



University of
Kentucky®

FROM THE DESK OF PRESIDENT
Eli Capilouto

Members of the University Community:

Tuesday we talked with our Board of Trustees about our proposed \$3.7 billion [Operating and Capital Budget](#) for 2017-2018.

As in previous years, we developed this budget proposal to align with our University's priorities: maintaining access and affordability for our students; ensuring competitive compensation pay for our faculty and staff; protecting academic quality; and continuing our commitment to a campus defined by belonging.

We are proposing a merit salary pool of 2.5 percent, guided by our continuing effort to reward faculty and staff for strong performance in their work. This is the fifth consecutive year of salary increases. We are able to achieve this and other goals, even in an era of flat state support, through a series of efficiency efforts aimed at pursuing our missions of instruction, research, and service in a manner sensitive to the resources we have. As the HealthCare enterprise operates on a separate salary review cycle, decisions will be made this fall about HealthCare employee merit increases.

In order to balance the aggressive pursuit of the goals embodied in our [Strategic Plan](#) while keeping a University of Kentucky education accessible and affordable, we are proposing an increase in tuition of 4 percent for students from Kentucky and 6.5 percent for students who join us from outside the state. This is the fifth consecutive year of tuition increases of no greater than 5 percent for Kentucky residents. At the same time, we are increasing scholarships and institutional aid by 8 percent. And we are investing an additional \$2.5 million in initiatives aimed directly at ensuring the success of our students.

You can view [a press release with more details](#) on our proposed budget, along with the [presentation we made to the Board of Trustees](#).

We propose this budget during a time when policymakers in Frankfort are making clear that financial obligations of state government — for the pensions of retired teachers and state workers and rising health care costs for so many Kentuckians — are a continuing challenge. Too, tax revenue has not been as robust as predicted. As a result, last week state agencies were asked to reduce budgets by 1 percent in the last month of the fiscal year. The governor exempted, for now, Kentucky's colleges and universities.

The future remains uncertain. But we are financially strong and we are managed well. And because of your hard and smart work and the soundness of our vision for our University, I remain optimistic that our ambitious goals for our University and our Commonwealth are achievable.

Thank you.

Eli Capilouto
President

If you are a supervisor, please communicate this information to all of your staff, especially those without computer access

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