



University of Louisville
**Kentucky's Premier Metropolitan
Research University**

**Business Plan 2020
Budget Request 2008-2010**



Today - CPE requirement for BOT Approved “Business Plan”

U of L approach

Update Strategic Plan

Drives


Business Plan

Drives


Budget Request



5 Simple Points

Point 1

U of L – great history/tradition

But we are a very different

Institution today;

- we were told to be . . .



Our Drivers

Boyle Report – 1996
Community Agenda
to Build Economy

House Bill 1 - 1997
A Public Agenda for
Higher Education to
Build Economy

Challenge for
Excellence
U of L 10 Year Plan
1998 - 2008



5 Simple Points

Point 2

We have a ten (10) year
proven track record
of success . . .



10 year Proven Track Record of Success – From the Challenge

- Achieve classification as a Carnegie Research I/Research Extensive university
- Improved quality of incoming students – ACT Scores from 21.2 to 24.3
- Increased graduation rates – from 33.2% to 43.6%
- Increased Retention Rates – from 72.1% to 78.2%
- Wall Street Journal survey named UofL one of the 30 top “feeder schools” to nation’s top graduate schools
- Record number of student awards (Fulbright, Goldwater, Rotary, etc.)
- Honors Program growth from 278 in 1999 to 920 in 2006



10 year Proven Track Record of Success – From the Challenge

- 30 nationally recognized programs in 2007 from objective, external reviewers
- More than 15 new cancer drugs under development – one of top 5 in the country in terms of new drug development,
- Nationally sponsored cancer research funding grew from \$300,000 in 1999 to \$44 million in 2007,
- Cancer capital campaign topped its \$60 million, five-year goal in only 18 months; campaign continues



10 year Proven Track Record of Success – From the Challenge

- 125 endowed chairs and professorships in Fall 2007
- 144 doctoral graduates in 2006
- Federal research expenditures \$80.4 million in 2007 from \$15 million in 1999
- Total research expenditures \$101.1 million in 2007 from \$28.9 million in 1999
- Fastest growth among research universities, according to NIH



10 year Proven Track Record of Success – From the Challenge

- Endowment was \$796 million on June 30, 2007
- Endowment ranks 91st among 745 NACUBO universities (2006 study)
- Business start-ups grew from 0 to 24 between 1999 and 2007
- 40 patents issued between 1998 and 2007 for a cumulative total of 55
- 47 licenses and options issued between 1999 and 2007 for a cumulative total of 62



10 year Proven Track Record of Success – From the Challenge

- Commitment to community:
 - Metropolitan College – UofL / KCTCS / UPS
 - Signature Partnership Program – Louisville West End
 - Urban Solutions Center – Kentucky League of Cities
 - Partnership for a Green City
 - JCPS – i.e. \$25 million grant from General Electric Co.
 - VA Hospital
 - Museum Plaza



5 Simple Points

Point 3

We commit to
finish the job . . .



We Commit to Finish the Job

- “Double the Numbers” by 2020
 - Undergraduate – 736 more graduates
 - Increase enrollment by 1,950 by 2014
 - Improve graduation rates from 44 to 60% by 2020
 - Increase transfer students by 481 by 2020
 - Graduate Students
 - PhDs grow by 206
 - Professional degrees by 50



We Commit to Finish the Job

- Grow research to \$400 million by 2020
- Continue to lead state in diversity
- Lead transformation of community/regional economy
 - A \$20.5 million DOE workforce grant
 - Haymarket/HSC Development (\$2.56 billion)
 - Shelby Campus Research Park
 - Cultural/Artistic Driver
- Continue to lead state with stewardship



5 Simple Points

Point 4

We know what it will take . . .

