

COMMONWEALTH OF KENTUCKY
COUNCIL ON HIGHER EDUCATION
FRANKFORT, KENTUCKY 40601

February 12, 1980

Dear Governor Brown:

This is to acknowledge receipt of your February 1, 1980 letter requesting the Council on Higher Education "to scrutinize all the state universities' budgets to see that they reflect the spirit of reduction" you are seeking to achieve in state general fund expenditures. On Wednesday, February 6, a meeting with the university presidents was held in my office, and I now wish to report our initial response to your request.

The presidents are clearly in agreement with your objectives in seeking a more efficient expenditure of public funds. In these inflationary times, a reevaluation of spending patterns and a reestablishment of priorities is unquestionably in the public interest. Furthermore, as the training grounds for Kentucky's future cultural, governmental and business leaders, our state universities have a willingness--as well as an obligation--to assume a leadership role in addressing the economic and concomitant problems besetting both the public and private sectors. I think it is fair to say that there is a full commitment from the higher education sector to apply the talents and resources of our institutions toward the resolution of our common financial problems.

Indeed, although more can undoubtedly be done, the higher education community has already responded positively to the challenge posed in your February 1 letter. Among these measures have been program reductions, energy conservation programs, innovative salary plans at our medical centers, and numerous other management decisions. We are preparing a more detailed chronicle of these measures for your review. This should be available in a couple of weeks.

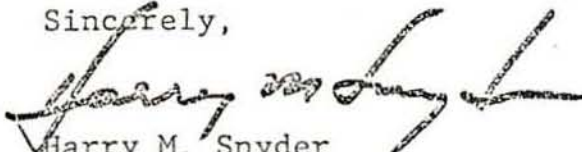
But we do not want--nor do we intend--to stop with our past achievements. As I indicated above, our institutions are committed to doing more if at all reasonably possible. During the February 6 meeting, several possibilities were mentioned in revising the way universities do business which could result in substantial savings for the universities and thus the state's general fund. In the next three to four weeks we will provide a more detailed package of suggestions for your approval and action. Additionally, each university president is currently reviewing your request with their institutional constituents and will provide new ideas for our review.

Finally, we wish to acknowledge two additional points in your letter: your "deep respect for the separation of powers and distinct budgetary areas" and that your "highest education priority is to increase the salary levels of our most valuable resources, our university faculty and staff." The budget review process for higher education is substantially different from that of the bulk of general fund expenditures. University budget requests have been carefully reviewed and recommendations made prior to submission to the Department of Finance and the Governor's office. We have labored carefully to enhance and preserve the integrity of that process, particularly during the last two biennia. Further sophistication and refinement of that process is in our opinion essential to the resolution of the problems which higher education will face during the next two decades. Thus we appreciate the recognition you have accorded our distinct budgeting procedures.

Also, the priority which you have given to the salary problems facing our university faculty and staff is welcome news at our institutions. We certainly hope that the salary gains which have been made in elementary and secondary education and for state employees during the last several biennia can be matched on our campuses during the 1980/82 biennium. Our university faculty and staff are truly valuable resources and a worthy investment for Kentucky's future. Your recognition of this fact is much appreciated.

As I indicated above, this is only our initial response to your challenge. Other detailed materials will be forthcoming within the next three to four weeks. Please let me know if we can be of assistance at any time.

Sincerely,



Harry M. Snyder
Executive Director

The Honorable John Y. Brown, Jr.
Governor
Capitol Building
Frankfort, Kentucky 40601

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cc: Council Members
University Presidents
Secretary George Atkins
Deputy Secretary Robert Warren
Commissioner Dick Robinson