

Presidential Budget Development “Listening Tour”
Belknap Campus Budget Forum
February 22, 2018

1. President Postel went through his slide deck (see the posted slides)

2. President then opened it up for Comments and Questions
 - a. The survey comment made about Performance Based Salary Increases could have differing definitions
 - i. HSC clinical model – the more money you earn, equates to increases in your salary
 - ii. Increased Pay for more Research and Scholarly work
 - iii. Meeting established metrics
 - iv. A&S merit salary increase model

 - b. Comments on Performance Based Budget Models and Enrollment Growth
 - i. Concerns around a model like this could pit schools against one another
 - ii. President explained this would only be the case if we were not growing the revenue base. Since our plan is to grow enrollments substantially everyone could theoretically win!
 - iii. Susan Howarth and I visited University of Cincinnati and reviewed their Performance Based Budgeting model. According to UC administrators, their incentive-based budget model was directly responsible for a 10,000-student growth in enrollment and has also made a huge difference in the University’s finances.

- iv. UC has an enrollment of 46,000 but their budget is roughly the same size as UofL's (\$1.3 billion). This shows the scaling impact of increasing enrollments.
 - v. UC is a small compact campus. You can see the Athletic facilities from the President's Office. UofL has a large footprint with only 22,000 students. Hard to support, service and sustain our footprint with our current enrollment level.
- c. Cultural Center (primarily student comments and questions)
- i. Prioritizing a new Cultural Center Facility will help improve student retention
 - ii. Cultural Center desperately need major maintenance and renovation
 - iii. It is time cultural center and diversity is prioritized
 - iv. A new facility has been talked about for 8 years
 - v. Administration should visit the cultural center and see the impact it has on students
 - vi. A task force should be developed with interested students included
 - vii. The President responded to these comments:
 - 1. Both diversity and community engagement will be protected from budget reductions
 - 2. He has approved a fundraiser earmarked specifically for diversity.
 - 3. A new facility will be built using donor funding. The facility will be approximately 35K square feet costing about \$13.5 million.
 - 4. The President said there is always student representation on university wide committees. He encouraged the students attending the session speaking on behalf of the cultural center work with

Vishnu to include some of these units are the Cultural Center task force.

5. The President has asked to schedule a meeting with the students at the cultural center to continue dialogue

d. Budget Cuts are always front and center for faculty and staff – the campus community does not have the awareness of alternative revenue strategies – need to get this information on a regular basis – University Executives need to be out communicating more with campus

i. The President responded to this by saying his calendar and other executives calendars are full with campus based communication opportunities. The problem is this information not getting back to rank and file faculty and staff. The messages are simply not being carried back. We (University Executives) are looking for input from the entire campus!

e. Question around the School of Public Health and New Facility

- i. School of Public Health will lease space from Passport the entity which is financially responsible for the facility
- ii. This initiative will help to energize West Louisville
- iii. Creation of 1000 jobs
- iv. Again, all financial risk rests with Passport

- f. Funds flow between UofL and ULAA
 - i. The President reported that there will be no university funds used to pay the penalties associated with the NCAA investigation. Further, no university funds will be used for any of the legal action currently underway.
 - ii. It is critical that the University and ULAA work together and develop a good working relationship
 - iii. The President detailed the funds flow between the entities:
 1. \$8 million flows from the University to ULAA (Student Fee, Former Athletic Director Contract line items, Title IX and Retention Issues)
 2. We fully charge ULAA tuition and room and board for all student athletes. Some institutions waive that charge. Because we do not waive ULAA transfers \$15 million to the University to cover tuition and room and board.
 3. The university nets \$7 million to the good from these funds flow.

- g. Will Postal and Print Services be outsourced?
 - i. No news on a change in Postal services
 - ii. We are working on a managed print contract with an outside vendor. We issued an RFP and are in final stages of approving that contract.

- h. Too few physical plant employees – why?
 - i. There has been no major layoffs rather many staff left the university. There is typically a lot of turnover with these types of positions.

- i. Plans for procurement and the ability to purchase cheaper goods using a source like amazon.
 - i. The university's budget includes approximately \$300 million in addressable spend. Our goal is to reduce that spend by \$10 million in the current fiscal year.
 - ii. There will be instances where you can identify more savings outside of our contract but generally, the University's group rate is less expensive.

- j. What is the plan around shared services?
 - i. The University is rethinking the shared service concept and will be reorganizing going forward
 - ii. We will find and implement the most efficient operational structure going forward.

- k. How have the recent scandals affected our recruitment?
 - i. It has not!
 - ii. Student applications are up while maintaining the quality of our students
 - iii. We are still recruiting top notch deans and faculty
 - iv. It has however damaged the morale of our current faculty and staff. But it appears we are turning the curve on this as well and can see signs of a renewed sense of pride on campus
 - v. We will be using a top-notch Public Relations firm to get our positive messaging out.