



# UNIVERSITY OF LOUISVILLE HAS THE MONEY



UNITED CAMPUS WORKERS  
OF KENTUCKY

UNIVERSITY OF  
LOUISVILLE



# BACKGROUND

United Campus Workers of Kentucky's analysis of U of L's finances between FY17 and FY21 reflect that the institution is in an overall strong financial position. Discussions of restructuring the College of Arts & Sciences have included assumptions from upper-level administration that budgetary problems are driving the need for restructuring. While there may need to be change in Arts & Sciences, our analysis reflects that there is not a budgetary crisis. The College's financial and budgetary position in no way reflect a need for staffing, instructional, or departmental cuts. There is no need for departments to be combined or increases to the duties and workloads of existing faculty and staff. If any cuts are necessary, we can look to the number of upper-level executive position salary lines, and to university-wide unnecessary capital projects, and unchecked spending on athletics.

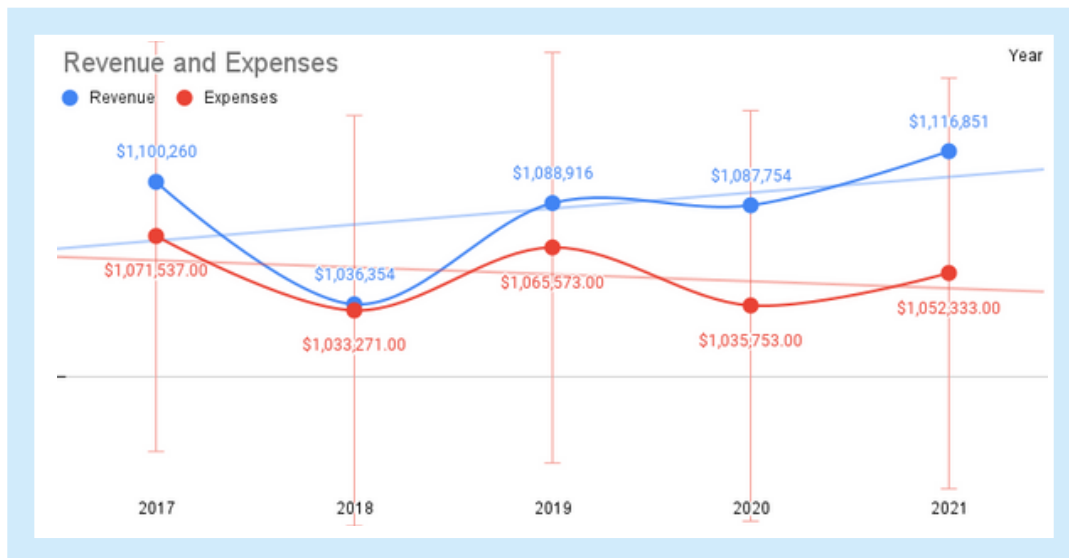


# UNIVERSITY-WIDE FINANCIAL HEALTH

## REVENUE AND EXPENSES

As Chart 1 illustrates, the university's revenue has far outpaced expenses in four of the last five years. Chart 2 zooms in on the increase in net position (the total left over at the end of each year after all expenses are accounted for) and reveals that UofL has seen a strong increase in net position each year, including \$52 million in 2020 and \$64.5 million in 2021.

