	554,208	4,626,145	0		17,894,388
Athletics	1,982,060	14,324	0	0	114,800,000		116,796,384
Finance and Administration	5,496,003	0	57,000	296,973	0		5,849,976
Human Resources	3,046,232	0	56,000	28,773	0		3,131,005
Campus Safety and Facilities	46,914,072	127,960	2,642,363	1,778,299	0		51,462,694
Audit Services	1,834,569	0	0	21,501	0		1,856,070
Office of the Provost	97,981,524	3,854,893	1,030,642	59,807,973	0		162,675,032
Executive Vice President for Research and Innovation	10,833,853	2,502,205	592,500	38,423,126	0		52,351,684
Student Affairs	25,347,611	425,204	1,148,571	235,849	0		27,157,235
Advancement	1,235,614	7,740,752	333,200	2,580,637	0		11,890,203
Community Engagement	817,666	1,942	0	456,398	0		1,276,006
Libraries	17,864,250	1,269,918	124,650	178,524	0		19,437,343
College of Arts & Sciences	62,758,716	5,525,781	1,822,496	4,095,296	0		74,202,289
Speed School	30,041,549	5,563,967	1,119,160	10,882,909	0		47,607,584
College of Business	31,244,761	4,371,840	666,328	87,121	0		36,370,050
College of Education and Human Development	21,155,274	1,353,411	2,109,669	5,737,507	0		30,355,861
Kent School of Social Work	10,005,658	491,952	434,289	3,687,050	0		14,618,949
Law School	12,127,255	1,157,060	20,000	65,417	0		13,369,732
School of Music	8,162,587	1,203,571	271,246	55,924	0		9,693,328
Graduate School	12,828,270	1,530	70,000	0	0		12,899,800
Office for Health Affairs	5,686,174	165,375	551,640	172,919,926	0		179,323,115
School of Dentistry	27,710,122	1,071,870	3,592	34,304,576	0		63,090,159
School of Medicine	42,626,753	35,057,246	6,648,108	358,334,721	0		442,666,829
School of Nursing	7,651,445	806,496	409,875	5,844,398	0		14,712,214
School of Public Health and Information Sciences	6,006,942	638,920	72,523	6,664,705	0		13,383,090
University-wide (Utilities, Debt Service, Insurances)	53,986,236	0	43,796,305	16	0		97,782,557
<b>Total Expenditures</b>	<b>555,962,979</b>	<b>75,442,471</b>	<b>64,534,364</b>	<b>711,113,764</b>	<b>114,800,000</b>		<b>1,521,853,578</b>

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

Finance Committee – June 23, 2022  
Executive and Compensation Committee – June 23, 2022

RECOMMENDATION:

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

BACKGROUND:

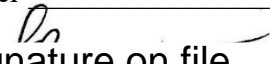
The Board of Trustees originally approved the line of credit on April 18, 2019. It was most recently renewed by the board on June 24, 2021.

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

UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

TRANSCRIPT OF PROCEEDINGS

Dinsmore & Shohl LLP  
Louisville, Kentucky  
July 1, 2022

TRANSCRIPT OF PROCEEDINGS

UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

Dated: July 1, 2022

1. Opinion of Dinsmore & Shohl LLP
2. Opinion of University General Counsel
3. Settlement Certificate and Receipt
4. Evidence of Notice to State Local Debt Officer
5. Specimen Revenue Anticipation Note, Series 2023
6. Loan and Note Purchase Agreement
7. Note Resolution (including Certificate as to Collections)
8. Investment Letter of Original Purchaser

## DISTRIBUTION LIST

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



July 1, 2022

PNC Bank, National Association  
Louisville, Kentucky

Re: University of Louisville Revenue Anticipation Note, Series 2023

Ladies and Gentlemen:

We have examined the transcript submitted relating to the issue of the referenced note (the “Note”) of the University of Louisville (the “Governmental Agency”), dated the date hereof, and maturing June 30, 2023.

The Note is issued under the general laws of the Commonwealth of Kentucky, particularly §§ 65.7703 to 65.7721, inclusive, of the Kentucky Revised Statutes, and by virtue of certain resolutions and proceedings of the governing body of the Governmental Agency in relation thereto, in anticipation of the collection of current revenues during the period from July 1, 2022 through June 30, 2023 (the “2023 Fiscal Year”), to provide funds to meet current expenses.

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

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

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

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

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



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

Very truly yours,

July 1, 2022

PNC Bank, National Association  
Louisville, Kentucky

Dinsmore & Shohl LLP  
Louisville, Kentucky

Re: University of Louisville Revenue Anticipation Note, Series 2023

Ladies and Gentlemen:

I am an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky (the “Commonwealth”) and as General Counsel for the University of Louisville (the “Governmental Agency”), I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the above-identified Note (the “Note”) and the Resolution of the Governmental Agency adopted on June 23, 2022 authorizing the Note (the “Note Resolution”).

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

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

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

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

3. The Governmental Agency has all necessary power and authority to adopt the Note Resolution and to perform and consummate all transactions contemplated thereby, and to execute and deliver the documents and instruments to be executed and delivered by it in connection with the issuance of the Note.

