



University Senate

Eli Capilouto, President; David Blackwell, Provost; Eric Monday, EVPFA
Monday, April 23, 2018



University Update

State Budget and UK's Short- and Long-term Financial Future

The Essentiality of Tenure

AR 6:2 – Policy and Procedures for Addressing and Resolving Allegations of Sexual Assault, Stalking, Dating Violence, and Domestic Violence



Base State Appropriations

	<u>Governor's Proposal</u>	<u>Enacted</u>
6.25% Base Reduction	FY19: \$16.1m for UK, \$54.3m total	FY19: \$16.1m for UK, \$54.3m total
Performance Funding	FY19: none FY20: 1% of existing base appropriations placed in performance funding pool (\$1.8m for UK, \$7.7m total)	FY19: \$31.0m of the \$54.3m (6.25%) reduction across all Kentucky public postsecondary institutions placed in a performance funding pool FY20: 1% of existing base appropriations placed in performance funding pool (\$1.8m for UK, \$7.7m total)



Programs (Direct Appropriation)

	<u>Governor's Proposal</u>	<u>Enacted</u>
Agriculture Public Service	Eliminated (\$1.8m)	Restored (\$1.8m)
Center for Applied Energy Research	50% Reduction (\$2.6m)	Restored (\$2.6m)
Center for Entrepreneurship	Eliminated (\$613k)	Restored (\$600k)
Hospital Direct Support	Eliminated (\$1.1m)	Eliminated (\$1.1m)
Livestock Diagnostic Laboratory	50% Reduction (\$2.1m)	Restored (\$2.1m)
Mining Engineering Scholarship	Eliminated (\$300k)	Restored (\$350k)
Robinson Scholars	Eliminated (\$1m)	Restored in FY 19 only (\$1m)
University Press	Eliminated (\$673k)	Eliminated (\$673k)



Programs (Pass-through to UK)

	<u>Governor's Proposal</u>	<u>Enacted</u>
Kentucky Transportation Center	Eliminated (\$290k)	Restored (\$290k)
Ovarian Cancer Screening	Eliminated (\$800k)	Partial Restoration (\$500k)
Collaborative Center for Literacy Development	Eliminated (\$1.2m)	Restored (\$1.2m)
Lung Cancer Research/Kentucky Colon Cancer Screening	Eliminated (\$2.2m)	Restored (FY19: \$3.5m; FY20: \$3.3m)
KY Teacher Internship Scholarships	Eliminated (\$100k)	Eliminated (\$100k)
Southern Regional Education Board Doctoral Scholars	Eliminated (\$60k)	Eliminated (\$60k)
Go Higher Grant	Eliminated (<\$10k)	Eliminated (<\$10k)
KHEAA Work Study Scholarships	Eliminated (\$60k)	Eliminated (\$60k)
Teacher Scholarship Program	Eliminated (\$49k)	Eliminated (\$49k)
Professional Development Program	Eliminated (\$50k)	Eliminated (\$50k)
Teacher's Professional Growth Fund	Eliminated (\$50k)	Eliminated (\$50k)
Coal County College Completion Scholarship	Eliminated (\$147k)	Eliminated (\$147k)
Kentucky Pediatric Cancer Research Trust Fund (new)		\$2.5m annually for research and clinical trials at UK/UofL



Capital Authorization

	<u>Governor's Proposal</u>	<u>Enacted</u>
Authorization for UK-funded capital projects	Not included and/or incorrect project scope	Restored
UK HealthCare Disparities Initiative (new)		\$20m in state bonds in FY 19 and FY 20 for Research Building II
Asset Preservation Pool	\$150m pool of state bonds for FY19 and FY20 (\$300m total) for all Kentucky public postsecondary institutions	Eliminated



Five-Year Financial Plan

Undesignated General Funds Budget Proformas, in millions	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Cumulative Total
Total Increase in Incremental Expenses	\$41.2	\$36.8	\$37.5	\$38.2	\$38.9	\$192.5
Net Incremental Revenue Sources Available	(\$9.3)	\$2.5	\$2.7	\$2.7	\$3.0	\$1.6
Funding (Gap) / Surplus	(\$50.5)	(\$34.3)	(\$34.7)	(\$35.5)	(\$35.9)	(\$190.9)
Base Budget Reductions	-8.4%	-5.9%	-6.0%	-6.1%	-6.2%	-32.6%
<p>Assumptions (annual unless noted):</p> <ul style="list-style-type: none"> • No tuition and fee increases • 4,900 first-time freshmen cohorts • -2.9% reduction in state appropriations for FY19 and then flat • 3% faculty and staff salary increases • \$10 million investment in college incentive programs • Inflationary increases in utility costs plus M&O for new research building • \$30 million bonds for facilities projects + \$250,000 M&O 						



Our Path Forward

Facing an estimated cumulative \$191 million funding gap over the next five years, University leaders deployed five concept teams to identify \$8-10 million in net recurring, university-wide savings, and/or new revenues, beginning FY 2018-19.

Each team consists of deans, staff members, a University Senate representative, a Staff Senate representative, and a student.

A 10-member work group, made up of staff members, supports the concept teams in writing business plans for the eight Phase I concepts.



Our Path Forward

Guiding Questions:

What are our opportunities for strategic enrollment growth?

What other initiatives can we implement to increase student success and generate new resources?

Where can we generate more savings in our operations? Are there other sources of savings we can find by working even smarter?

Is there important administrative work that can be shared or support that can be provided in ways that make us more productive?

How do these new initiatives align with our Strategic Plan?