FY07 \$31.4m in GF appropriation

FY10 \$53.8m in GF appropriation

Assuming 5% tuition increase



5 Simple Points

Point 4

Our Business Plan –
Projected Revenue



Sources of Funding

- State Appropriation
 - \$31.4 million / \$53.8 million
- Tuition & Fees
 - 5.0% per year increase
 - Biennial New Revenue - \$20.4 million
- Philanthropy
 - Biennial New Revenue - \$32.1 million
- Grants & Contracts
 - Biennial New Revenue - \$18.1 million
- Clinical Operations
- Other Funds



5 Simple Points

Point 4

Our Business Plan –
Projected Expenditures



Business Plan Assumptions

- Base Budget Projected Growth Rates –
 - Salaries & Wages - 3.0% (recommended by CPE staff)
 - Fringe Benefit Rate – 28.7% of Salaries
 - Health Insurance - 10.0%
 - Supplies and Operating Expenses - 2.5% (recommended by CPE staff)
 - Library Materials - 5.0%
 - Financial Aid – 5%
 - Utilities - 6.5%
 - Capital Renewal & Deferred Maintenance –
1.5% of VFA Replacement Value for 2006, increased 4% each year after FY08



Undergraduate Education

- **Faculty Expenses - \$7.9 million in 2008-10:**
 - 230 additional faculty by 2020
 - Cost of additional Faculty plus salary catch-up
- **Academic Support Expenses - \$1.9 million in 2008-10:**
 - \$9K per new faculty for Library Support
 - \$15K per new faculty for start-up expenses
 - \$1 million for staff enhancements
- **Administrative Support Expenses - \$6.9 million in 2008-10:**
 - Administrative infrastructure to support new faculty
- **Instructional Technology - \$3 million in 2008-10:**
 - Audio/Video Presentation Equipment
 - Interactive Conferencing
 - Virtual Learning Environments and Community Software



Undergraduate Education

	Base Year	Biennial Budget	
	2008	2008-09	2009-10
Faculty Expenses	0	3,733,000	7,901,000
Academic Support Expenses	0	1,600,000	1,889,000
Administrative Support Expenses	0	3,250,000	6,914,000
Instructional Technology - IT	0	1,500,000	3,000,000
<i>Subtotal New Instr. Faculty & Related Staff</i>	0	10,083,000	19,704,000



Undergraduate Education

- **Undergraduate Education Expenses - \$1.7 million in 2008-10**
 - Infrastructure to support approximately 5000 additional students by 2020
- **Enhance Student Service - \$375K in 2008-10**
 - More Robust Counseling Services
 - Better Career Services
 - Enhanced Health Services
- **Improve “Out of Class” Experience - \$333K in 2008-10**
 - Leadership Development
 - Recreational sports
 - Campus Housing
 - Social Programming
- **Developmental Education - \$1.12 million in 2008-10**
 - Support recommendations by the Statewide Task Force on Developmental Education
- **STEM - \$2.7 million in 2008-10**
- **Other Undergraduate Strategic Initiatives - \$3.4 million in 2008-10**



Undergraduate Education

	Base Year	Biennial Budget	
	2008	2008-09	2009-10
Undergraduate Education Expenses	0	798,000	1,693,000
Enhance Student Services	0	188,000	375,000
Improve "Out of Class" Experience	0	167,000	333,000
Developmental Education - Preparation	0	164,000	785,000
Developmental Education - Infrastructure	0	0	340,000
Science, Technology, Engineering & Math (STEM)	0	2,609,000	2,687,000
Ideas to Action - QEP	0	560,000	670,000
Other Undergraduate Strategic Initiatives	0	2,810,000	3,435,000
<i>Subtotal Undergraduate Education</i>	<u>0</u>	<u>7,296,000</u>	<u>10,318,000</u>



Research and Scholarship

- Recruit 60 new investigators and 30 new scholars in the first five years of the plan
- Funding for research include new grants and endowments, philanthropy, health systems revenues, and increased F&A revenues
- Extramural research improves the economic development of the Commonwealth