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

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

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

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

Very truly yours,

SETTLEMENT CERTIFICATE AND RECEIPT

Dated July 1, 2022

I, the undersigned Assistant Secretary of the Board of Trustees (the “Governing Body”) of the University of Louisville (the “Governing Agency”), do hereby certify in connection with the issuance of its Revenue Anticipation Note, Series 2023 (the “Note”), that:

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

<u>Print Name</u>	<u>Signature</u>	<u>Official Title</u>
_____	_____	[Interim] President
_____	_____	Treasurer
_____	_____	Assistant Secretary

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

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

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

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

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

[Signature page to follow]

SIGNATURE PAGE TO SETTLEMENT CERTIFICATE AND RECEIPT

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

UNIVERSITY OF LOUISVILLE,  
Governmental Agency

By: \_\_\_\_\_

Jake Beamer  
Assistant Secretary  
Board of Trustees

Page 1	<b>NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL</b> Form # SLDO-1 Revised 1/1/2011	For DLG staff use only:  File # _____ Received _____
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Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at [www.dlg.ky.gov](http://www.dlg.ky.gov).

√ Type of debt to be issued (must check one):	SLDO Approval Required	Complete Sections
<input checked="" type="checkbox"/> Short Term Borrowing – KRS 65.7701 et. seq.	No	A,B,C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 – KRS 65.940 et. seq.	No	A,B,D
<input type="checkbox"/> Lease exceeding \$500,000 – KRS 65.940 et. seq.	Yes (Counties only)	A,B,D
<input type="checkbox"/> General Obligation Bond – KRS Chapter 66	Yes (Counties only)	A,B,E
<input type="checkbox"/> Public Project Rev. Bond – KRS Chapter 58	No	A,B,E
<input type="checkbox"/> Public Project Rev. Bonds w/Lease - KRS 665.310(2)	Yes (Counties only)	A,B,D,E
<input type="checkbox"/> Industrial Revenue Bond – KRS Chapter 103	Yes (All Borrowers)	A,B,F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A,B,E

### Section A – Borrower Information

Agency Name: University of Louisville	
Governing Body: Board of Trustees	
Street Address: 2301 South 3rd Street, Suite 108	
PO Box #	City: Louisville, Kentucky
County: Jefferson	Zip: 40292
Authorized Official: Chair and Bond Counsel	

### Section B – Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

<b>Principal Amount: \$25,000,000 (Draw Down Note)</b>	<b>Date of Issue: 7/1/2022</b>
<b>Maturity Date(s): 6/30/2023</b>	<b>Payment Schedule: Principal At Maturity</b>
<b>Term: 12 months</b>	<b>Number of Renewal Periods: N/A</b>
<b>Interest Rate(s): Variable (See Exhibit A)</b>	<b>Type of Interest (fixed or variable): Variable</b>
<b>Retirement Method: General Fund Payments</b>	
Lender's Name: PNC Bank, National Association	
Lender's Address: 101 South Fifth Street	
Right of Termination: Prepayable at any time.	
Termination Penalties: None	
Prepayment Provisions: Prepayable at any time.	
Trustee or Paying Agent: N/A	
AOC Funding Percentage: 0%	

**Section C – Note (Loan) Information/Documentation**

Purpose – Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Revenue Anticipation Note

Pledge of Taxes/Description: N/A

Lien on current FY Taxes: N/A

Pledge of Revenue/Description: General Receipts Revenues for remainder of Fiscal Year from July 1, 2022 through June 30, 2023

Lien on current FY Revenues: General Receipts Revenues for remainder of Fiscal Year from July 1, 2022 through June 30, 2023

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal?  Yes  No

If No, explain what steps were taken to ensure adequate competition.

University negotiated terms based on a written proposal submitted by PNC Bank, National Association

**Required Attachments**

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

**Section D – Lease Information/Documentation**

Describe the real or personal property to be acquired or constructed:

Type of Lease:  General Obligation  Revenue

Is Lease Annually Renewable?  Yes  No

Does Agency seek approval without a hearing?  Yes  No Jurisdiction:  Revenue  Refunding

If yes, please state the name, date and principal amount of original issue(s) being refunded:

**Required Attachments (If lease requires SLDO approval)**

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease



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**Section E – Bond Information/Documentation**

Please provide all relevant information. Fields in bold are mandatory.

Describe the purpose of the bond:

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Bond Counsel:

Counsel Address:

Financial Advisor:

Advisor Address:

**Bond Series:**

**Call Date:**

Does this bond refund a prior bond?  Yes  No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

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**Required Attachments (If SLDO Approval is Required)**

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

**Additional Required Attachments for KRS Chapter 103 Bonds**

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

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**By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.**

Name (please print) Mark S. Franklin	Date: 06/25/2022
Title: Attorney/Bond Counsel	Signature: -

**Mail to:**  
**Department for Local Government**  
**Attn: State Local Debt Officer**  
**1024 Capital Center Drive, Suite 340**  
**Frankfort, KY 40601**

Fax to: 502-573-3712

## Exhibit A

Issuance Date: July 1, 2022  
Maturity Date: June 30, 2023  
Interest Rate: Variable  
Maximum Principal Amount: \$25,000,000

Interest on the Outstanding Principal Amount of the Note shall be payable from the Issuance Date on the first day of each month, or the next succeeding Business Day if such date is not a Business Day, and on the Maturity Date. Interest shall be payable on the then Outstanding Principal Amount and shall bear interest at a floating rate per annum equal to 0.60% plus the Daily BSBY Rate. Interest shall be calculated based on a 360-day year and charged for the actual number of days elapsed. The interest rate applicable to the Note shall initially be determined as of July 1, 2022, and shall be adjusted automatically each day thereafter.

“Bloomberg” means Bloomberg Index Services Limited (or a successor administrator).

