The Kentucky House this week is considering its version of the proposed state budget for the next two years. And, as we noted when this process began in January, things can change quickly. Here's the latest:

The House version maintains the same operating budget as proposed by Gov. Beshear, a reduction in our base funding of 6.4 percent or $19.4 million next year. That would take our operating budget from about $303 million this year to $283.6 million for the fiscal year starting in July, a significant reduction that will force us to make some tough choices.

The House also kept a key provision of the Governor’s proposed budget, giving us the flexibility to decide whether to continue to work with a private developer on a multi-year campus revitalization plan. The House budget authorizes up to $175 million that could be spent over the next two years by our private partner – in addition to the agreement we already have reached to build a new residence hall on Haggin Field.

However, the House has decided to strip from the proposed budget a key provision that we are seeking. In the Governor's proposal we had been authorized to borrow $200 million -- money we generate ourselves or raise privately -- for on-campus instruction, research, and student-support facility construction to stimulate our revitalization efforts. It has been well-documented that UK’s campus has over $1 billion in capital construction needs. We are counting on the General Assembly to help us help ourselves.

Similar authorizations on behalf of all other universities in the state were also removed from the House budget.

Once the House approves its version of the budget, likely this week, it will go to the Senate for its consideration. Ultimately, toward the end of the month, a budget conference committee -- composed of members from both the House and the Senate -- probably will be formed to reconcile inevitable differences in the budget proposals.

Changes will occur throughout this process. That's to be expected. And we will be making our case strongly -- every day -- that we need flexibility, particularly during a time of economic constraint and reductions in our budget, to continue to find ways to generate our own resources to fund vitally important needs on our campus.

We have an important case to make. And we still have time to make it with legislators and policymakers, who I believe, understand and support how important UK is to moving Kentucky forward.

I will keep you informed as changes occur throughout this process.
As always, thank you for your continued work and commitment to the Kentucky Promise that we endeavor every day to honor.

Sincerely,
Eli Capilouto
President