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## UA3/10/2 State Budget Update

WKU President's Office - Caboni

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## PRESIDENT'S MESSAGE

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Dear Fellow Faculty and Staff:

Last night the Kentucky General Assembly passed the biennial budget that will fund the state's operations for the next two years. We've been closely engaged in this process throughout the legislative session, and while there are some improvements in the final version from where we started, this budget presents us with significant challenges.

First, state appropriations for universities are reduced by 6.25% as was originally proposed by the Governor. However, a portion of that is returned to the performance funding pool, which was adopted by the legislature last year following months of work by the university presidents to come to agreement on an outcomes-based funding model. So while we will lose \$4,619,000 in the budget reduction, we will likely gain most of that back in the performance model, bringing our state appropriation reduction to a little less than 1%.

Additionally, legislators applied an approximate 2% reduction in funding to support the Gatton Academy, so we will have \$75,000 less to support operations of the Academy in the next two years. The Kentucky Mesonet, a statewide weather monitoring network operated by WKU, was fully funded at \$750,000 per year. That was zeroed out in the Governor's original plan.

Legislators did not include direct relief for our employer contribution payments to KERS, the primary driver of fixed increases to our operating budget, so we anticipate those costs to increase significantly. Legislators also did not include the asset preservation matching funds proposed by the Governor to help campuses address a backlog of maintenance on university buildings and infrastructure.

Finally, the adopted budget includes language that would allow universities to eliminate tenured faculty positions associated with the closure of academic programs. It is my view, and I have shared this during my conversations in Frankfort, that current guidelines set forth by the American Association of University Professors provide a fair, reasonable and effective pathway to manage downsizing or elimination of academic programs. I am strongly committed to following those guidelines and to protecting the integrity of tenure and academic freedom as we work together to address the current financial challenges facing WKU.

We are continuing to study the pension reform bill that was passed and other measures that relate to KTRS and KERS employers contained in other bills. As we know more, I will communicate further on those matters. Information on other legislative actions can be found at <https://www.wku.edu/govrelations/index.php>.

This has been a long and arduous process, which began in January with the Governor's budget proposal, and it isn't yet final. Governor Bevin now has ten days to veto all or parts of the budget bill, and the General Assembly is scheduled to reconvene April 13 and 14 for final actions on legislation that is not yet finished and for action on any vetoed items. During the session, we presented at hearings in the House and met with legislative leadership and members in both the House and Senate to ask for stable, predictable and adequate funding for WKU. While the national trend has begun to shift back to state governments increasing support for higher education, sadly Kentucky is not yet there. That is all the more reason to redouble our efforts to make significant gains on enrollment, retention and graduation numbers. We are seeing positive trends in that regard, and I am grateful for your work and continued commitment to our students and our University.

Best,

A handwritten signature in black ink, appearing to read 'Timothy C. Caboni', written in a cursive style.

Timothy C. Caboni