



A Message from University of Kentucky

PRESIDENT ELI CAPILOUTO



Dear UK Community,

Last weekend, I had the honor of seeing 4,382 students cross the commencement stage. Donning their regalia and gleaming with pride, they were focused on the future.

The UK community is focused on our future as well — the future we are called to forge on behalf of the students, faculty, staff and broader community we serve. Following a year mired in uncertainty, these ceremonies renewed my certainty that our brightest days are ahead of us.

To that end, next month, we will present our FY 2021-22 operating and capital budget proposal to our Board of Trustees. This budget proposal reflects our values and underscores our mission to advance Kentucky through education, research, service and health care. We reflect those values in how we allocate the resources entrusted to us.

Yesterday, my leadership team began briefings with more than 100 campus leaders to discuss key elements of our budget. We also will soon begin briefing our Board of Trustees. I would like to share with you some of the highlights of our proposal, particularly the ways we plan to invest in our most precious resource—our people. Pending Board of Trustees approval:

1. **We will increase the minimum hourly rate for regular employees at the University of Kentucky** from \$12.50 to \$13.75 on July 1 and then to **\$15 beginning January 1, 2022**. Our mission to advance Kentucky is fueled by our people. This is the right thing to do. We are excited to continue investing in those who allow us to do more—and be more—for Kentucky.
2. **We will create new paid leave for staff employees to welcome a new child or care for an ill parent**. In a first step toward expanding our leave benefits, .5 FTE and greater regular staff employees will receive two weeks of paid leave for the birth or adoption of a child. We also will offer one week of paid leave to care for a parent who is ill. Faculty leave is managed through a different process.
3. **We will implement a 2% merit increase**, beginning January 1, 2022. This investment is guided by our continuing effort to reward faculty and staff for strong performance in their work. I'm pleased that this represents the 8th pay increase

for our employees during the last ten years. As the UK HealthCare enterprise operates on a separate salary review cycle, decisions will be made this fall about UK HealthCare employee merit increases.

4. **We will provide a one-time \$1,000 payment.** These one-time payments will be distributed to regular employees, both faculty and staff, who were employed at UK as of December 31, 2020 and will be prorated by FTE. These payments recognize the outstanding efforts and sacrifices our people have made over the past year. These will be distributed in July 2021, and, as with merit increases, these one-time payments do not include UK HealthCare employees.
5. **We will, as promised, resume the 10% employer retirement contribution rate on July 1.** We are pleased to restore this outstanding benefit, one of the most competitive retirement benefits available anywhere, which reflects our commitment to our employees.
6. **Also as promised, for staff in non-health care areas, we will extend the deadline to use accrued vacation time set to expire June 30, 2021, until March 31, 2022.** UK HealthCare operates on a different vacation accrual cycle and is communicating with health care employees about their vacation usage. Faculty vacation also is managed through a different process.

I am happy to share this news, but this does not signal an easy budget ahead. We face continued budgetary challenges related to COVID-19. Thoughtful planning must continue. In the coming weeks, we will communicate more about this budget and how we will work together to protect our collective priorities.

We will continue to share details of how this budget reflects our values, with particular focus on the following five areas:

- The success of our students
- Our willingness to foster greater trust, transparency and accountability with each other
- Our distinctive capacity for innovation and discovery
- The necessity of taking care of our people
- Our fundamental faith in the idea that we are many people, but one community

Together, we have positioned ourselves not only to survive the challenges imposed by this pandemic — but to thrive. I look forward to providing more updates on our budget progress very soon.

Thank you for all you do for this community.

Eli Capilouto
President