“Business Day” means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Louisville, Kentucky; provided that, for purposes of any direct or indirect calculation or determination of BSBY, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“Daily BSBY Rate” means, for any day, the rate per annum determined by the Registered Owner by dividing (the resulting quotient rounded upwards, at the Registered Owner’s discretion, to the nearest 1/100th of 1%) (A) the Published Rate, by (B) a number equal to 1.00 minus the BSBY Reserve Percentage; provided, however, if the Daily BSBY Rate determined as provided above would be less than zero, then such rate shall be deemed to be zero. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily BSBY Rate without notice to the Governmental Agency.

“Published Rate” means the daily Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published by Bloomberg or another commercially available source providing such quotations as may be designated by the Registered Owner from time to time.

REVENUE ANTICIPATION NOTE

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

Issuance Date: July 1, 2022  
Maturity Date: June 30, 2023  
Interest Rate: Variable, as described herein  
Outstanding Principal Amount: See Annex A  
Maximum Principal Amount: \$25,000,000

The University of Louisville (the “Governmental Agency”), for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay to PNC Bank, National Association (the “Registered Owner”) the Outstanding Principal Amount set forth above, on the Maturity Date hereof, at the designated corporate office of PNC Bank, National Association upon presentation and surrender of this Note, and to pay interest thereon from the Issuance Date monthly on the first day of each month, or the next succeeding Business Day if such date is not a Business Day, and on the Maturity Date. Interest shall be payable on the then Outstanding Principal Amount and shall bear interest at a floating rate per annum equal to the Standard Rate (as defined herein). Interest shall be calculated based on a 360-day year and charged for the actual number of days elapsed. The interest rate applicable to this Note, whether the Standard Rate or otherwise, shall initially be determined as of July 1, 2022, and shall be adjusted automatically each day thereafter.

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

Notwithstanding anything to the contrary herein or in the Resolution (as defined below), if the Registered Owner determines (which determination shall be final and conclusive) that a Benchmark Transition Event has occurred with respect to a Benchmark, the Registered Owner may amend this Note to replace such Benchmark with a Benchmark Replacement (as defined below); and any such amendment shall be in writing, shall specify the date that the Benchmark

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

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

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

“Base Rate” means the greater of (A) the Prime Rate, and (B) the sum of the Overnight Bank Funding Rate plus fifty (50) basis points (0.50%). If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amount to which the Base Rate applies will change automatically without notice to the Governmental Agency, effective on the date of any such change.

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

“Benchmark Transition Event” means a public statement or publication by or on behalf of the administrator of a Benchmark, the regulatory supervisor of such administrator, the Board of Governors of the Federal Reserve System, NYFRB, an insolvency official or resolution authority with jurisdiction over the administrator for such Benchmark, or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that at the time of such statement or publication there is no successor administrator that will continue to provide such Benchmark or (b) such Benchmark is or will no longer be representative.

“Bloomberg” means Bloomberg Index Services Limited (or a successor administrator).

“BSBY” means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published by Bloomberg or another commercially available source providing such quotations as may be designated by the Registered Owner from time to time.

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

“Business Day” means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Louisville, Kentucky; provided that, for purposes of any direct or indirect calculation or determination of BSBY, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“Daily BSBY Rate” means, for any day, the rate per annum determined by the Registered Owner by dividing (the resulting quotient rounded upwards, at the Registered Owner’s discretion, to the nearest 1/100th of 1%) (A) the Published Rate, by (B) a number equal to 1.00 minus the BSBY Reserve Percentage; provided, however, if the Daily BSBY Rate determined as provided above would be less than zero, then such rate shall be deemed to be zero. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily BSBY Rate without notice to the Governmental Agency.

“Default Base Rate” means a rate per annum equal to the sum of three percent (3%) plus the greater of (A) the Prime Rate, (B) the sum of the Overnight Bank Funding Rate plus fifty (50) basis points (0.50%), and (C) the sum of the Daily BSBY Rate plus one hundred (100) basis points (1.0%), so long as a Daily BSBY Rate is offered, ascertainable and not unlawful. If and when the Default Base Rate (or any component thereof) changes, the rate of interest with respect to any amount to which the Default Base Rate applies will change automatically without notice to the Governmental Agency, effective on the date of any such change.

“Default Rate” means, (i) for any day where this Note would otherwise bear interest at the Standard Rate had an Event of Default not occurred and be continuing, a rate per annum equal to the Default Base Rate plus three percent (3%) per annum, (ii) for any day where this Note would otherwise bear interest at the Base Rate had an Event of Default not occurred, a rate per annum equal to the Default Base Rate plus three percent (3%) per annum, and (iii) for any day where this Note would otherwise bear interest at the Benchmark Replacement had an Event of Default not occurred and be continuing, a rate per annum equal to the Benchmark Replacement plus three percent (3%) per annum.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or

pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank Registered Owner).

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

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

“Published Rate” means the daily Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published by Bloomberg or another commercially available source providing such quotations as may be designated by the Registered Owner from time to time.

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

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

The Governmental Agency may borrow, repay, and reborrow hereunder until the Expiration Date, subject to the terms and conditions of this Note. The “Expiration Date” shall mean June 30, 2023, or such later date as may be designated by the Registered Owner by written notice from the Registered Owner to the Governmental Agency. The Governmental Agency acknowledges and agrees that in no event will the Registered Owner be under any obligation to extend or renew this Note beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under this Note exceed the Maximum Principal Amount of this Note and in no event shall the aggregate sum of all principal advances borrowed and reborrowed under this Note exceed \$975,000,000.

If permitted by the Registered Owner, a request for advance may be made by telephone or electronic mail, with such confirmation or verification (if any) as the Registered Owner may

require in its discretion from time to time. A request for advance by the Governmental Agency shall be binding upon the Governmental Agency. The Governmental Agency authorizes the Registered Owner to accept telephonic and electronic requests for advances, and the Registered Owner shall be entitled to rely upon the authority of any person providing such instructions. The Registered Owner will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, as well as the date and amount of each payment made by the Governmental Agency.

