



Kentucky Interim Joint Budget Review Subcommittee on Education

June 3, 2026

Dr. Kathryn Cardarelli, EVP and University Provost

Rick Graycarek, EVP for Finance & Administration and CFO

MISSION

The University of Louisville's mission is to educate and serve the public through transformative teaching, innovative research and engaged partnerships —**advancing knowledge and improving quality of life and health across Kentucky's communities.**

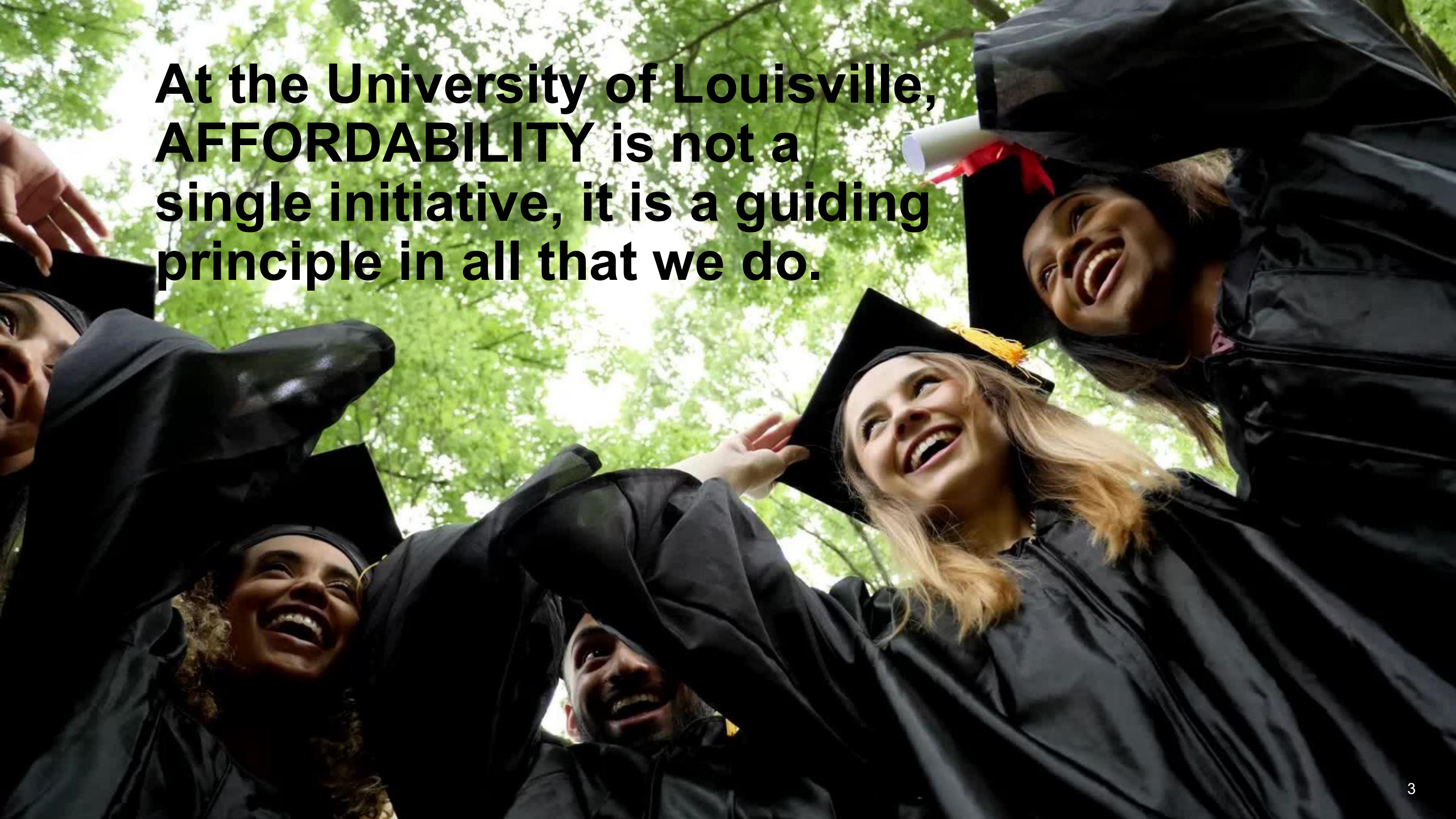
VISION

The University of Louisville is where excellence and opportunity converge **to drive transformative progress in health and societal well-being.**