### REVENUE AND EXPENSES (IN THOUSANDS)



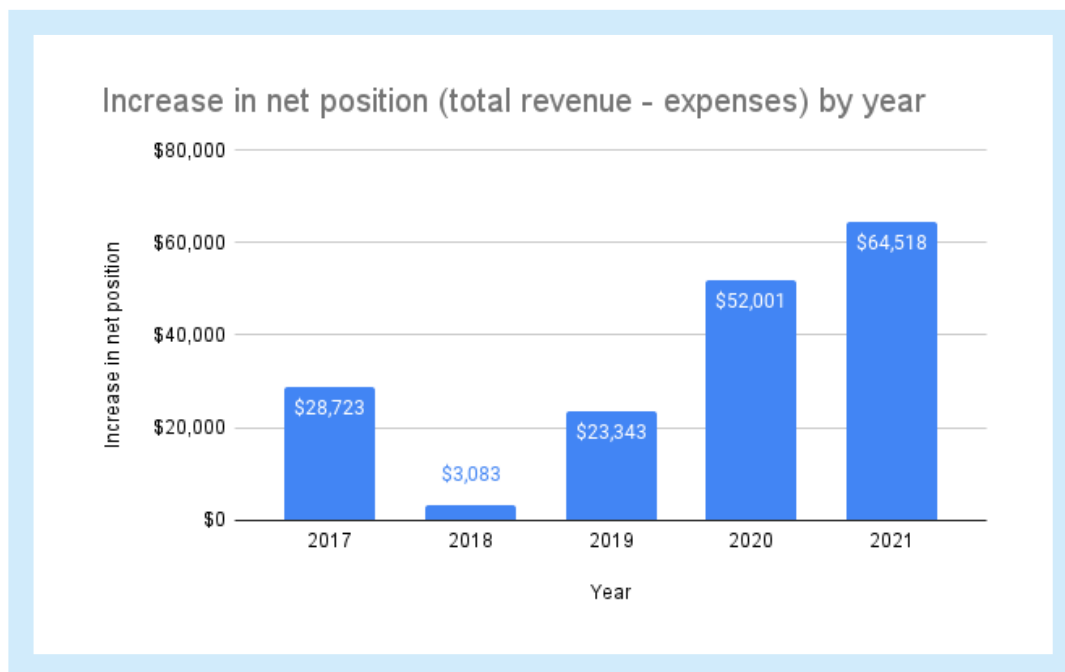
**CHART 1**

**SOURCE:** FIGURES FOR FY 2017, 2018, & 2019 ARE FROM FY 2019 AUDITED FINANCIAL STATEMENTS; FIGURES FOR FY 2020 & 2021 ARE FROM FY 2021 AUDITED FINANCIAL STATEMENTS. UOFL AUDITED FINANCIAL STATEMENTS: [HTTPS://LOUISVILLE.EDU/FINANCE/CONTROLLER/UNIVACCT/FINST-1](https://loUISVILLE.EDU/FINANCE/CONTROLLER/UNIVACCT/FINST-1)

**NOTES:** REVENUE = OPERATING REVENUES + NONOPERATING REVENUES

# UNIVERSITY-WIDE FINANCIAL HEALTH

## INCREASE IN NET POSITION (TOTAL REVENUE - EXPENSES)



**CHART 2**

**SOURCE:** FIGURES FOR FY 2017, 2018, & 2019 ARE FROM FY 2019 AUDITED FINANCIAL STATEMENTS; FIGURES FOR FY 2020 & 2021 ARE FROM FY 2021 AUDITED FINANCIAL STATEMENTS. UOFL AUDITED FINANCIAL STATEMENTS: [HTTPS://LOUISVILLE.EDU/FINANCE/CONTROLLER/UNIVACCT/FINST-1](https://loUISVILLE.EDU/FINANCE/CONTROLLER/UNIVACCT/FINST-1)

**NOTES:** INCREASE IN NET POSITION = TOTAL REVENUE - EXPENSES

# UNIVERSITY-WIDE FINANCIAL HEALTH

## ASSETS AND LIABILITIES

Chart 3 below shows the institution's total assets and liabilities over time. They reflect similar patterns to revenue and expenses: the institution has significantly improved its financial position over the last five years, especially in 2020 and 2021. Federal funds from coronavirus aid packages not only bailed out the institution after pandemic-related shortfalls but helped them improve their overall position. As Chart 4 illustrates: over the last five years the institution has consistently held twice as many assets as liabilities. A debt ratio (ratio of assets over liabilities) between 0.30 and 0.60 is ideal for investors, so UofL's numbers (see Chart 4) show a strong position with a range between 0.397 and 0.458 between 2017 and 2021. This position has been demonstrated by the university's ability to secure significant lines of credit for large construction and renovation projects and renegotiate previous loan terms to gain better rates.

