

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES



Robert DiPaola, Provost and Co-Executive Vice President for Health Affairs

Rebecca Thomas, Associate Provost for Faculty Advancement



- ASACR 1: Policy on Academic and Financial Sustainability

ASACR 1

Office of the President
September 18, 2026

Members, Board of Trustees:

POLICY ON ACADEMIC AND FINANCIAL SUSTAINABILITY

Recommendation: that the Board of Trustees approve the policy on Academic and Financial Sustainability.

Background: The University has an ongoing responsibility to align its academic portfolio and allocation of resources with its educational, research, healthcare and service/land-grant missions; student demand; the needs of the Commonwealth; academic quality; strategic priorities; and available financial resources. 2026 Kentucky Acts Chapter 169 (HB 490) identifies three reasons for which a faculty member may be removed by the board including financial exigency; low enrollment in a particular program or major; or misalignment of revenue and costs in a particular college, department, program or major. It further calls for a process to be established by the Board and provided to the faculty by October 1, 2026. The attached policy establishes the University's institutional framework for academic and financial sustainability review; restructuring decisions; appropriate documentation and transparency; plans for consideration of alternatives; determination of faculty positions needed for the continuing academic enterprise; assessment for expertise needed for the University and Commonwealth; and any resulting process required by applicable Kentucky law.

The Provost of the University supports this recommendation.

Title	AN ACT relating to employment at public postsecondary education institutions and declaring an emergency.
Bill Documents	Acts Chapter 169  Current/Final  Introduced 
Bill Request Number	1466
Sponsors	A. Thompson, J. Tipton
Summary of Enacted Version	Amends KRS 164.360, 164.230, and 164.830 to allow for the removal of faculty members at public postsecondary education institutions for bona fide financial reasons; and require the boards of regents and trustees of the institutions to establish the process for removal of faculty members based on financial reasons with specified parameters; EMERGENCY.

Timeline and Oversight Authority

- Enacted April 14, 2026
- Effective immediately through the bill’s emergency provision
- Required process to be established and provided to all faculty members no later than October 1, 2026
- The Board is responsible for establishing the process governing faculty removal for bona fide financial reasons
- The Board retains authority to hear the faculty member’s response and testimony
- The Board makes the final determination regarding removal

Process for Input and Feedback

- Met with Faculty Senate Chair to review plan (August 17, 2026)
- Faculty Senate Retreat (August 24, 2026)
 - Discussion with Associate Provost for Faculty Advancement
- Met with Faculty Senate Chair (August 26, 2026)
- Faculty Senate Meeting (August 31, 2026)
 - Formal presentation of Faculty Senate recommendation
- Working Group (September 2, 2026)
 - Office of the Provost, Office of the Executive Vice President for Finance and Administration representative
 - Faculty Senate Chair established process to nominate Faculty Senate representatives
 - Draft completed in collaborative approach satisfying House Bill 490 requirements
- University review

Policy Framework | Sections — Overview

- Section I: Purpose and Principles
- Section II: Academic and Financial Stability Review
- Section III: Consult
- Section IV: Restructuring Decision
- Section V: Faculty Positions
- Section VI: Removal for Bona Fide Financial Reasons

Policy Framework | Sections — A Closer Look

- **Section I: Purpose and Principles**

- Defines responsibility of the University of Kentucky to align academic resources with mission and needs of the Commonwealth.
- Defines “bona fide financial reasons.”

- **Section II: Academic and Financial Stability Review**

- Provides a structured review process with consideration of multiple factors.
- Defines leadership and oversight responsibilities.

- **Section III: Consultation and Consideration of Alternatives**

- Provides meaningful consultation for review.
- Requires consideration of reasonable alternatives.
- Supports transparent and well-documented decision making.

Policy Framework | Sections — A Closer Look

- **Section IV: Restructuring Decision**
 - Establishes process for recommendation of any restructuring.
 - Requires support by academic and financial analysis and consideration of alternatives.
- **Section V: Faculty Positions**
 - Requires determinations based on legitimate academic, financial and institutional needs.
 - Incorporates faculty input within affected unit, ensures flexibility, fairness and documented decision making.
- **Section VI: Removal for Bona Fide Financial Reasons**
 - Requires legal and policy compliance.
 - Provides due process and documentation per House Bill 490.
 - Ensures appropriate oversight and accountability.

QUESTIONS