AFFORDABILITY

is central to our mission, as it sits at the intersection of **access, student success and workforce development.**



A low-angle, upward-looking photograph of several graduates in black academic regalia. They are all smiling broadly and looking upwards, creating a sense of joy and achievement. The background is filled with lush green foliage, suggesting an outdoor campus setting. The text is overlaid on the upper left portion of the image.

**At the University of Louisville,
AFFORDABILITY is not a
single initiative, it is a guiding
principle in all that we do.**

OUR STUDENT BODY

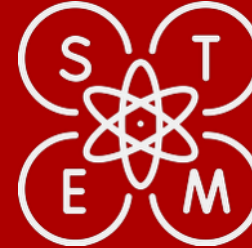
43.5%
Pell
Eligible



37.4%
First Generation



12% Increase in



enrollment

Cardinal
Commitment Grant
\$3.6M awarded



Military Friendly
Gold Designation

TOP Transfer Destination in the
Commonwealth for KCTCS and
4-Year institutions

Largest producer of nurses
with bachelor's degrees



Largest producer of dentists

US NEWS AND WORLD REPORT RANKINGS

UofL jumped up 37 spots in the US News and World Report rankings over the past two years.

Biggest contributing factors were the faculty to student ratio and low debt.

UofL IS ...

The only institution in Kentucky to be designated R1 and an Opportunity College.

The only Opportunity College in the ACC.

One of only 100 universities in the country to be designated Research 1 and Community Engaged classified.



AT UOFL AFFORDABILITY IS KEY

UofL is Leading the Way

- **Graduates have lowest Median Debt in Kentucky¹ \$20,500.**
- **Unmatched Competitive Value²**
UofL's resident undergraduate tuition is **~15% lower** than the national average for public R1 research universities.

Affordability = Access + Workforce

- **Awards more than \$100 million per year** in institutional financial aid; equivalent to \$4,923 aid award to every full-time student
- **Cardinal Commitment Grant** helps Kentucky students meet unmet financial need, the greatest barrier to student success

¹ According to the U.S. Dept. of Education College Scorecard

² College Board/IPEDS 2025-26 Analysis

AFFORDABILITY AND STUDENT EXPERIENCE DRIVE TUITION RATE ACTIONS

Shared Governance

- **Student, Faculty and Staff committee reviews and recommends changes to tuition rates and student fees**
- **Guiding principles:**
 - **Maintaining student affordability**
 - **Supporting student experience**
 - **Benchmarking to competitors**

Tuition Rate Decision-making Process

Student, Faculty, and Staff Committee

- Undergraduate rates evolve independently (no administration request)
- Graduate and professional rates proposed by Graduate School and respective professional schools



University President and cabinet



Board of Trustees



CPE for final approval

AFFORDABLE EDUCATION IS WORKFORCE DEVELOPMENT: NOT KEEPING PACE...COSTS RISING FASTER THAN TUITION RATES

FROM FALL 2012 TO FALL 2025

UofL undergrad tuition rates per year:	+ \$4,460
State appropriations per undergrad FTE:	- \$3,102
Inflation Adjustment:	- \$4,300
<hr/>	
Net Impact on UofL:	- \$2,942

