

Subject: Important Announcement from UofL's Leadership Team

Date: Thursday, April 9, 2020 at 1:17:31 PM Eastern Daylight Time

From: UofL President,Service Account

To: UofL President,Service Account

Cardinal Family,

We know that we have expressed our gratitude to all of you several times over the course of the past month, but we cannot thank you enough for your efforts, your sacrifices and your resiliency. Your compassionate efforts in teaching, learning and patient care as we adapt to the challenges of COVID-19 have been truly inspiring. As a leadership team, we recognize your deep dedication to the university and our mission—and to one another.

As you know, this pandemic has affected the university community in many ways, and the financial impact of this crisis to the university will be significant. The funds lost due to government orders to stop elective clinical procedures in medicine and dentistry, the NCAA cancelling March Madness, the lower tuition rate for summer courses being offered online and the refunds we will provide as a result of the COVID-19 pandemic have already led to significant losses in many of our units that will increase in the coming weeks. As of today, the university is projecting a nearly \$40 million negative impact between now and the end of the fiscal year unless we take immediate, strategic and necessary steps to resolve it. Despite this reality, we have worked to keep all of our people whole throughout this past month and will do so for as many of our people as possible for as long as possible. If the impacts of the COVID-19 pandemic continue for a longer period of time, our financial position and budget will be even further significantly altered.

As difficult decisions are upon us now and in the days ahead, we will strive to protect our core functions: teaching students and preparing them for success, conducting vital research, treating patients, serving our community and fulfilling our mission as a metropolitan research university. And, we are committed to and must continue to do whatever we can to support you, our Cardinal family.

As a leadership team, we are developing plans to address our financial situation, including taking the following actions:

- Instituting a hiring freeze, while allowing units to fill only the most critical of positions;
- Transitioning summer courses to online delivery and re-emphasizing the importance of student recruiting and retention;
- Asking units to practice fiscal restraint, including limiting spending on supplies, equipment, etc., to only truly essential items;
- Prohibiting international and domestic travel;
- Evaluating and likely implementing temporary changes to retirement benefits, NOT including health insurance or life insurance; and,
- Implementing, over the next several weeks, part-time and full-time employee furloughs in targeted areas.

These potential actions are difficult but may be necessary to help offset the major financial impacts on the university. These short-term measures are steps we are able to take now, because of our improved financial position. Had this crisis occurred just two years ago, this would have been a devastating blow

to the university requiring much more significant and draconian measures to mitigate. The leadership team continues to work hard to find alternative or additional methods to lower costs and increase revenues.

To proactively and immediately address the budget situation while also protecting the vast majority of our employees, President Bendapudi, Provost Boehm, EVPRI Gardner and all of UofL's senior leaders have voluntarily agreed to an immediate reduction in pay through at least June 30. Additionally, the leadership team has agreed, effective April 1 through at least June 30, to the following course of action:

- 10% pay reduction for any university employee with total compensation \$300,000 and greater;
- 5% pay reduction for any university employee with total compensation between \$200,000 - \$299,999;
- 2% pay reduction for any university employee with total compensation between \$100,000 - \$199,999.

Further, the University of Louisville Athletics Association is taking decisive action to mitigate a \$2.1 million revenue shortfall in this fiscal year due to the impacts of COVID-19, and will be instituting a series of pay reductions for Senior-level Administrators and Head Coaches that will carry through June 30, 2021, to address the potential for significant revenue volatility in the next fiscal year.

We know that our situation is serious and may cause some anxiety. If you need support during this difficult time, we have worked to make [resources available](#) to our employees. Please know that we will do everything in our power to lessen the impact on our students, faculty and staff.

And we will communicate with you every step of the way.

The University of Louisville, located in one of the nation's great cities, is one of only 69 institutions of more than 4,000 in the United States that is Carnegie-classified as both Research I and Community Engaged. We earned these elite distinctions because we have been, are now and will continue to be leaders in teaching, research, patient care and community impact.

UofL is a great place to learn, work and invest that is uniquely positioned to provide our current and prospective students the experience they need to fulfill their full academic and personal goals. To be clear, the measures we are taking to resolve this short-term financial issue created by the COVID-19 global health crisis require all of us to sacrifice a little now, but this will not impact our commitment to deliver on our noble purpose.

Thank you, again, for everything you are doing for the university. We appreciate each of you and our entire campus community.

Sincerely,

Neeli Bendapudi
President

Beth Boehm
EVP and University Provost

Kevin Gardner
EVP Research and Innovation

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