

## UK Budget: Promises Made, Promises Kept

June 11, 2013

Dear Colleagues and Students,

This afternoon, the Board of Trustees overwhelmingly adopted a \$2.7 billion university budget for the upcoming year, which starts July 1.

This budget, however, is more than simply a litany of numbers and huge dollar figures, laid out in an array of charts and graphs.

As a board and as an institution, we have made substantial promises to the Commonwealth we serve and to the students we educate.

This budget demonstrates in strategic detail and with focused clarity that we are keeping those promises.

Indeed, the Board this afternoon strongly endorsed our institution's direction articulated nearly two years ago after months of campus dialogue about priorities and challenges we face as Kentucky's indispensable institution. Simply put, we seek to lead our Commonwealth by investing in our students and in the people who educate them.

Some highlights that underscore that strong direction:

- A 5 percent merit-based pay pool for our faculty and staff at a cost of more than \$20 million. In addition, the University is funding the increase in health premiums for most employees.
- 3 percent tuition and mandatory fee increases for resident students and 6 percent for non-residents — the smallest such increase for resident students in 15 years.
- Investments in safety and technology, investments that will, for instance, allow us to hire more counselors at our student counseling center to cut down on wait times as well as additional police officers on our campus.
- A more than \$1 million investment in eLearning to develop more courses and help with faculty and program development to assist in the transition to an even greater use of technology in the classroom. This investment augments the recent partnership we announced with one of the country's leading educational technology companies, Coursera, to provide greater online learning opportunities for prospective students.
- An additional \$7 million investment in scholarships and financial aid; 85 percent of Kentuckians who attend UK receive financial aid — aid that does not have to be repaid. That continued investment meant that these Kentucky students paid, on average, only about \$1,200 a semester out-of-pocket for tuition and mandatory fees last fall.
- Millions of dollars on facility costs including maintenance and repairs; restoring some funding to our libraries; and, making additional strategic investments in academic departments and units that establish specific performance goals against which their progress will be measured.
- Creating a debt service pool, totaling over \$10 million, which we will utilize to help pay for facilities such as the new Science and Academic Building.

This institution, simply put, is on the move. We have momentum because we are focused on the right things for the right reasons — investing in students, investing in people and investing in the facilities that help make learning, research and service possible. Our inarguable progress, though, is not a reason to rest. We face many challenges — both economic and from those who argue that investment in higher education is an illusory proposition whose promise has long since faded.

We are Kentucky's indispensable institution because we are willing to adapt and change even as we honor a legacy of excellence built over 150 years. Our progress thus far — and the solid foundation we are building together — gives me incredible optimism about what lies ahead for the University of Kentucky. Thank you for what you are doing to make that optimism real.

See Blue.

Eli Capilouto  
President