

President's Report from Frankfort

February 2, 2012

This morning, I testified in Frankfort before a House committee examining the proposed two-year budget for higher education in Kentucky. I've been meeting frequently in Frankfort the past few weeks with legislators individually and in small groups. Today, in front of the committee that will examine and make recommendations for our budget, we were offered an important opportunity to do four things:

1. I took great pride in touting the incredible accomplishments and progress this campus has made in the last several years because of your labors and your intellect – often in the midst of challenging economic circumstances. In the last 10 years, we've enrolled and educated record numbers of students, with increasing quality, diversity and commitment to their communities. And we've invested more resources in their success and preparation for lives of leadership, meaning and purpose than at any time in our history.
2. I talked about the profound service we render – through research, collaboration and educational efforts – throughout the Commonwealth. Lexington is our institution's address, but our home is Kentucky. And it's where our passion for service takes root and flourishes – from a hospital that reaches across the region and state to care for those with the most complex problems to extension centers that touch lives in all 120 counties to teacher training, energy security research and efforts to revitalize industries struck hard by the recession. We are the state's beacon of hope and your efforts across this state shine a bright light for us to follow.
3. I discussed our steadfast commitment to earn our way. We know that the world is a much different place than it was only three years ago. People continue to struggle in every corner of our state, our nation and our world. And we are not immune from those challenges. That means we must – and we will – redouble already important efforts to be more efficient, more innovative and more creative. We're taking a hard look at how we work, how we educate our students, conduct research and provide service to the Commonwealth. As you know, we're examining whether public-private partnerships create opportunities to build better living and learning spaces for our students. We're looking toward private support and philanthropy to help fuel our goal of revitalizing our campus so we can make the Kentucky Promise real to more Kentuckians.

To that end, the Governor's proposed budget does allow us to proceed with our plans to renovate and re-build our residence halls. Moreover, it would give us the flexibility to pursue other on-campus projects that generate their own revenue streams.

4. Finally, in as straightforward a manner as possible, I offered a sober assessment of how the current budget proposal would significantly impact our campus. A nearly \$20 million cut in our general fund appropriation – on top of several cuts in the last 10 years – would take us below the level of funding we had at the beginning of the century. That's real. And the impact is undeniable. Such reductions would require us to make painful, tough decisions. While understanding the economy we all face throughout the state, I argued that investments

in education – and, in particular, the beacon and promise that this institution represents – are the single best way to transform our Commonwealth.

In turn, our policymakers – while acknowledging the incredible work done and lauding our aspirations – were candid about the budget and the tough decisions they are making. In short, they pointed to growing needs across the state and an economy that is not recovering quickly enough to address all of them.

It was, at once, both a gratifying opportunity to discuss what we mean for Kentucky, but a sobering experience to hear the state of our budget and the lack of alternatives that many legislators believe they have for turning it around in short order.

Nevertheless, it's critical that we are making our case, every day in a number of ways, that investment in UK today is critical for our state tomorrow. I will not cease in that effort.

Yet, at the same time, we must as a campus community understand that today's budgetary realities make it even more important that we work together, looking at ourselves for how we can dictate our future course.

I will continue to keep you informed as we move forward throughout this important process.

Thank you,

Eli Capilouto
President