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UA3/9 Recommendation on 2011-2012 Budget

WKU President's Office

Gary Ransdell

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Recommended Citation
WKU President's Office and Ransdell, Gary, "UA3/9 Recommendation on 2011-2012 Budget" (2011). *WKU Archives Records*. Paper 1709.
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Recommendation on 2011-2012 Budget

Ransdell, Gary

Sent: Monday, June 06, 2011 3:02 PM

To: Faculty-All; Staff-All

Attachments: F&S Email 060611 re Recomm~1.pdf (517 KB)

Fellow Faculty and Staff:

On June 24, the Board of Regents will meet to consider the University's budget for FY 2011–2012. My recommendation for allocating projected tuition revenue growth is attached. This is being sent to the Board of Regents today as well.

This has been a very difficult year with a nonrecurring state budget cut of $1,123,100 for the current year and a permanent budget reduction of $2,311,700 for next year. These were on top of $6,659,600 in cuts mandated in FY 2009 and FY 2010.

I want to commend Vice President Ann Mead and her staff, including Kim Reed, our campus Budget Director, for their diligent work in putting this difficult budget together. Additionally, each division was challenged to implement funding reductions in their areas which would minimize the impact on services and protect funding for filled positions. The campus has responded in a thoughtful and prudent manner, and I want to thank you for these efforts.

This budget includes new allocations of approximately $1.5 million and $1.4 million in permanent funding from DELO for academic priorities. Additionally, $2.7 million is devoted to various forms of compensation including university-funded retirement plans, health insurance, life insurance, and salaries.

Of particular importance to you is the matter of salary and benefits. Subject to approval by the Board of Regents, eligible full-time employees will receive a 1 percent base pay increase with a maximum of $1,000 and a minimum of $500. This concept, again, favors employees at the lower end of our pay scale and limits the increase for those at the upper end. This, combined with this year's increase, means that most employees' base compensation is 4½ percent greater than it was three years ago. Given our budget cuts and fixed-cost increases, we are choosing not to lay off employees or impose unpaid furlough days to generate additional salary funding above the $1,250,000 needed for the 1 percent increase. The attachment shows a four-year salary profile for state employees and a fifteen-year salary increase profile for WKU faculty and staff.

This budget also includes $641,000 to fully pay for increased University contributions to health insurance premiums implemented last January. I am pleased to share with you that we have a sufficient Health Insurance Reserve Fund as of today, so I am optimistic that we will receive favorable recommendations from the Benefits Committee later in the summer concerning the premium structure for January 2012.

This budget points out just how critical state funding is to our ability to balance a budget and effectively compensate our faculty and staff. With four years of cutting and no net increases in state appropriations, we have relied on modest tuition increases to make ends meet. We do look forward to an improved state economy and some level of improved state funding as soon as possible to address our significant campus needs and strategic priorities, including compensation relief.

Thank you for your dedicated service to WKU and our broader community.

Gary A. Ransdell

Attachments