



University of
Kentucky®

FROM THE DESK OF PRESIDENT
Eli Capilouto

Dear Campus Community,

On Monday evening, the General Assembly passed a Biennial Budget that now goes to the Governor for his review. For the 2018-19 fiscal year, the state budget includes a reduction of \$16 million in our base appropriation but does provide a performance funding pool of \$31 million for postsecondary education institutions. We likely will receive between \$8 million to \$10 million from this pool, which will yield a net reduction in our base appropriation of approximately three percent.

The Biennial Budget retains funding for essential mandated programs across our campus. The budget proposal also includes \$20 million of state bonds in each of the next two years to provide substantial support for the research we do that aims to treat and solve the health maladies that too many Kentuckians face through too much of their lives. This substantial investment in our research enterprise (and the confidence in and commitment to our work it represents) will allow us to better leverage our new research building to be opened in August 2018 and the federal government's expanding financial investment in health-related research. The General Assembly has chosen not to fund the University Press of Kentucky. We received \$672,000 in the current fiscal year; and we will be working with our partner institutions to identify ways to sustain the financial viability of the Press over the long term. Additionally, the General Assembly has chosen to no longer fund the annual appropriation of \$1,053,000 to UK HealthCare for hospital direct support.

The Biennial Budget also includes language regarding tenure and how colleges may respond to financial exigencies. The University of Kentucky's administration has been clear throughout the budget negotiations in Frankfort that our Governing Regulations provide a process for the removal of faculty and we will abide by the due process requirements of our Governing Regulations and the Constitution. If the current language remains intact, we will determine whether changes to our Governing Regulations are required. If so, the administration and faculty leadership, including the University Senate, will work together to develop changes to the Governing Regulations that would require review and approval by our Board of Trustees. Any changes will maintain our long-shared commitment to academic freedom; and we will ensure that our faculty tenure and retention policies and procedures are transparent and fair, retaining and providing all due process as required by state and federal statutes and the Constitution. Tenure is a vital element in the search for truth and interwoven into the fabric of our University's work to create and expand knowledge; educate our students; and improve

lives in Kentucky and beyond. Our Governing Regulations will continue to embrace that fundamental understanding.

The budget passed today makes all the more urgent the work we are doing together to develop a financial strategy that will position our campus for success over the long term. This initiative - known as "Our Path Forward" - represents our intention to take even greater control of our financial future, not by cutting programs and reducing payroll, but by methodically and objectively reviewing how we do our current work more effectively and how we seek new areas of growth and opportunity. This effort has generated input throughout the campus and is led by a series of workgroups that include faculty, staff, and students. We will continue to provide updates and seek feedback from the campus as we go forward together.

Eli Capilouto
President

David Blackwell
Provost

Katherine McCormick
Senate Council Chair

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BUILDING COMMUNITY