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

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

To the extent not in conflict with the law of the Commonwealth of Kentucky, on written demand, together with written evidence of the justification therefor, the Governmental Agency agrees to pay the Registered Owner all reasonable direct costs incurred, any losses suffered, or payments made by the Registered Owner as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Registered Owner, its holding company, or any of their respective assets relative to the loan evidenced by this Note. "Change in Law" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, or treaty; (b) any material change in any law, rule, regulation, or treaty or in the administration, interpretation, implementation, or application thereof by any governmental authority; or (c) the making or

issuance of any request, rule, guideline, or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary: (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith; and (ii) all requests, rules, guidelines, or directives promulgated by the Registered Owner for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, or issued.

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

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

The Governmental Agency represents and certifies to the Registered Owner, as of the date of this Note, the date of each advance of proceeds under this Note, the date of any renewal, extension or modification of this Note, and at all times until this Note has been terminated and all amounts thereunder have been indefeasibly paid in full, that, to the Governmental Agency’s knowledge, after reasonable inquiry: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody, or control of a Sanctioned



Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order, or directive enforced by any Compliance Authority; (b) the proceeds of this Note will not be used to fund any operations in, finance any investments or activities in, or make any payments to a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order, or directive enforced by any Compliance Authority; (c) the funds used to repay this Note are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. The Governmental Agency covenants and agrees that it shall immediately notify the Registered Owner in writing upon the occurrence of a Reportable Compliance Event.

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

All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder (“Notices”) must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Note) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission, and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices shall be sent to the parties’ respective addresses as follows:

Governmental Agency: University of Louisville  
Service Complex, 2<sup>nd</sup> Floor  
Louisville, Kentucky 40292  
Attention: Controller  
Phone: 502-852-6316  
E-Mail: beverly.santamouris@louisville.edu

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

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

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

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

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

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

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

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Kentucky (the “State”). THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE REGISTERED OWNER AND THE GOVERNMENTAL AGENCY DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE, EXCLUDING ITS CONFLICT OF LAWS RULES.

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

THE GOVERNMENTAL AGENCY IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE GOVERNMENTAL AGENCY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY

DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE, OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GOVERNMENTAL AGENCY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

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

[Signature page to follow]

SIGNATURE PAGE TO REVENUE ANTICIPATION NOTE

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

UNIVERSITY OF LOUISVILLE

By: \_\_\_\_\_  
Interim President

Attest:

\_\_\_\_\_  
Assistant Secretary  
Board of Trustees

ANNEX A  
to  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

*The University of Louisville, acting by and through its Designated Officer as Registrar, shall not accept any funds for the purchase of this Note, nor shall the Registrar redeem any outstanding principal amount hereof, without making the appropriate notations in this Annex A.*

<u>Date</u>	Indicate: <u>Date of Issue/Draw or Redemption Date</u>	Principal Amount <u>Issued or Redeemed</u>	Current Amount <u>Outstanding</u>	Signature of <u>Authorized Officer of the Registrar</u>

REGISTRATION FORM

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

Original Registered Owner  
PNC Bank, National Association

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

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

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

EXHIBIT B  
to  
RESOLUTION AUTHORIZING REVENUE ANTICIPATION NOTE  
  
COLLECTIONS CERTIFICATE  
FOR  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

The undersigned Treasurer of the University of Louisville (the “Governmental Agency”), who is charged, among others, with the responsibility of issuing and delivering the University of Louisville Revenue Anticipation Note, Series 2023 (the “Note”), certifies that:

1. It has been estimated that the amounts of moneys shown in Schedule A attached hereto, will be received by the Governmental Agency current revenues (including without limitation subsidies, reimbursements, and interest earnings, including interest earnings on Note proceeds) during the fiscal year ending June 30, 2023 (the “2023 Fiscal Year”).

2. The aggregate principal amount of the Note, plus the principal amount of any and all other borrowings pursuant to revenue anticipation notes currently outstanding in the fiscal year ending June 30, 2023, does not exceed 75% of the sum of the estimated receipts set out in Schedule A attached hereto, during the period beginning on the date hereof and ending on the last day of the 2023 Fiscal Year.

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

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

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

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

UNIVERSITY OF LOUISVILLE

By: \_\_\_\_\_  
Treasurer

Dated: \_\_\_\_\_



SCHEDULE A  
to  
COLLECTIONS CERTIFICATE  
FOR  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023  
  
CALCULATION OF BORROWING LIMIT FOR NOTE

<u>Date</u>	<u>Revenues</u>
July 1, 2022 – June 30, 2023	<u>\$1,300,000.000</u>
Total	<u>\$1,300,000.000</u>
x 75% =	<u>\$975,000,000</u>

UP TO \$25,000,000  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

LOAN AND NOTE PURCHASE AGREEMENT

July 1, 2022

The Board of Trustees of  
The University of Louisville  
c/o Office of the President  
Grawemeyer Hall  
University of Louisville  
Louisville, Kentucky 40292

Ladies and Gentlemen:

In response to the solicitation of the University of Louisville (the “University”), the undersigned (the “Purchaser”) has previously submitted its proposal (the “Proposal”), and the Purchaser hereby offers to enter into this Loan and Note Purchase Agreement (this “Agreement”) with the University for the purchase by it and sale by the University of the Note of the University described below. This offer is made subject to acceptance by the University before the Closing (hereinafter defined), and upon acceptance this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon both the University and the Purchaser.