### TOTAL ASSETS AND LIABILITIES (IN THOUSANDS)

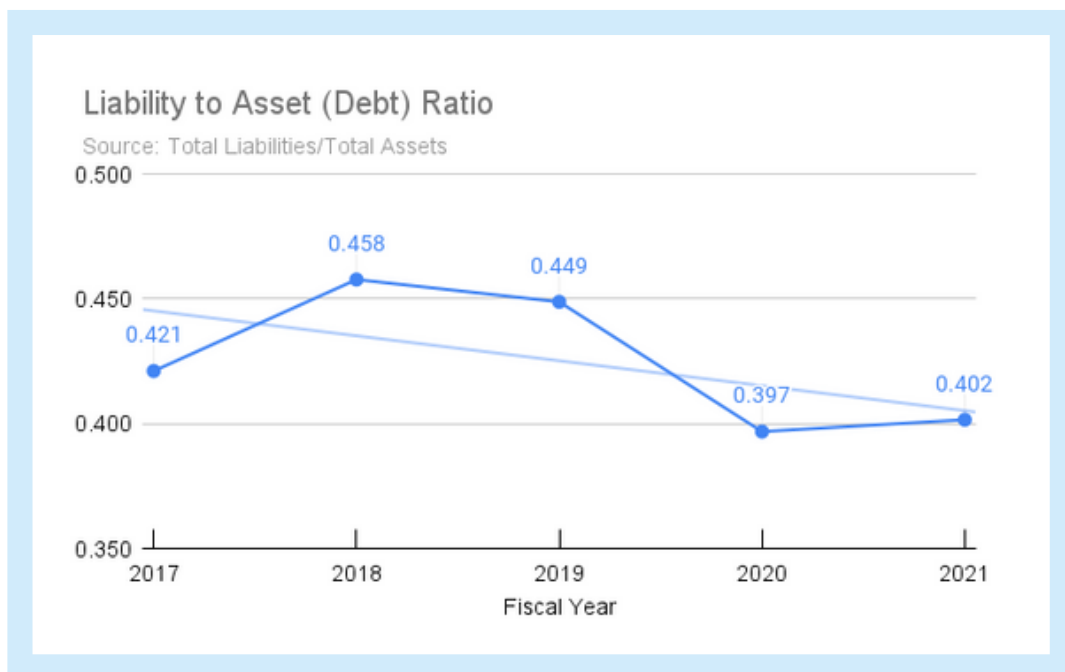


**CHART 3**

**SOURCE:** CHANGE TO THE FOLLOWING: UNIVERSITY OF LOUISVILLE, FY 2018 AND FY 2021 AUDITED FINANCIAL STATEMENTS, [HTTPS://LOUISVILLE.EDU/FINANCE/CONTROLLER/UNIVACCT/FINST-1](https://LOUISVILLE.EDU/FINANCE/CONTROLLER/UNIVACCT/FINST-1)