**When state investment is strong,
tuition pressure is lower**

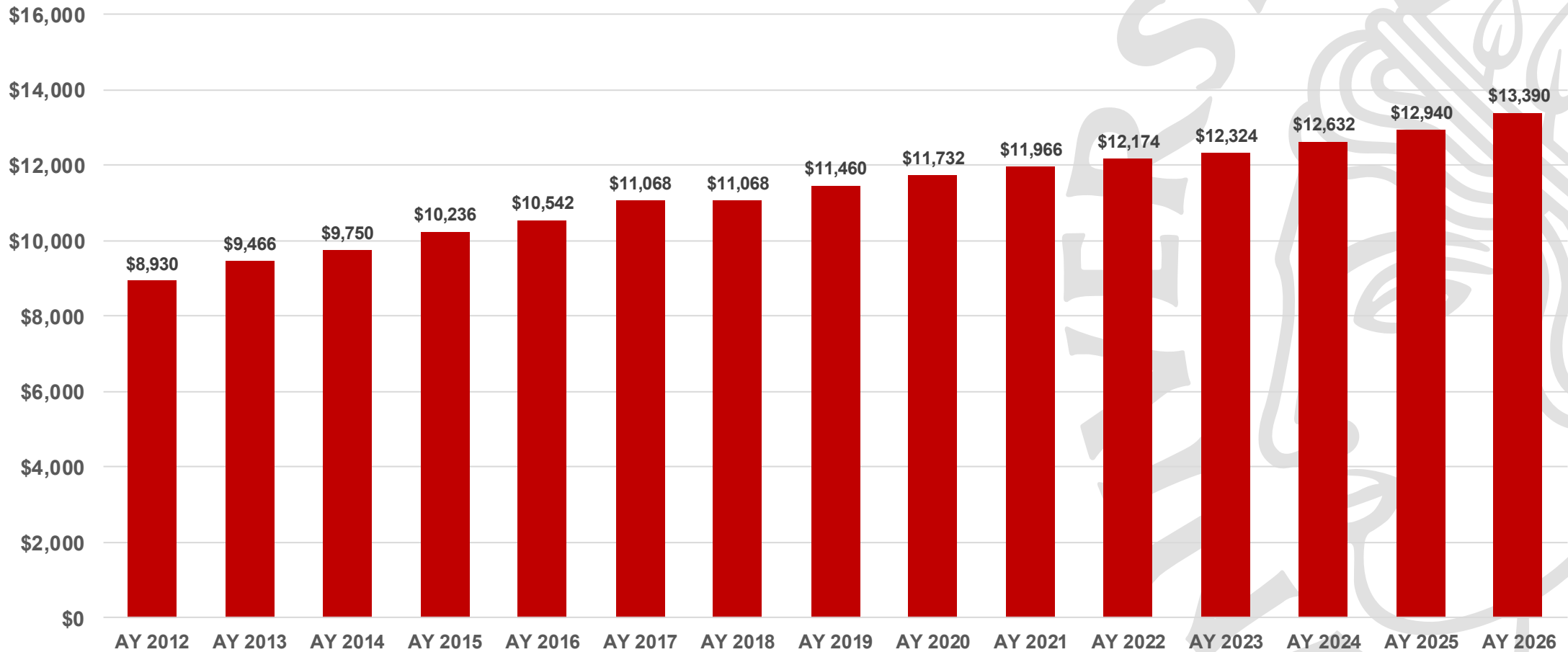
DECREASED STATE SUPPORT

- Base appropriations plus performance funds totaled **\$24.9 million less** in FY 2026 than FY 2012