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Purchaser hereby agrees to purchase from the University, and the University hereby agrees to sell to the Purchaser, the University’s Revenue Anticipation Note, Series 2023, up to a maximum principal amount of \$25,000,000, dated July 1, 2022 (the “Note”). The Note has been authorized by a resolution adopted by the Executive Committee of the University’s Board of Trustees on June 23, 2022 (the “Resolution”), which Resolution sets out the terms of the Note. The Note shall mature as to principal and shall bear interest as set out in the Note.

2. The University shall deliver to the Purchaser, or cause to be delivered to the Purchaser, after acceptance hereof by the University and at or before the Closing, an executed or certified copy of the Resolution and other documents required to be delivered under the terms of the Resolution and this Agreement.

3. On July 1, 2022, at 10:00 a.m. (local time), at the offices of the Purchaser in Louisville, Kentucky (the “Closing”), the University will deliver to the Purchaser the Note as a single Note as provided in the Resolution, payable to the Purchaser and duly executed, together with all other documents required by Note Counsel, Dinsmore & Shohl LLP, Louisville, Kentucky; and the Purchaser will accept such delivery of the Note and will pay the University the initial advance of principal thereof, in the amount, if any, requested by the University in accordance with the Resolution on or before the Closing Date, by wire transfer or any other manner acceptable to the University and Note Counsel, for application in accordance with the provisions of the Resolution. Until but no later than June 30, 2023 (the “Maturity Date”), the Purchaser will make advances of Note proceeds from time to time according to the Resolution. The Purchaser hereby

agrees to note on Annex A to the Note all increases and decreases in the principal amount thereof resulting from any advance or redemption; provided, however, that upon any inconsistency in the principal amount of the Note as reflected on Annex A thereto and in the records of the Purchaser, the records of the Purchaser shall control. The Note will be made available for examination at or before Closing.

4. Advances under the Note may be requested orally or in writing by the University or made pursuant to other agreements between the University and the Purchaser. The Purchaser may, but need not, require that all oral requests be confirmed in writing. The University agrees to be liable for all sums either (i) advanced in accordance with the instructions of an authorized person or (ii) credited to any of the University's accounts maintained with the Purchaser. Before an event of default (as provided for under the Resolution and the Note), the University may borrow, repay, and reborrow under the Note pursuant to the terms thereof and subject to the terms hereof and the Resolution.

5. The Purchaser has entered into this Agreement in reliance upon the representations and agreements of the University herein and in the Resolution and performance by the University of its obligations hereunder and thereunder, both as of the date hereof and as of the date of Closing. The Purchaser understands the Note is payable solely from the sources set out in the Resolution. The Purchaser represents that it is purchasing the Note for its own account and not with any intention of resale or distribution thereof; and the Purchaser represents that any future transfer or sale of the Note by the Purchaser to others will be carried out only on the basis of compliance with the requirements of the laws and regulations which are applicable to any such action, upon the advice of counsel. Notwithstanding the foregoing, the Purchaser may participate with other banks in the benefits of its ownership of the Note, provided that the University's obligations under the Resolution and the Note shall extend only to the Purchaser. The University hereby represents and warrants to the Purchaser that to the University's knowledge the materials and information provided by the University to the Purchaser described in this Section 5 are true and accurate; provided, however, no such representations or warranties are made with respect to forward-looking statements or financial projections contained therein.

6. The Purchaser's obligations under this Agreement are and shall be subject to the following further conditions:

(a) At the Closing, the Resolution and other related documents shall be in full force and effect and shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Purchaser;

(b) At the time of Closing, the Purchaser shall receive:

(i) the documents referred to in Section 2 above;

(ii) the Note;

(iii) the approving opinion, dated as of the date of Closing, of Note Counsel to the general effect, among other things, that the Note is a valid obligation of the University, secured in the manner provided in the Resolution and that based on certain

representations, warranties, and covenants of the University, interest on the Note is included in gross income for federal and Kentucky income tax purposes;

(iv) any commitment, closing, or bank counsel fee described by the Proposal;

(v) an opinion of counsel for the University in form satisfactory to the Purchaser and Note Counsel; and

(vi) such additional certificates, opinions, or other documents as the Purchaser or Note Counsel may reasonably require to evidence the accuracy, as of the Closing, of the representations and warranties of the University in the Note-related documents and the due performance and satisfaction by the University at or before such time of all agreements then to be performed and all conditions then to be satisfied by the University; and

(c) The conditions of the Proposal shall have been met by the University to the satisfaction of the Purchaser.

7. The University will furnish, or cause to be furnished, to the Purchaser within 180 days immediately following the end of each fiscal year of the University, beginning with the fiscal year ending June 30, 2022, the University's audited financial statements for the fiscal year ending the immediately preceding June 30.

8. If the University shall be unable to satisfy the conditions precedent to Closing in Section 6 hereof, the Purchaser may elect to terminate this Agreement and thereafter neither the Purchaser nor the University shall have any further obligations hereunder.

[Signature page to follow]

SIGNATURE PAGE TO LOAN AND NOTE PURCHASE AGREEMENT

IN WITNESS WHEREOF, the University and the Purchaser have caused this Loan and Note Purchase Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first written above.

PNC BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Vice President

Accepted this July 1, 2022.