# UNIVERSITY-WIDE FINANCIAL HEALTH

## LIABILITY TO ASSET (DEBT) RATIO



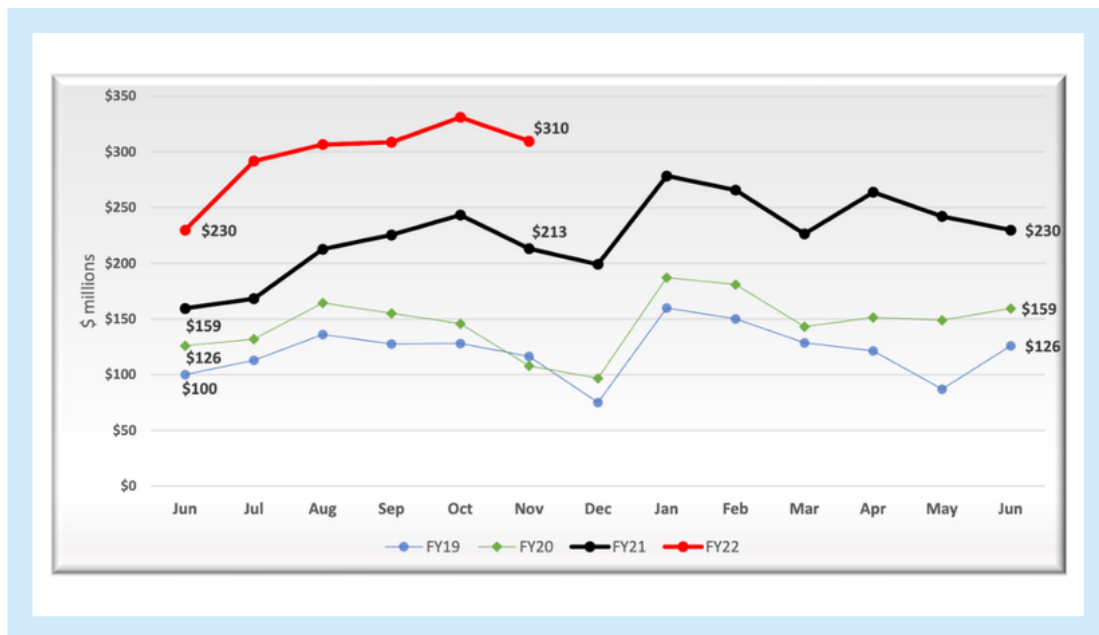
**CHART 4**

**NOTES:** USES FIGURES FROM CHART 3.  $\text{ASSET RATIO} = \text{TOTAL LIABILITIES} \div \text{TOTAL ASSETS}$

# UNIVERSITY-WIDE FINANCIAL HEALTH

As chart 5 below reflects, UofL also maintains plenty of liquid cash, and liquidity levels have significantly improved from 2019 to 2022. This high level of liquidity gives the university a large pool of funds to draw on in the case of a revenue shortfall.

## LIQUID CASH- FY 2019 TO FY 2022 ACTUAL DOLLAR AMOUNTS THROUGH NOVEMBER 2021, FY 2022 (IN MILLIONS)



**CHART 5**

SOURCE: UNIVERSITY OF LOUISVILLE, BOARD OF TRUSTEES MEETING, APRIL 21, 2021, PAGE 173,  
[HTTPS://LOUISVILLE.EDU/PRESIDENT/BOARDS/BOARD-OF-TRUSTEES/MINUTES/BOTMINUTES4212022\\_REDACTED.PDF](https://LOUISVILLE.EDU/PRESIDENT/BOARDS/BOARD-OF-TRUSTEES/MINUTES/BOTMINUTES4212022_REDACTED.PDF).





# SUMMARY

In addition to these budgetary figures, university officials themselves have acknowledged that UofL is more than capable of withstanding small budgetary fluctuations. In a Board of Trustees Budget Workshop for FY23, the presenters noted “positive trends” such as improving liquidity and trends toward a balanced budget.<sup>1</sup> The presentation concluded that the university has “a solid financial foundation on which to build the FY23 budget.”<sup>2</sup>

Not only does UofL have the financial resources to withstand revenue fluctuations, but its enrollment is also better than officials have presented in Arts & Sciences budget meetings. Despite citing declining enrollment as the rationale for restructuring, UofL has acknowledged elsewhere that it maintains strong enrollment numbers. In a UofL news story released in June 2022, UofL’s vice provost for enrollment management and student success stated that “even in the face of declining enrollment figures nationwide, UofL remains steady in its enrollment performance.”<sup>3</sup>

U of L has the money to prioritize faculty and staff positions and high-quality teaching and learning. The union looks forward to increased democratic access to financial and budgetary data, more open dialogue about the assumptions behind discussions about restructuring, and to a more inclusive process — one that prioritizes giving students and all workers a voice in creating the working and learning conditions they deserve.

<sup>1</sup> “BOARD OF TRUSTEES BUDGET WORKSHOP: PROPOSED FY 2023 OPERATING AND CAPITAL BUDGETS,” MAY 26, 2022, SLIDE 8, [HTTPS://LOUISVILLE.EDU/FACULTYSENATE/CHAIR/2022/CHAIR0622](https://LOUISVILLE.EDU/FACULTYSENATE/CHAIR/2022/CHAIR0622)

<sup>2</sup> IBID.

<sup>3</sup> CHRIS WOOTEN, “UOFL BUDGET TO EMPHASIZE ‘WHAT WE VALUE MOST’ – STUDENTS, FACULTY, STAFF,” UOFL NEWS, JUNE 1, 2022, [HTTPS://BIT.LY/3QVBCLZ](https://bit.ly/3QVBCLZ)