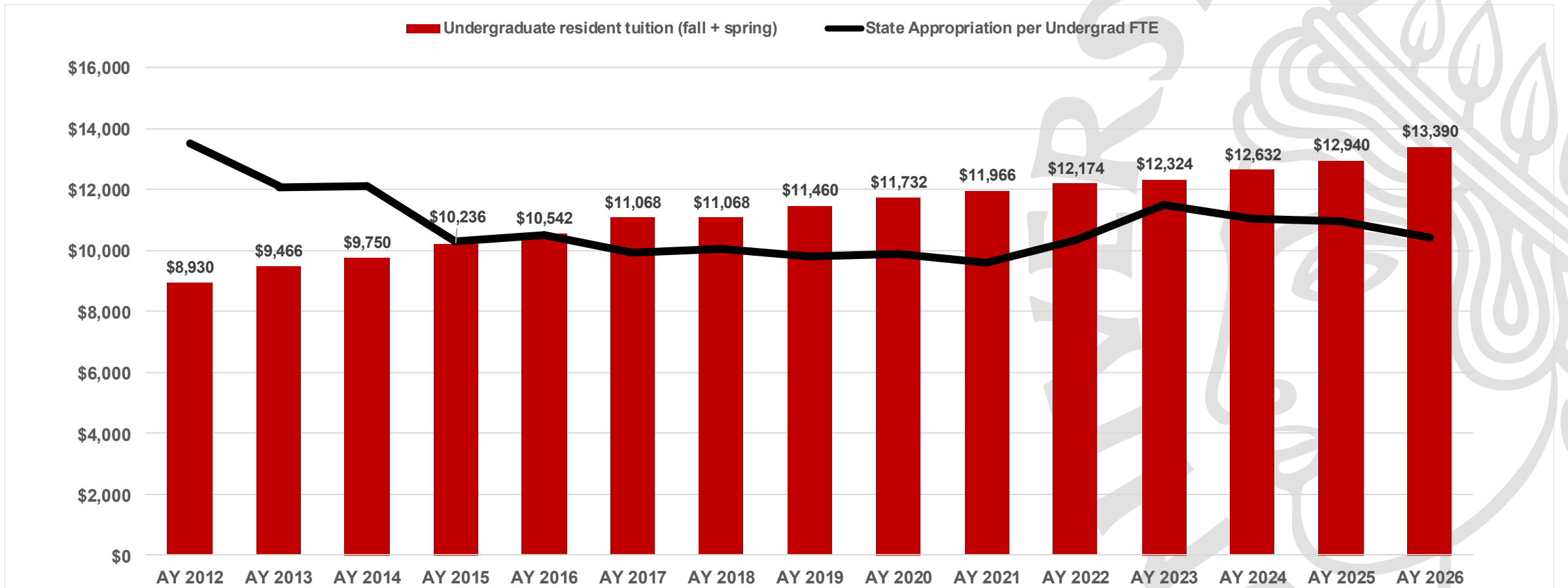
RISING COSTS

- Higher Education Price Index
- Example: self-funded health insurance costs increasing by 19% in FY 2027