UNIVERSITY OF LOUISVILLE

By: \_\_\_\_\_  
Interim President

A RESOLUTION AUTHORIZING THE ISSUANCE OF A REVENUE ANTICIPATION NOTE, SERIES 2023 OF THE UNIVERSITY OF LOUISVILLE; APPROVING THE FORM OF THE NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTE; AUTHORIZING THE AWARD OF THE SALE OF THE NOTE TO PNC BANK, NATIONAL ASSOCIATION; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the University of Louisville, a public body corporate and an educational institution and agency of the Commonwealth of Kentucky (the “Governmental Agency”) expects to receive general revenues during its fiscal year ending June 30, 2023 (the “2023 Fiscal Year”); and

WHEREAS, the Governmental Agency desires to provide for the borrowing of funds, if required, for the purpose of paying current expenses during its 2023 Fiscal Year through the issuance of a revenue anticipation note limited in principal amount outstanding at any time to \$25,000,000, the note to be repaid from current revenues received in the 2023 Fiscal Year, all in accordance with §§ 65.7703 to 65.7721, inclusive, of the Kentucky Revised Statutes (the “Act”); and

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

WHEREAS, PNC Bank, National Association (the “Purchaser”), has submitted an acceptable proposal to the Governmental Agency to provide funds as needed by the Governmental Agency during the 2023 Fiscal Year.

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

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

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

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

Section 3. Form. The Note shall be designated “University of Louisville Revenue Anticipation Note, Series 2023” and shall be substantially in the form set forth in Exhibit A attached hereto. The maximum principal amount to be outstanding under the Note at any time shall be \$25,000,000. The Note shall mature June 30, 2023 and the Note shall bear interest at the stated interest rate on the outstanding principal amount thereof, payable at maturity or, upon prior redemption, the date of redemption.

The Note shall be subject to redemption, at the Governmental Agency’s sole discretion, before maturity on any date at the redemption price equal to the principal amount redeemed plus interest accrued to the redemption date. The Note shall be in registered form without coupons, shall be negotiable, shall be dated the date of delivery, and shall be payable as to principal on June 30, 2023, upon presentation by the owner at the offices of the Governmental Agency, in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time and place of payment.

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

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

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

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

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

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

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

There is hereby established with the Note Retirement Fund Depository a note retirement fund in the name of the Governmental Agency to be known as the “University of Louisville Revenue Anticipation Note, Series 2023 - Note Retirement Fund” (the “Note Retirement Fund”) into which the Governmental Agency covenants to deposit, and into which the Designated Officer, acting in the additional capacity of paying agent and registrar for the Note (the “Paying Agent and Registrar”) is hereby authorized and directed to deposit, on or before the date of prior redemption or maturity, as applicable, adequate amounts as necessary to pay the obligations of the Note. The Note Retirement Fund Depository, being the Purchaser, shall, without further authorization from the Governmental Agency, withdraw from the Note Retirement Fund the amounts necessary to pay principal of, and interest on, the Note to the registered owner thereof. Notwithstanding the foregoing, so long as the Purchaser shall be the registered owner of the Note, payments by the Governmental Agency may, in lieu of deposit to the Note Retirement Fund, be made directly by the Governmental Agency to the Purchaser at the notice address specified in the Note.

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

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

Section 9. Revenue Obligation. The Note issued pursuant to this Resolution shall be a revenue obligation of the Governmental Agency. The Governmental Agency hereby covenants with the owner from time to time of the Note that if funds are not available for the full payment of the Note within the 2023 Fiscal Year, then the Governmental Agency will include the amounts necessary to pay all principal of and interest on the Note in its budget in the fiscal year beginning July 1, 2023, to the extent then permitted by applicable law.



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

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

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

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

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

[Signature page to follow]

SIGNATURE PAGE TO RESOLUTION APPROVING REVENUE ANTICIPATION NOTE

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

Dated June 23, 2022.

---

Chair  
Board of Trustees  
University of Louisville

Attest:

---

Assistant Secretary  
Board of Trustees  
University of Louisville

CERTIFICATION

The undersigned, Assistant Secretary of the Board of Trustees of the University of Louisville, Louisville, Kentucky, hereby certifies that the foregoing is a true copy of a Resolution adopted by the Executive Committee of the Board of Trustees of the University on June 23, 2022, as recorded in the official Minute Book of the Board of Trustees, which is in my custody and under my control, that the meeting was held in accordance with all applicable requirements of Kentucky law, including KRS §§ 61.800 to 61.850, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

WITNESS my signature this \_\_\_\_\_.

---

Assistant Secretary  
Board of Trustees  
University of Louisville

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

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

Issuance Date: July 1, 2022  
Maturity Date: June 30, 2023  
Interest Rate: Variable, as described herein  
Outstanding Principal Amount: See Annex A  
Maximum Principal Amount: \$25,000,000

The University of Louisville (the “Governmental Agency”), for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay to PNC Bank, National Association (the “Registered Owner”) the Outstanding Principal Amount set forth above, on the Maturity Date hereof, at the designated corporate office of PNC Bank, National Association upon presentation and surrender of this Note, and to pay interest thereon from the Issuance Date monthly on the first day of each month, or the next succeeding Business Day if such date is not a Business Day, and on the Maturity Date. Interest shall be payable on the then Outstanding Principal Amount and shall bear interest at a floating rate per annum equal to the Standard Rate (as defined herein). Interest shall be calculated based on a 360-day year and charged for the actual number of days elapsed. The interest rate applicable to this Note, whether the Standard Rate or otherwise, shall initially be determined as of July 1, 2022, and shall be adjusted automatically each day thereafter.

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

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

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

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

“Base Rate” means the greater of (A) the Prime Rate, and (B) the sum of the Overnight Bank Funding Rate plus fifty (50) basis points (0.50%). If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amount to which the Base Rate applies will change automatically without notice to the Governmental Agency, effective on the date of any such change.

