Discussion Topics

- Principles
- Budget Update
- Additional Information
Our principles will drive everything we do:

• We will preserve the missions we’ve held for more than 150 years: education, research, service and health care.
• We will ensure the health, safety and well-being of our campus community.
• We will continue to focus on a return to safe and normal operations as soon as possible.
• We will position UK to thrive when we emerge from this crisis.
• We will communicate with the campus clearly and transparently.
Step 1: Begin with Direct Student Impact (DSI) - $72m

Step 2: Add Contingency Fund - $11m or 15%

Step 3: Net Out – “Off the Top Adjustments” - $10m
- Revision to Investment Income - $1.5m
- Reduce College Incentive Funds - $1.8m
- Forego Capital Renewal - $1.0m
- Scholarship Budget - $5.5m
- Budget Initiatives - $.5

Step 4: Final FY 21 Reduction for Distribution is determined by summing the three steps described above - $73m
Step 5: Final FY 21 Reduction for Distribution is assessed equally across the five reporting areas: President, Provost, Research, EVPFA and University Wide – **Assessed Reduction is 10% to each area.**

Step 6: The University must also make a “Below the Line” reduction to the 403(b) employer contribution rate – rate will be reduced from **10% to 5% employer match for FY21.**
Additional Steps:

• We will continue our hiring pause for the foreseeable future.
• We will enact low-activity/no-pay policies in units where work has ceased or been reduced significantly, and the work can’t be done remotely.
• There will be, in some units, layoffs or a reduction in force.
• We will not be able to provide merit increases July 1st for the coming year.
• We will delay expansion of our family leave policy.
• We will delay our plans to make mandatory participation in our retirement program for new employees hired after July 1, 2020, who are under the age of 30.
• To better leverage our resources, we will move forward with shared services via dual-reporting line relationships for several key areas and explore additional areas in the coming months.
• Budget webpage

• FAQ

• Additional messaging
Budget Update

April 21, 2020