



# Budget Update to Staff Senate

February 13, 2024

# Key Points on Financial Results Through November, 2023

(Fiscal Year is 42% Complete)

- **Revenues**

- General Fund performing better than budget (overall)
- ULAA revenues greater than prior year but will be influenced by Spring activity
- Draw of UL Foundation funds not as aggressive as planned
- Internally designated funds influenced by reimbursement timing (normal)
- Overall revenue performance is trending positively and better than prior year

- **Expenses**

- Most categories performing at budgeted expectations
- Operating expenses influenced by timing of library subscriptions and operating expenses - we are monitoring closely

- **Margin**

- “Bottom line” is positive and very consistent with prior year

- **Liquidity (Cash)**

- Cash at November’s end was \$22 mill less than prior year due to timing of federal tax payments, construction invoices, and HSC related revenues
- Cash at December’s end recovered to levels above prior year
- Liquidity remains stable

# Budget to Actual Report thru November

## (Modified-Cash Basis)

Status Indicators	
Better than Expected	↑
As Expected	✓
Worse than Expected	! ↓

Revenues	FY 2024				FY 2023	Year-over-Year	
	Annual Budget	YTD November	% Realized	Status	YTD November	\$ Change	
<u>General Funds</u>							
Tuition and Fees	349,751,124	180,215,386	51.5%	↑	171,717,015	8,498,371	Tuition rate increases and largest freshmen cohort
State Appropriations	145,051,400	80,945,111	55.8%	✓	79,794,200	1,150,911	Slight increase in performance funding
Transfers In	30,586,292	11,110,295	36.3%	✓	8,285,729	2,824,566	Increase of \$1.8M in F&A transfers
Other Revenue	24,216,493	13,735,278	56.7%	↑	6,175,262	7,560,015	Improvement in investment income
Auxiliaries	19,830,610	12,288,024	62.0%	↑	9,653,432	2,634,592	Due to higher housing occupancy and rates
Hospital-Related	1,350,669	446,322	33.0%	! ↓	303,871	142,451	
<b>General Funds Total</b>	<b>570,786,588</b>	<b>298,740,416</b>	<b>52.3%</b>	<b>↑</b>	<b>275,929,511</b>	<b>22,810,905</b>	
<u>Non-General Funds</u>							
UL Research Foundation	708,024,772	307,944,753	43.5%	✓	279,669,197	28,275,556	See "Description of Notable Revenue Changes" section
UL Athletic Association	166,100,000	78,935,988	47.5%	! ↓	70,810,768	8,125,220	See "Description of Notable Revenue Changes" section
UL Foundation	77,630,926	19,258,498	24.8%	! ↓	18,294,361	964,137	See "Description of Notable Revenue Changes" section
Internally Designated	88,264,325	30,073,792	34.1%	! ↓	22,206,799	7,866,993	Includes asset preservation funding from state
<b>Non-General Funds Total</b>	<b>1,040,020,023</b>	<b>436,213,031</b>	<b>41.9%</b>	<b>! ↓</b>	<b>390,981,125</b>	<b>45,231,906</b>	
<b>Total Revenues</b>	<b>\$1,610,806,611</b>	<b>\$734,953,447</b>	<b>45.6%</b>	<b>✓</b>	<b>\$666,910,636</b>	<b>\$68,042,811</b>	
General funds received in prior years	456,298						
Non-general funds received in prior years	36,246,292						
<b>Total Funds Available</b>	<b>\$1,647,509,201</b>						
<u>Expenses</u>							
Expenses	FY 2024				FY 2023	Change	
	Annual Budget	YTD November	% of Budget	Status	YTD November	Change	
<u>All Funds</u>							
Salaries and Wages	606,306,934	243,309,998	40.1%	↑	232,920,648	10,389,350	See "Description of Notable Expense Changes" section
Fringe Benefits	173,135,891	64,935,431	37.5%	↑	59,631,631	5,303,800	See "Description of Notable Expense Changes" section
Operating	562,227,997	243,584,801	43.3%	! ↓	214,899,362	28,685,439	See "Description of Notable Expense Changes" section
Financial Aid	168,227,366	90,329,082	53.7%	✓	78,073,369	12,255,713	See "Description of Notable Expense Changes" section
Capital Asset & Debt Service	33,476,992	20,114,725	60.1%	✓	16,682,580	3,432,145	
Asset Preservation	76,943,000	9,871,080	12.8%	✓	1,122,665	8,748,414	Increased spending as expected; revenues in "Internally Designated"
Utilities	27,191,021	7,705,811	28.3%	✓	7,404,213	301,598	Higher steam/chill costs
<b>Total Expenses</b>	<b>\$1,647,509,201</b>	<b>\$679,850,928</b>	<b>41.3%</b>	<b>✓</b>	<b>\$610,734,468</b>	<b>\$69,116,460</b>	
<b>Revenue Over/(Under) Expenses</b>	<b>\$0</b>	<b>\$55,102,519</b>			<b>\$56,176,168</b>	<b>(\$1,073,649)</b>	

