



A Message from University of Kentucky
PRESIDENT ELI CAPILOUTO

Dear Campus Community,

Earlier this week, we communicated with you about the scope of the budget challenge we face and some of the strategies we will deploy to meet it.

We also pledged, as part of our guiding principles, to communicate with you often, and in a straightforward fashion, as we work together to emerge from this period of crisis ready again to thrive.

This morning, we began communicating with about 1,700 employees who will be placed on low operational activity/administrative no-pay status for what we hope is a short period of time. Approximately 1,500 of those impacted work across the UK HealthCare enterprise.

The rest work in campus units – UK Transportation Services, UK Dining and UK Dentistry Clinics, where clinical efforts have been suspended in response to COVID-19. We also are closing the Hilary J. Boone Center, a dining and events facility, which will result in a reduction in force affecting seven people.

Additional moves to administrative no-pay status may be necessary in the coming weeks in other units, where work has been reduced because of the ongoing measures being taken to protect the community in response to COVID-19. Whether in health care or on campus, there are a number of units where work has been slowed significantly or has practically ground to a halt. And, in many places, remote work options aren't feasible.

Thus far, UK HealthCare has invested some \$20 million in COVID-related expenses, including drive-through testing capacity and a robust tele-health option for patients. But, as elective procedures have been suspended or delayed, there has been a 45 percent reduction in outpatient volumes and a 34 percent decrease in inpatient visits in April.

As a result, we have to employ what we hope are short-term strategies that will have the long-term benefit of preserving jobs and giving us budgetary flexibility. For some employees, low operational activity/administrative no-pay status may last only a few days; for others, this could be a several-week process.

Under this plan:

- After April 25, employees impacted may elect to use accrued vacation, holiday or bonus leave.
- When those are exhausted, they may transition to low administration activity, no-pay status. They will be eligible to apply for unemployment.
- If an employee is in administrative no-pay status for a full-pay period, UK/UKHC will pay both the employer and employee portion of health benefits premiums for up to 90 days or until the employee returns to work. Sick and vacation time will continue to accrue.
- UK and/or UK HealthCare officials will continue during the low operational activity/administrative no-pay period to look for areas of work that can be performed to bring employees back as soon as possible.

You can read more about this plan, and other issues related to the budget, at www.uky.edu/coronavirus/budget. Thank you for your continued commitment and the sense of compassion that you bring to our mission of service to the Commonwealth.

Eli Capilouto