



A Message from University of Kentucky
PRESIDENT ELI CAPILOUTO

Dear Campus Community,

We are in the final stages of preparing a proposed University budget for the next fiscal year, which begins July 1. Our Board of Trustees will consider that budget next month. I'm writing to provide additional details about measures we are taking to protect our people and our mission. Here are the details:

No Budgeted Reductions In Force

- Facing more than a \$70 million shortfall, we planned for deeper cuts to create an \$11 million contingency fund that would allow us to confront the inherent economic uncertainty created by the pandemic. Given the state of the economy in Fayette County and the Commonwealth – and our desire to protect our greatest asset, our people – we believe it is time to use some of those contingency funds.
- I'm directing that a portion of the contingency fund we created to help deal with looming challenges be used to ensure that there are no reductions in force as part of our budget. That will save about 100 jobs, which I believe are vital to our work and critical to the economy of Fayette County and the region.

Fewer employees on administrative no-pay than originally projected

- We are moving forward today with what we hope is a temporary move of fewer than 100 additional staff to administrative no-pay status. Previously, we announced some 1,700 employees would be placed on administrative no-pay status because the work simply was not there.
- The vast majority of those moves were to occur at UK HealthCare. Ultimately, approximately 700 took place at UK HealthCare, and many of them have returned to work as the number of patients seeking care has increased.

Investments in Graduate Students

- We are investing more in our graduate students, who do so much to support the teaching and research missions of our campus and who face particular stresses. No current graduate students will lose their assistantship positions due to budget reductions nor will those working on sponsored research projects see a reduction in tuition and stipend support for the duration of the external funding.
- Further, the Offices of the Provost and the Vice President for Research will target \$250,000 to the Student Emergency Fund for graduate student needs. We also plan to

fund an increase in the staff of the Financial Wellness Office to specifically address the needs of graduate students.

These measures protect our people, who are so critical to our mission of putting our students and their success first, while conducting research and providing health care essential to the future of Kentucky. But these measures also are vitally important for our hometown, Lexington and Fayette County.

Consider that UK is approximately 14 percent of the employee base in this county. We represent approximately 18 percent of the county's payroll – the source for most of the funding for essential government services and public safety.

It is not an exaggeration to suggest that our work – and our employee base – is sustaining Lexington's economy as the richness of our community sustains us. During a fraught and tenuous moment, we have a special responsibility to do what we can with our resources to protect this place, to protect our homes and protect our community.

This is who we are. This is what we do.

Eli Capilouto