

April 8, 2016

Governor Matt Bevin
President Robert Stivers
Speaker Greg Stumbo

Gentlemen:

Please accept our thanks and appreciation for allowing us an opportunity to share with you our concerns about higher education funding, and about the longer term challenges faced by the Commonwealth. We have always respected the process of achieving a budget, and the difficult choices our elected leaders need to make on behalf of the best interests of the Commonwealth. When we have been called upon to absorb cuts in our State support in the past, we have always responded responsibly and believed our concerns were fully and fairly considered by the General Assembly and the Executive. This budget cycle is no different. We are acutely aware of the current and ongoing problems you are confronting regarding the two pension systems which serve the majority of state workers and teachers, as well as many of our own employees.

We are grateful for the steadfast support the House majority has demonstrated in proposing a budget without any cuts to higher education. We also recognize that the budget proposals submitted by the Governor and Senate, which do recommend cuts to higher education, are not expressions of animus toward our institutions, but rather, a good faith effort to address the pension systems' finances which, if left to deteriorate, will necessitate even larger cuts in the future.

As citizens of Kentucky, and as stewards of the public's trust and resources, we recognize the substantial damage that would be done to our institutions and to our students in the event a budget agreement cannot be reached. As such, we are prepared to support a compromise regarding higher education funding, and express our willingness to work collaboratively with our elected leaders to develop a model for the distribution of state operating support to our campuses that is tied to campus performance. The details of such a performance funding model, which could be phased in over time, would be worked out through a collaboration among university presidents and the KCTCS president, elected officials, and designated executive branch leaders.

We cannot imagine the circumstance of no budget. Therefore, we are prepared to manage reductions in accord with the Governor's final offer of 2 percent in the current year if it is determined by the courts to be permissible, and a 4.5 percent reduction from the 2015-2016 enacted base in each year of the new biennium. We make this difficult decision based on our trust that you have committed to making new investments in higher education in the following biennium, investments that will enhance our state's economy, and the health and well-being of Kentuckians. Furthermore, we recognize Kentucky State's unique mission and the need to be addressed separately.

We are hopeful that you can work together to resolve these differences, and reach an agreement which attempts to address the myriad of needs experienced by our citizens, and we trust you will continue to support our institutions and their vital role in meeting many of those needs, from job training, to career preparation, and from leading edge research to the direct provision of healthcare.

Respectfully submitted,