



A Message from University of Kentucky
PRESIDENT ELI CAPILOUTO

Dear Campus Community,

On Wednesday night, the Kentucky General Assembly concluded the 2020 legislative session.

The one-year state budget is called a “continuation budget.” In a time of tremendous uncertainty, the economic picture six months – or even two months – from now may well be considerably different than it is today.

In the adopted budget, we essentially receive the same amount of support from the state – approximately \$260 million annually – that we did last year. It is a strong endorsement from the governor and legislators of the work we do. They believe deeply in our importance to our state.

But the assumptions we all made months ago do not hold much weight in the face of a global pandemic that has infected millions of people, shuttered businesses and forced millions more out of work.

We must now craft a budget for UK for the fiscal year beginning July 1. It is, without question, the most challenging budget I’ve been part of in more than 40 years in higher education. Over the next few weeks, we will communicate with you and our Board of Trustees in that process.

I want to be straightforward with you. We will face painful choices and tough decisions. In the midst of so much uncertainty, we know already that we will start 2020-2021 with tens of millions less in revenue than we had last year. Every facet of our community is being impacted. We know that:

- Families and students, understandably, are anxious about their economic standing, making enrollment less certain, even as the kind of distinctive education we provide has never been more important. That uncertainty impacts our projections for classrooms, housing, dining and athletics – all of which creates significant fiscal challenges.
- Our hospital system is operating with millions less in revenue, a consequence of the right decisions to suspend elective surgeries and procedures. As a result, a hospital system normally packed with patients is operating far under capacity.
- Our income from investments – like your savings – has declined significantly as the markets

continue a roller-coaster ride.

Those are the circumstances we face. These are the principles that will guide us:

- **We will preserve the mission we've held for more than 150 years: education, research, service and health care.**
- **The health, safety and well-being of our campus community will always be a top priority.**
- **We will continue, as a priority, a return to safe and normal operations as soon as possible.**
- **As we make budget reductions, we must position UK to thrive when we emerge from this crisis.**
- **At each step, we pledge to communicate with the campus clearly and transparently.**

Finally, please know this: We will not hunker down. Our University has survived and thrived through world wars, recessions, depressions and even another pandemic that closed our doors for more than a month a century ago. We always emerged – ready to lead, committed to serve and still striving for what only Kentucky can do. Together, we will do so again.

Eli Capilouto