

Subject: Update on remote work, 2021 budget

Date: Thursday, June 25, 2020 at 6:00:59 PM Eastern Daylight Time

From: UofL President,Service Account

To: UofL President,Service Account

Cardinal Family,

We are now entering our fourth month of this new reality caused by the COVID-19 pandemic, and I continue to be amazed at the dedication and professionalism with which our faculty, staff and students have faced this unprecedented situation. Your attitudes and continued efforts on behalf of the university inspire me.

As Provost Boehm recently laid out in the draft “Pivot to Fall” plan, we are working hard to prepare for the return of students to campus for the fall semester. Following an online forum that drew more than 700 people and after receiving more than 360 questions and comments from the campus community, the provost and her team revised the plan and shared the final version on June 22. You can view that report [here](#).

Meanwhile, I want to provide a few updates on remote work and our fiscal year 2021 budget.

We are extending the temporary remote-work recommendation through July 20 for those employees who can continue performing their duties off campus.

We will continue to allow certain units, at the discretion of their deans, vice presidents or vice provosts, to bring some employees back to campus following the governor’s “Healthy at Work” plan for reopening businesses. As we have stated in the past, this will include enforcing physical distancing, limiting face-to-face meetings, providing an initial supply of masks for on-campus employees, restricting access to common areas, providing plenty of hand sanitizer and encouraging frequent hand washing. Our teams are currently working to install signage throughout campus that reminds each and every member of our Cardinal family of their responsibility to create a safe and healthy environment.

Unfortunately, the COVID-19 pandemic continues to raise significant financial concerns for the university. Our leadership team, led by Chief Financial Officer Dan Durbin, has been developing a budget plan to address a potential \$82 million negative budget impact in FY21. The university is utilizing both central and unit-level mitigation strategies to ensure it can continue to be able to deliver on its mission.

These mitigation strategies include (in order of implementation):

- Modest tuition increases
- Increasing the college/unit contingency pools to 5%
- Restricting expenses to essential items only (dean or unit leader discretion)
- Modifying the university’s contribution to employees’ retirement plans to a 2.5% base, with an additional 2.5% match to employee contributions
- Extending, on a limited basis, employee furloughs (new or continuations) at the discretion of deans, vice provosts and vice presidents in cases where there is a clear business need (e.g., decreased clinical volumes or traffic due to coronavirus) or a clear financial need

To mitigate our financial risk in the current fiscal year 2020, we implemented more than 2,000 furloughs and pay reductions across the university and stopped retirement contributions to all of our more than 6,000 employees. In only a few of our units, there will be limited furloughs (fewer than 100 total) moving into fiscal year 2021. My commitment to you is this: Because we are truly a community of care, we will further bolster our staff assistance funds to make sure our Cardinal family is cared for in this difficult time. Please consider contributing to the [SHARE fund](#) today.

Dan Durbin will provide more detail soon.

Again, these decisions are made anticipating a difficult financial situation. Keeping our student, staff and faculty welfare in mind, we can and will revise these strategies if circumstances allow us to do so. We also will continue to update you as we make decisions that will affect all of us.

As always, thank you for your dedication and continued support as we navigate this uncharted territory. I continue to believe our best days are ahead.

Go Cards!

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