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4-16-2018

## UA3/10/2 Budget Update

WKU President's Office - Caboni

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## PRESIDENT'S MESSAGE

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Fellow Faculty and Staff:

This weekend, the Kentucky General Assembly completed their work on the 2018-20 biennial budget. Both Chambers voted to override the Governor's vetoes on the budget and revenue bills, thus enacting the budget described in my [April 3 campus message](#). Although we still need time to study technical amendments made on Saturday, particularly those related to pensions, we now have most of what we need to finalize the University budget for the coming year.

Throughout the fall and spring semesters, we have been engaged in an effort to right-size our budget in a way that ensures revenues match expenditures. We outlined earlier in the semester that there would be two phases in our budget reduction process, working first through the Budget Council's recommendations, followed by a second phase after final approval of the state budget. I appreciate and am thankful for the Budget Council's thoughtful work to identify some \$15 million in reductions. In this second round, we will rely upon the recommendations of deans and division heads to manage their respective reduction shares as we further decrease our budget by an additional \$16 million.

As with the Budget council recommendations, we will again avoid across-the-board cuts, as they are not strategic nor do they address the differences in revenues produced across units. We also will strive to maintain support of those areas operating at critical levels, specifically those with direct responsibility for student recruitment and retention. Finally, we will strive to achieve a balanced budget with as little job loss as possible.

With those as our top priorities and with our understanding of these totals as of today, we intend to look to the divisions to manage a reduction of \$5.7 million. We will manage the remainder with an approximated combination of \$1.6 million in new revenue and \$5 million in savings through reorganization, attrition and elimination of vacant positions. We also will devote approximately \$4 million of carry forward funds as a final transition year before we fully implement a new budget model in 2019-20. Also, next year our new provost will lead a fully transparent and thorough academic program review to ensure our offerings align with market demand, support the needs of our region and provide the breadth of experience our students require for their future success.

Members of the cabinet and deans are identifying strategies to meet reduction scenarios for each of their divisions. We still need to determine how the performance funding model will affect our total state appropriation, and we are working to fully understand our increased pension obligations for the biennium. We will bring forward a complete and detailed budget reduction plan before the end of the semester.

We are seeing optimistic signs as a result of our efforts to attract more Kentucky and domestic out-of-state students. Our first-time, first-year enrollments are trending positively for the Fall, but we must accelerate our yield strategies and maintain our aggressive and proactive outreach to prevent the melt that reduces the size of our incoming class during the summer months. Our projections on international enrollments, however, appear to follow the national trend of significant decline, and we have substantially more to do to boost retention of current students.

I know this is a difficult process, but the goal is to create a realistic and stable institutional budget so we can position ourselves for healthy, sustainable growth in future years. I appreciate your patience and continued good work, and I am confident we will be a stronger, more focused university going forward.

Finally, this week we welcome three candidates for Provost and Vice President for Academic Affairs. I appreciate the work of the Provost Search Committee to bring these candidates to campus, and I encourage you to take the time to meet with them while they are here: <https://www.wku.edu/academicaffairs/openings/provost.php>. We have important work to do, and the individual we choose to lead our academic colleges and departments is critical to our success.

Best,

A handwritten signature in dark ink, appearing to read 'Timothy C. Caboni', with a stylized flourish at the end.

Timothy C. Caboni