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

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

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

“Bloomberg” means Bloomberg Index Services Limited (or a successor administrator).

“BSBY” means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published by Bloomberg or another commercially available source providing such quotations as may be designated by the Registered Owner from time to time.

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

“Business Day” means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Louisville, Kentucky; provided that, for purposes of any direct or indirect calculation or determination of BSBY, the term “Business Day” means any such day that is also a U.S. Government Securities Business Day.

“Daily BSBY Rate” means, for any day, the rate per annum determined by the Registered Owner by dividing (the resulting quotient rounded upwards, at the Registered Owner’s discretion, to the nearest 1/100th of 1%) (A) the Published Rate, by (B) a number equal to 1.00 minus the BSBY Reserve Percentage; provided, however, if the Daily BSBY Rate determined as provided above would be less than zero, then such rate shall be deemed to be zero. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily BSBY Rate without notice to the Governmental Agency.

“Default Base Rate” means a rate per annum equal to the sum of three percent (3%) plus the greater of (A) the Prime Rate, (B) the sum of the Overnight Bank Funding Rate plus fifty (50) basis points (0.50%), and (C) the sum of the Daily BSBY Rate plus one hundred (100) basis points (1.0%), so long as a Daily BSBY Rate is offered, ascertainable and not unlawful. If and when the Default Base Rate (or any component thereof) changes, the rate of interest with respect to any amount to which the Default Base Rate applies will change automatically without notice to the Governmental Agency, effective on the date of any such change.

“Default Rate” means, (i) for any day where this Note would otherwise bear interest at the Standard Rate had an Event of Default not occurred and be continuing, a rate per annum equal to the Default Base Rate plus three percent (3%) per annum, (ii) for any day where this Note would otherwise bear interest at the Base Rate had an Event of Default not occurred, a rate per annum equal to the Default Base Rate plus three percent (3%) per annum, and (iii) for any day where this Note would otherwise bear interest at the Benchmark Replacement had an Event of Default not occurred and be continuing, a rate per annum equal to the Benchmark Replacement plus three percent (3%) per annum.

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

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

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

“Published Rate” means the daily Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published by Bloomberg or another commercially available source providing such quotations as may be designated by the Registered Owner from time to time.

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

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

The Governmental Agency may borrow, repay, and reborrow hereunder until the Expiration Date, subject to the terms and conditions of this Note. The “Expiration Date” shall mean June 30, 2023, or such later date as may be designated by the Registered Owner by written notice from the Registered Owner to the Governmental Agency. The Governmental Agency acknowledges and agrees that in no event will the Registered Owner be under any obligation to extend or renew this Note beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under this Note exceed the Maximum Principal Amount of this Note

and in no event shall the aggregate sum of all principal advances borrowed and reborrowed under this Note exceed \$975,000,000.

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

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

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

To the extent not in conflict with the law of the Commonwealth of Kentucky, on written demand, together with written evidence of the justification therefor, the Governmental Agency agrees to pay the Registered Owner all reasonable direct costs incurred, any losses suffered, or payments made by the Registered Owner as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the

Registered Owner, its holding company, or any of their respective assets relative to the loan evidenced by this Note. “Change in Law” means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, or treaty; (b) any material change in any law, rule, regulation, or treaty or in the administration, interpretation, implementation, or application thereof by any governmental authority; or (c) the making or issuance of any request, rule, guideline, or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary: (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith; and (ii) all requests, rules, guidelines, or directives promulgated by the Registered Owner for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, or issued.

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

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



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

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

All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder ("Notices") must be in writing (except as may be agreed otherwise above with respect to borrowing requests or as otherwise provided in this Note) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission, and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties

agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices shall be sent to the parties' respective addresses as follows:

Governmental Agency: University of Louisville  
Service Complex, 2<sup>nd</sup> Floor  
Louisville, Kentucky 40292  
Attention: Controller  
Phone: 502-852-6316  
E-Mail: beverly.santamouris@louisville.edu

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

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

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

notice, at a redemption price equal to the principal amount redeemed, plus interest accrued to the redemption date.

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

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

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

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

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Kentucky (the “State”). THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE REGISTERED OWNER AND THE GOVERNMENTAL AGENCY DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE, EXCLUDING ITS CONFLICT OF LAWS RULES.

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

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

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

[Signature page to follow]

SIGNATURE PAGE TO REVENUE ANTICIPATION NOTE

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

UNIVERSITY OF LOUISVILLE

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Assistant Secretary  
Board of Trustees



REGISTRATION FORM

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

Original Registered Owner  
PNC Bank, National Association

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

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

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

EXHIBIT B  
to  
RESOLUTION AUTHORIZING REVENUE ANTICIPATION NOTE  
  
COLLECTIONS CERTIFICATE  
FOR  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023

The undersigned Treasurer of the University of Louisville (the "Governmental Agency"), who is charged, among others, with the responsibility of issuing and delivering the University of Louisville Revenue Anticipation Note, Series 2023 (the "Note"), certifies that:

1. It has been estimated that the amounts of moneys shown in Schedule A attached hereto, will be received by the Governmental Agency current revenues (including without limitation subsidies, reimbursements, and interest earnings, including interest earnings on Note proceeds) during the fiscal year ending June 30, 2023 (the "2023 Fiscal Year").

2. The aggregate principal amount of the Note, plus the principal amount of any and all other borrowings pursuant to revenue anticipation notes currently outstanding in the fiscal year ending June 30, 2023, does not exceed 75% of the sum of the estimated receipts set out in Schedule A attached hereto, during the period beginning on the date hereof and ending on the last day of the 2023 Fiscal Year.