# UofL Highlights of House Budget Bill (HB6)- PRELIMINARY: EARLY IN PROCESS

## Non-Capital:

- Provides \$4.8M in annual state funds to cover cost of fire and tornado insurance cost increase (part of base)
- Provides \$5.1M in annual state funds for inflationary cost increase (part of base)

## Capital Items:

- Provides \$260M in state funds for HSC Collaboration Hub, plus approval for \$20M in UofL funding
- Provides \$34.5M in state funds in FYs 25 & 26 for asset preservation, with \$8.6M required UofL match in each year
- The House deleted several requested projects that need to be added with alternative funding:

# Preliminary FY 2025 Operating and Capital Budget Timeline

Important FY 2025 Budget Development Dates	
<b>Convene and charge budget committee</b> <ul style="list-style-type: none"> <li>Review FY 24 budget</li> <li>Discuss committee role and responsibilities</li> <li>Confirm timeline &amp; responsibilities</li> <li>Guiding principles of future budgets</li> <li>Meeting frequency</li> </ul>	September
<b>President &amp; SLT engagement to discuss strategic priorities</b>	September
<b>Develop multi-year budget planning tool</b>	October
<b>Begin populating budget model with priorities (as placeholders)</b>	October
<b>Verify 1st quarter results (to budget) to ensure current situation</b>	October
<b>Budget committee input on draft budget priorities &amp; strategies</b>	November
<b>Assessment of capital needs for FY 25 (including auxiliaries and athletics)</b>	December
<b>Preliminary review of tuition structure and strategy (estimate cost per FTE by college; differential tuition exploration)</b>	November-December
<b>College/Unit based budget process begins (includes training and requests)</b>	January
<b>Budget update with Faculty &amp; Staff senate leadership; budget committee</b>	February
<b>Academic unit tuition revenue projections due</b>	February

Important FY 2025 Budget Development Dates, cont.	
<b>Verify 2<sup>nd</sup> quarter results (to budget) to ensure current situation</b>	February
<b>Self-generating program revenue projection &amp; confirmation</b>	March
<b>Budget (capital &amp; operating) update to President &amp; leadership team (based on draft)</b>	March
<b>Budget (capital and operating) update to BOT Finance Committee</b>	March
<b>All revenues and expenses budgeted &amp; balanced for unit and state appropriations finalized</b>	April
<b>State Council on Postsecondary Education approval of public institution tuition rates and state biennial budget adopted</b>	March/April
<b>Board of Trustees budget workshop</b>	May 23 <sup>rd</sup>
<b>Budget update with Faculty &amp; Staff senate leadership; budget committee</b>	May
<b>Board of Trustees consideration/approval of budget (capital &amp; operating)</b>	June 27 <sup>th</sup>
<b>Communication to campus regarding final budget</b>	June/July