



A Message from University of Kentucky  
**PRESIDENT ELI CAPILOUTO**

Dear Campus Community,

The economic picture for the Commonwealth of Kentucky remains extremely uncertain and fragile. Bolstering that fact, Governor Beshear's administration recently asked all executive branch cabinets and agencies to prepare 1 percent budget reduction plans for the balance of this fiscal year.

That includes Kentucky's public universities like UK. For our university, it means a reduction of approximately \$2.6 million in our state appropriation on a base of about \$260 million. Such a reduction is even more painful because it has to occur between now and June 30 – a period of two months – rather than being spread out over the course of a full year.

Our plan to meet this reduction is to use existing revenues and fund sources, rather than cut programs or critical initiatives at this late point in the year. Our capacity to do that underscores our longstanding commitment to prudent planning and investing and efficient operations that have generated savings over the last several years. We would typically reinvest those savings. Now, we must use them to help protect from economic storms.

The direction we also received from the state makes clear that officials are preparing for “the prospect of an unprecedented revenue shortfall for fiscal year 2020-2021.” It is the result of the continued economic fallout from the global health crisis we continue to confront.

That is not a surprise to us, of course, as we've been preparing for a budget next year with an anticipated shortfall of more than \$70 million. It's also why we have taken the position that we need to plan for deeper reductions now. Such reductions will allow us to establish a contingency fund that will help us withstand the continued economic shocks still likely to come our way in the coming months.

We don't know what the next year will look like. We only know that it is uncertain. The wisest course is to prepare, as best we can, for a world where there are still more unknowns than knowns.

We also have made clear our priorities and how we intend to fund them. We will continue to invest more money in scholarships and financial aid that students do not have to repay. That's how we ensure access and affordability. And despite some public reports to the contrary, we

also are ensuring commitments made to our current and future graduate students, honoring offers of admission and funding. And, as with other employees throughout the university, we are not increasing health premiums for full-time graduate and teaching assistants.

As College of Arts & Sciences Dean Mark Kornbluh, who supports the largest number of graduate students, says:

***“I am very pleased that the university has made the commitment to honor all commitments of support to existing graduate students, as well as to honor all offers of admission and funding made before March 23<sup>rd</sup>. This is in contrast to many other universities and ensures that our graduate students will be sheltered from the most immediate impacts of this crisis.”***

I know that developments like this one only add to the sense of anxiety and uncertainty that, at times, seem to overwhelm all else. But you have maintained a sense of focus and commitment to this campus community, to our students and to each other. I know that we will continue that commitment as we confront what lies ahead. And that is why I also know that we will emerge from this time, positioned once again to thrive as we continue to serve our Commonwealth and world.

Eli Capilouto