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

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

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

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

UNIVERSITY OF LOUISVILLE

By:  Signature on file  
Treasurer

Dated: June 14, 2022



SCHEDULE A  
to  
COLLECTIONS CERTIFICATE  
FOR  
UNIVERSITY OF LOUISVILLE  
REVENUE ANTICIPATION NOTE, SERIES 2023  
  
CALCULATION OF BORROWING LIMIT FOR NOTE

<u>Date</u>	<u>Revenues</u>
July 1, 2022 – June 30, 2023	<u>\$1,300,000.000</u>
Total	<u>\$1,300,000.000</u>
x 75% =	<u>\$975,000,000</u>



July 1, 2022

University of Louisville  
Louisville, Kentucky

Dinsmore & Shohl LLP  
Louisville, Kentucky

Re: University of Louisville 2023 Revenue Anticipation Note

Ladies and Gentlemen:

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

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note.
2. We are aware that the operations of the University of Louisville (the "University") involve certain economic variables and risks that could affect adversely the security of our investment in the Note.
3. We are able to bear the economic risks of such investment.
4. We acknowledge that no offering circular, official statement, prospectus, or other comprehensive offering statement containing material information with respect to the University or the Note, has been provided to us and we have made our own inquiry and analysis with respect to the University, the Note and the security therefor, and other material factors affecting the security and payment of the Note.
5. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making its investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the University, the Note and the security therefor, so that as a reasonable investor, we have been able to make our decisions to purchase the Note.
6. We understand that the Note (a) is not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, and (c) will carry no rating from any rating service.
7. We do not intend to divide the Note purchased by us nor to resell or otherwise dispose of all or any part of the Note purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Note and subject to applicable banking and

securities laws and regulations thereunder. The disposition of our property, of course, shall at all times remain within our control.

PNC BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Vice President

RECOMMENDATION TO THE  
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES  
REGARDING THE ASSET PRESERVATION PROJECT PLAN

Finance Committee – June 23, 2022  
Executive & Compensation Committee – June 23, 2022

RECOMMENDATION:

The President recommends that the Board of Trustees approve the Asset Preservation Project Plan to spend \$106,452,000 to preserve, repair, or adaptively re-use the university’s current facility and infrastructure assets.

BACKGROUND:

As part of its 2022-2024 budget recommendation, the Council on Postsecondary Education requested \$700.0 million in state funds to address a projected \$7.3 billion collective need for renovation, renewal, and preservation of education and general facilities at Kentucky colleges and universities. The Governor and General Assembly supported the request and the enacted budget of the Commonwealth (22 RS, HB 1) authorized \$683.5 million in General Fund support for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions.

The University of Louisville’s allotment from that authorization is \$81,886,000 and the University is required to contribute \$24,566,000 for a total of \$106,452,000 in authorized spending.

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

Expenditures for asset preservation are intended to keep the physical plant and infrastructure in reliable operating condition for their present use. They are not to be used for new construction.

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  
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES  
CONCERNING RENOVATIONS TO BRODSCHI HALL

Finance Committee – June 23, 2022  
Executive & Compensation Committee – June 23, 2022

RECOMMENDATION:

The President recommends that the Board of Trustees authorize the approval of renovations to Brodschi Hall, at an estimated cost of \$600,000, in order to create a center for military-connected students.

BACKGROUND:

UofL is committed to improving how it serves Military-Connected students (Veteran, Active Duty, Reserve, Coast Guard, National Guard, Dependents & ROTC cadets). In alignment with the institution's strategic priority of increasing enrollment, persistence, and retention of Military-Connected students, UofL is creating a Center for Military-Connected students. The Center will fundamentally alter how the university addresses the academic, financial, physical, and social needs of these students. The Center will service the roughly 8% of the student body who are military-connected.

To create the Center, the project will renovate all floors of Brodschi Hall, which was constructed in 1970 and consists of (2) floors and a basement with an external gross square foot area of 4,967. The existing building is comprised of offices and small open areas. The renovation will include selective demolition of interior partitions and ceilings and reconfiguring the space to meet the program needs. When renovated, the modern Center will include office space for (3) full time Center staff, flexible office space for support staff, a welcoming lobby space offering student lounge areas and a kitchenette, and a quiet study space.

The project may also include a multipurpose space that can serve as a staff training room or a classroom. If the project budget can support it, a Limited Use/Limited Access lift or small elevator will be added to provide additional accessibility to all the floors. The renovation is anticipated to recognize the full \$600,000 funding from the State, which is inclusive of project fees, cost of construction, contingences, furnishings, and minimal AV equipment.

Projected Construction Start Date: Dec 2022

Projected Construction Completion Date: June 2023

Project Budget and Funding:

Project is fully funded for \$600,000 via the Governors biannual 2022 budget. University Leadership agrees with the project budget fully recognizing the \$600,000 of renovation funds at the onset. It is agreed the project cannot pay invoices prior to the receipt of the first installment. At this time the project is estimated to complete prior to the second installment from the

Commonwealth and the University will Centrally fund any project expenses that exceed the first \$300,000 installment prior to the receipt of the second installment.

COMMITTEE ACTION:

Passed     X    

Did Not Pass \_\_\_\_\_

Other \_\_\_\_\_

*ls*  
**Signature on file** \_\_\_\_\_  
Assistant Secretary

BOARD ACTION:

Passed     X    

Did Not Pass \_\_\_\_\_

Other \_\_\_\_\_

*ls*  
**Signature on file** \_\_\_\_\_  
Assistant Secretary