UNDERGRADUATE RESIDENT TUITION (FALL + SPRING) BY ACADEMIC YEAR 2012 – 2026



UNDERGRADUATE RESIDENT TUITION (FALL + SPRING) COMPARED WITH STATE APPROPRIATIONS per FTE



ENDOWMENT SUPPLEMENTS FUNDING, NOT SUPPLANTS IT

UofL Foundation

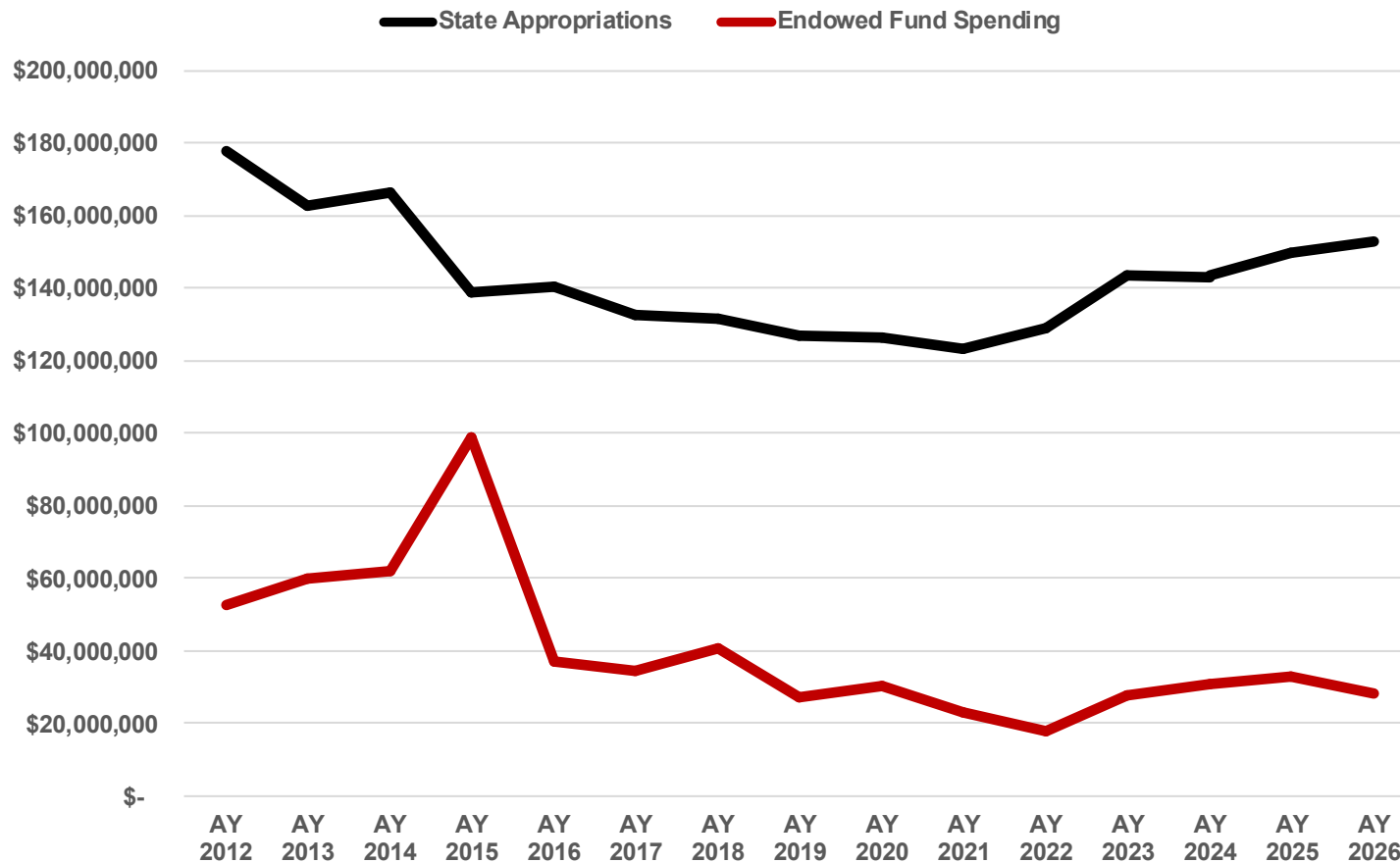
- Separate and distinct 501(c)3 entity from University
- Own board, staff, and operating systems

Successful Bucks for Brains Program

How Our Endowment Functions

- Donors gift funds
 - Endowed funds exist in perpetuity
 - Most gifts have restrictions on use (per donor agreements)
- UofL Foundation Board invests funds and sets annual spend rate (currently 4.25%)
 - For example, \$100,000 endowed gift has \$4,250 available to spend in FY 2026

ENDOWMENT & STATE APPROPRIATION FUNDING*



Of annual endowment spending:

- About 50% is for research
- About 22% is for academic support and instruction
- About 21% is for student scholarships
- About 7% is for maintenance, institutional support, and other activities

FOCUS ON EFFICIENCIES

- **Budget workgroups**
 - Cost containment
 - Revenue generation
 - Program and operations review
- **10% cut on units to reallocate funds to support strategic plan**
- **Operational efficiencies efforts**
 - Software contract audit to reduce duplication
 - Improvements in procurement process
 - Position control management: YOY cut GF expenses for personnel \$3M+
- **Currently reviewing administrative structures**
- **Administrators will not receive general wage increase**

AT UOFL, OUR FOCUS IS SIMPLE:

Ensure every Kentuckian can access a high-quality, high value degree that leads to meaningful employment, without being priced out along the way

Cost is the greatest barrier to access and completion

When students cannot afford to enroll or persist, our state loses talent, workforce capacity and economic opportunity

We are committed to holding costs down, aligning programs to high-demand careers and ensuring that every investment- both institutional and state- translates into real value for Kentucky students and families