

From: **President Lee T. Todd, Jr.** <BE-President@email.uky.edu>
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Subject: Governor Beshear's Budget Address

Tuesday night I attended Governor Beshear's Budget Address, where he introduced his recommendation for 2008-2010. He has proposed that the University of Kentucky's state appropriation be cut by an additional 12% in 2008-2009 and remain flat in 2009-2010, which equates to \$50 million less in our appropriation each year of the biennium. The Governor warned us a few weeks ago that the tough budget environment would force him to recommend a substantial cut for UK and all of postsecondary education. His recommendation is now in the hands of the General Assembly.

It is very important that you understand three things. First, if the Governor's recommendation is enacted by the General Assembly (and that's a big "if"), it would have a devastating impact on our University. Let's be clear about this - the cuts the Governor proposes would require tough choices with damaging consequences. Because over 75% of our state appropriations are used for salary and benefits, we would have to consider everything - including layoffs, salary and benefit freezes, and program closures - to handle a cut of this magnitude. Our students would face substantial tuition increases, fewer scholarships, and greater personal debt. We have not made any specific plans because we want to see how the General Assembly responds. But we will take some precautionary measures to prepare ourselves in case the budget does not improve substantially. We will be communicating with affected areas about these measures.

Second, you need to understand that the fight for UK's budget is not over - it is just beginning. This is a 60-day process. This is only Day 16. As soon as the Governor finished his speech Tuesday, I started making the case to our friends in the legislature and to the people of our state that any cut in support for higher education - and certainly one of this size - is bad public policy. Our state faces budget challenges today because too many of our citizens are poor and too many of them are sick and too many of them have limited futures. And the only way to change that is to maintain our commitment to building strong universities and especially a strong flagship. It is that simple.

This University can be the catalyst for change because we attack Kentucky's problems - we educate students, improve the health of Kentuckians, and build businesses and create jobs. We know we can make a difference. And we know the General Assembly believes in our work. They acted with boldness and vision two years ago when they funded the Top 20 Business Plan as the mechanism for improving the condition of our Commonwealth. Kentucky's hope for a better future summons them again.

We will work with our supporters in the General Assembly to find ways to build a budget that maintains our momentum. We have a plan for progress and that plan is working. I am confident in our message and in the General Assembly's willingness to help us as much as they can.

Third, the next two months will be full of debates in Frankfort and stories in the papers. It is easy to get distracted by all of that. My job is to worry about the budget and work with the General Assembly to improve the proposed budget. This University needs each of you to stay focused on your responsibilities - the hard work of helping our students succeed in our classrooms and laboratories; doing research that stretches our knowledge and improves lives; and reaching out to families, businesses, and communities across our state. Our argument for state support is made stronger every day because you are working every day to make a difference in the lives of our students and Kentucky's people.

Thank you for that effort.

Lee Todd