Legislative Session Begins Today: Our Priorities January 7, 2014

Dear Colleagues,

It is my pleasure to welcome you back after a well-deserved winter break. Together, we accomplished a great deal in 2013. However, much work remains as we continually strive to meet our mission of education, research and service.

The Kentucky General Assembly begins their 2014 legislative session this week. In addition to debating many issues critical to the progress of the Commonwealth, legislators will develop a twoyear budget that will include state support for the University of Kentucky.

I have traveled across Kentucky since the last session ended in March, meeting with legislators individually in their hometowns. These visits helped me learn better how our University impacts the people of their districts and to discuss our needs here on campus. In addition, working with the other university presidents and the Council on Postsecondary Education (CPE), a higher education budget recommendation has been delivered to the Governor for his consideration. The Governor will introduce his budget January 21, and the legislature will have until April 15 to make their changes and approve the final budget.

In preparation, we have been making – and will continue to make – a vigorous argument for investment in higher education through operating dollars – the resources we use to help fund instruction, research, and service including salaries and benefits across the campus.

We have a compelling case to make about the critical need for investment in UK and all of public higher education. We are seeking to be the first choice for students in Kentucky and in the region as we provide exceptional undergraduate and graduate education. And we will continue to pursue research and service opportunities that will transform our Commonwealth and world.

Along with our government relations team, I will be a constant presence in Frankfort over the next few months telling policy-makers what you do and the difference you make.

The CPE recommendation also includes requests related to our capital needs:

- State-financed bonds to fund the majority of the cost of constructing a new research facility in proximity to the College of Pharmacy. The facility will provide desperately needed modern research space to help us remain competitive for world-class talent and federal grants.
- State-financed bonds for a portion of a dramatically renovated and expanded College of Law a building long on our list for renewal and one for which we are working to generate considerable private philanthropy.
- State authorization for us to self-finance with agency bonds and other dedicated revenues significant renovation and expansion of our Student Center, continued enhancement of UK HealthCare facilities and a parking garage. The UK HealthCare improvements are necessary to meet the ever-increasing demand for services and will include the fit-out of two more floors of the Pavilion A patient care facility and the development of new neonatal and pediatric care and support space for children and their families.

• State support to address deferred maintenance needs in buildings across our campus.

You may have read recent news coverage suggesting some growth in state revenues as the economy of the Commonwealth and nation continue to slowly rebound. But the truth is our compelling case will compete alongside other compelling needs and obligations. Requests for investment in K-12 education, existing obligations to the state retirement system and the expanding Medicaid system alone can more than eat up the modest revenue increase the Commonwealth is projecting. We will work hard to protect our existing state support and expand upon it; but the Governor and General Assembly face continuing challenges of tight budgets and expanding needs.

Throughout the session, I will provide regular updates on our progress. Despite the challenges, I am confident in the case we have to make and our collective resolve in serving Kentucky. Over the last two-and-a-half years, I have been emboldened by your extraordinary talents and unyielding dedication to our mission.

Sincerely,

Eli Capilouto President