Research and Scholarship

	Base Year	Biennial Budget		Intermediate	Target
	2008	2008-09	2009-10	2014	2020
Research Strategic Plan	0	17,076,000	19,678,000	28,884,000	34,419,000
Research Infrastructure - IT	0	3,000,000	6,000,000	16,500,000	25,500,000
Other Research Strategic Initiatives					
Clinical & Translational Science Awards (CTSA)	0	4,000,000	4,200,000	5,105,000	6,841,000
Bioinformatics Program	0	3,560,000	3,050,000	3,050,000	3,050,000
Center for Predictive Medicine	0	3,500,000	3,675,000	4,467,000	5,986,000
Total Research & Scholarship	0	31,136,000	36,603,000	58,006,000	75,796,000



Diversity, Social Justice & Opportunity

	Base Year	Biennial Budget		Intermediate	Target
	2008	2008-09	2009-10	2014	2020
Diversity Programs	0	505,000	851,000	2,346,000	4,948,000
Cardinal Covenant Program	0	555,000	1,055,000	2,351,000	3,150,000
Unfunded Financial Aid Mandates	0	1,371,000	1,439,000	1,750,000	2,345,000
Total Diversity, Social Justice & Opportunity	0	2,431,000	3,345,000	6,447,000	10,443,000



Community Engagement

	Base Year	Biennial Budget		Intermediate	Target
	2008	2008-09	2009-10	2014	2020
Signature Partnership Program	0	770,000	1,770,000	3,573,000	3,573,000
Urban Solution Center	0	250,000	250,000	250,000	250,000
Total Community Engagement	0	1,020,000	2,020,000	3,823,000	3,823,000



Stewardship & Accountability

	Base Year 2008	Biennial Budget		Intermediate 2014	Target 2020
		2008-09	2009-10		
<i>Information Technology</i>					
Basic Infrastructure	0	1,000,000	2,000,000	5,500,000	10,000,000
Administrative Systems	0	1,000,000	2,000,000	4,500,000	7,500,000
Information Technology Catch-up	0	480,000	1,000,000	2,200,000	4,000,000
<i>Subtotal Information Technology</i>	0	2,480,000	5,000,000	12,200,000	21,500,000
Staff Salary & Wage Catch-up	0	2,000,000	2,060,000	2,319,000	2,768,000
University Compliance	0	558,000	695,000	1,019,000	1,379,000
Maintenance & Operations on New Space	0	6,765,000	8,988,000	27,197,000	75,081,000
Total Stewardship, Accountability & Gen. Adm. Spt.	0	11,803,000	16,743,000	42,735,000	100,728,000



Long-Term Financial Plan

Cumulative Required Funding (in millions)

	Base Year	Biennial Budget		Intermediate	Target
	2008	2008-09	2009-10	2014	2020
Strategic Initiatives					
Educational Experience	0.0	20.2	37.4	107.1	193.0
Research & Scholarship	0.0	31.1	36.6	58.0	75.8
Diversity, Social Justice & Opportunity	0.0	2.4	3.3	6.4	10.4
Community Engagement	0.0	1.0	2.0	3.8	3.8
Stewardship, Accountability & General Administrative Support	0.0	11.8	16.7	42.7	100.7
Total Strategic Initiatives	0.0	66.6	96.1	218.1	383.8
Productivity & Efficiency Savings @ 1.5%	0.0	(3.1)	(3.5)	(4.2)	(4.2)
Total Projected Expenditures	867.5	966.1	1,031.8	1,291.4	1,714.6
General Fund Request	0.0	31.5	53.8	191.5	386.5



5 Simple Points

Point 5

Despite CPE mandate to develop
business plan so policy makers
“know what it costs” . . .

CPE draft recommendation creates a funding gap of:

FY09 \$15.5 million

FY10 \$23.8 million

This gap includes a projected 9% tuition increase



CPE General Fund Request

	<u>08-09</u>	<u>09-10</u>
EKU	8.1%	6.2%
KSU	5.8%	3.8%
MoSU	7.2%	4.9%
MuSU	6.2%	7.3%
NKU	9.3%	9.2%
WKU	7.5%	6.0%
KCTCS	11.2%	8.4%
Uof L	6.7%	7.0%
UK	5.3%	4.8%
Average – System	7.5%	6.5%

* These percentage increases include M&O on new facilities but not new tuition revenue.



And we have been asked by CPE
to support recommendation . . .