



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

Dear Campus Community,

We all have continually witnessed the economic fragility associated with a country and world impacted so profoundly by this global pandemic. Our university and state are not immune to these economic shocks.

This week, the Governor instructed all state agencies and universities to prepare plans examining how an 8 percent budget reduction for FY 20-2021 (Fiscal Year 2021) would impact our operations. That could mean as much as a \$21 million reduction in our budget this year alone.

The context for this request is an estimated state budget shortfall this fiscal year of between about \$240 million and \$500 million, with the prospect for another round of federal relief funds uncertain at this time.

There is no way to sugarcoat the negative impact a reduction of that size would have on our institution. It would be substantial. I want to make clear, though, that any reductions we may have to make will not include critical investments we have announced in recent months, including:

- The millions in investments we are making toward our diversity, equity and inclusivity efforts generally and those more specifically we are making toward research around racial disparities and inequities, the seed money for the Commonwealth Institute for Black Studies, and additional dollars to assist in hiring a more diverse faculty.
- Resources promised to graduate students for stipends and increasing investments in support services for them.
- The freeze on health premiums this year for our people and our commitment to raise starting wages at UK, beginning this fiscal year, from \$10.40 to \$12.50.

We will keep these promises. They are investments in our people and who we want to be as a community. However, on top of the substantial resources spent on our response to COVID-19 thus far, there would be no way to paper over the pain we would experience if these reductions are enacted.

As we have before, we will be guided by our principles of ensuring our commitment to our mission of education, research, health care and service. Here is how we will move forward:

- As the Governor asked, we will begin working now to document how we would absorb such a reduction.
- When we developed the budget for this academic year, as you may recall, the university created a contingency fund of several million dollars to help us address issues such as the state's uncertain economic climate.
- We also have used those revenues to help with other issues, such as the cap we placed on tuition and mandatory fees and our COVID-19 response. But we have acted prudently, always placing the health, safety and well-being of our campus community first.
- The state must prepare for the worst-case scenario when so much is still so uncertain. We will prepare, too, as we have throughout this pandemic, to act in the best interests of our community.

As we receive more information, we will move quickly to update the campus community. In a time of heightened anxiety, this news can be further unsettling, but we understand well the challenges our state continues to confront. We will think through these issues thoughtfully, with our focus firmly fixed on how we emerge in a position poised to continue our vital work as a community.

Thank you for your continued commitment to that work.

Eli Capilouto