

University's Proposed Budget Invests in Student Success, Strategic Plan
June 14, 2016

Dear Colleagues and Students:

Today, faced with a new portfolio of complex questions and challenges, the University is intently pursuing priorities that will fulfill our continuing mission as the university for Kentucky.

Guided by the leadership of our Board of Trustees, insight of our faculty and staff, and the principles we share as a campus community, we have crafted a budget proposal, which matches resources to the priorities outlined in our Strategic Plan and is built on the following principles:

- Ensuring student access and affordability;
- Providing competitive pay for faculty and staff;
- Preventing across-the-board reductions;
- And fostering a diverse campus that is inclusive of myriad perspectives, identities, experiences, and backgrounds.

The University's proposed \$3.5 billion FY2016-17 operating and capital budget includes a mix of realignment initiatives; increased revenues and reallocated funds gained through more creative efforts and efficient operations; and additional tuition revenue driven by a larger student enrollment, higher retention, residency mix, and moderate rate increase.

The Provost and the colleges continue to further realign and invest additional resources in student success at the college level and targeted research efforts that are responsive to UK's Strategic Plan. They will continue to communicate progress throughout this multi-step process.

The budget includes a merit pay raise of 2 percent for faculty and staff – the fourth consecutive year of pay raises for UK employees as part of an effort to ensure regular, predictable increases to provide competitive compensation. We are investing in you, so the campus remains a home for the intellectual thought leaders, innovators, artists, and healers of our day.

In compliance with parameters set by the Kentucky Council on Postsecondary Education (CPE), the budget proposes a moderate 5 percent increase in tuition and fees for in-state or resident students, and 8.5 percent for non-resident or out-of-state students. Since Fall 2007, the average out-of-pocket tuition and mandatory fee expense for resident students has increased by only \$364 per semester because of UK's additional investment in student financial aid and scholarships, now up to \$117 million in the proposed budget.

This budget, more than mere numbers, invests in our priorities – the students, faculty, and staff who are part of the UK family and bring the impact of our mission to life for countless individuals. Our budget represents an intentional approach to fulfilling these priorities as a university for Kentucky.

Thank you for all you do to make that possible.

Sincerely,
Eli Capilouto
President