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## UA3/9/7 Current Status of Budget Issues

WKU President's Office - Ransdell

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## Current Status of Budget Issues

Fellow Faculty and Staff:

After several days of talks between Kentucky House and Senate leaders, budget conference committee members were unable to come to an agreement on a final biennial budget as of late last week. Ultimately, the disagreement centers on cuts to Higher Education. House leadership has taken the position that the state pension obligations can be met without cuts to universities, while Senate leaders and Governor Bevin continue to insist that the cuts are necessary in order to make a down payment on pension solvency. Following the failed budget negotiations, the full House and Senate met Friday for the 59<sup>th</sup> day of the legislative session and are now adjourned until April 12, which will be the final day of business for the 2016 Regular Session. As I understand it, leaders could still strike a budget deal and have something prepared for a vote on April 12, but no public talks are scheduled as of today. Should they not pass a budget on April 12, it would be up to Governor Bevin to convene a special legislative session to pass a budget before the end of the fiscal year on June 30 in order to keep most of state government operating.

Soon after budget talks ended on Thursday, Governor Bevin issued an order to reduce the state's quarterly allotments to universities by 4.5 percent. Kentucky Attorney General Andy Beshear indicated on Friday that he will challenge the current year reductions to universities, but as expected, WKU's allotment was reduced by \$3,359,200 when it was received on Friday. This is a one-time draw on our funds, not a recurring cut to our base budget. Given the lateness in the fiscal year and the extraordinary circumstances that would be required of the campus to reduce campus operating budgets that have already been obligated, we have decided that the best course of action is to seek approval at the April Board of Regents' meeting to draw down the University Reserve Fund to carry us through the end of the fiscal year. We will then replenish the Reserve Fund with appropriate non-recurring budget actions.

Much uncertainty remains with the current situation in Frankfort. Rather than speculate on the final outcome, we should remain focused on our students. With only a few weeks left in the Spring semester, our students deserve our full attention.

This is a very fluid and delicate process. I will keep you updated as we learn more and certainly if there is any progress. Thank you for your continued patience.

Sincerely,  
Gary A. Ransdell



Dr. Gary A. Ransdell | President