Phase One Ideas

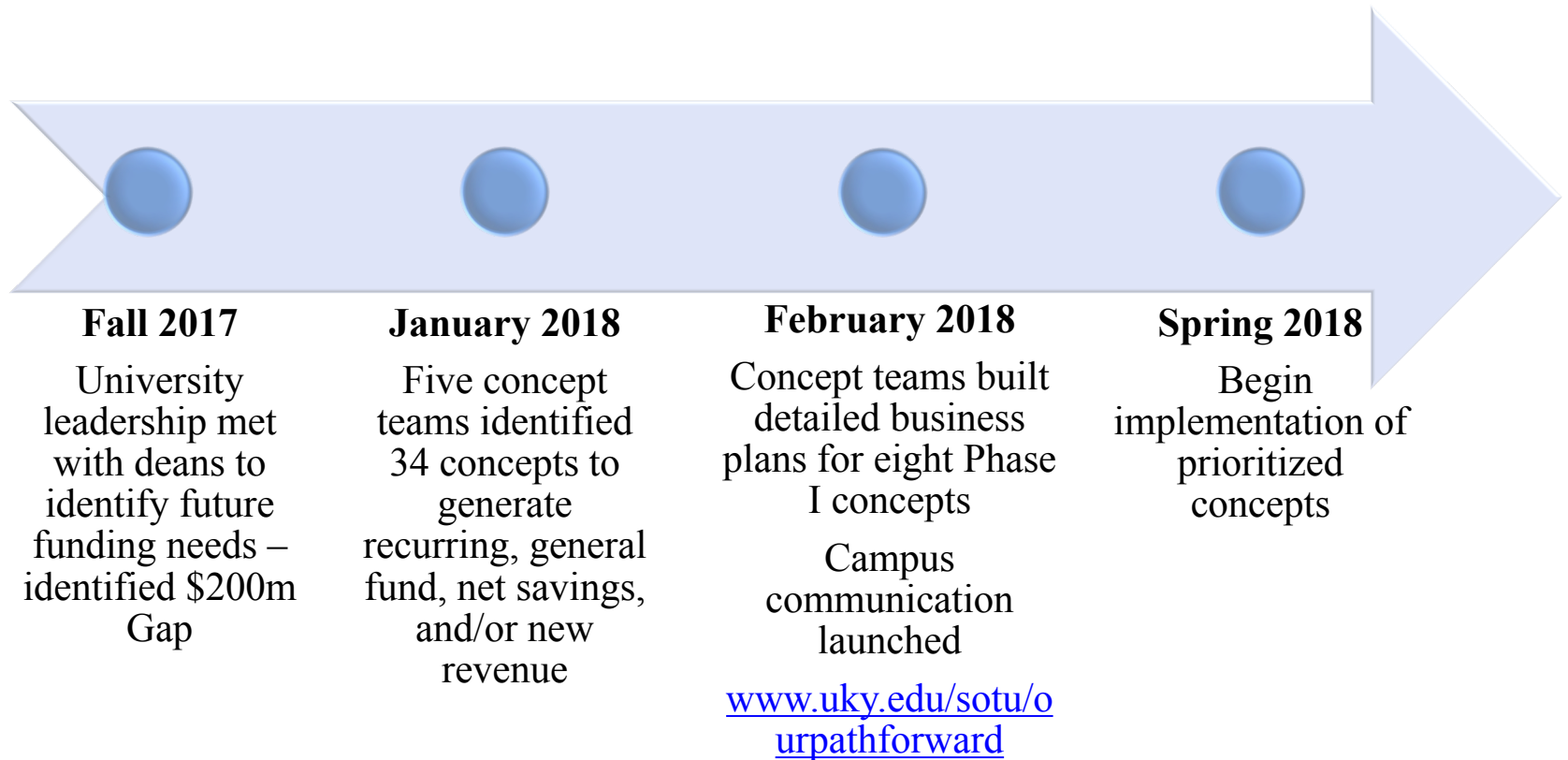
Teams 1 & 5	Team 2	Team 3	Team 4
New Revenues & Structures & Staffing	Other Revenues	Efficiencies & Effectiveness	Outreach & Service

Concepts for Phase One Business Plan

1. Project Graduate & Undergraduate Completer Degrees	6. Intellectual Property	7. Procure-to-Pay	8. Carbon Reduction Program with Nature Conservancy
2. First-time freshman enrollment			
3. Improved Retention			
4. Online Professional Masters			
5. Summer Courses			



Timeline





Tenure

2018-2020 Biennial Budget:

“Notwithstanding KRS 164.230 and 164.360, each Board of regents or Board of Trustees of a state-funded university or the Kentucky Community and technical College System may reduce the number of faculty, including tenured faculty, when the reduction is a result of the Board discontinuing or modifying an academic program upon compelling evidence the program changes are in the university’s or college’s best interest due to low utilization, financial feasibility, budgetary constraints, or declaration of financial exigency. Notwithstanding KRS 162.230 and 164.360, when a faculty reduction occurs pursuant to this section, the board shall provide ten days’ notice in writing to the faculty member or members being removed as a result of the reduction stating the Board’s reasoning. The provisions of this section supersede any and all policies governing the faculty employment approved by a Board of Regents or Board of Trustees.”



Tenure

1915 Declaration of Principles on Academic Freedom and Academic Tenure:

“If the universities are to render any such service toward the right solution of the social problems of the future, it is the first essential that the scholars who carry on the work of universities shall not be in a position of dependence upon the favor of any social class or group, that the disinterestedness and impartiality of their inquiries and their conclusions shall be, so far as is humanly possible, beyond the reach of suspicion.”

April 2, 2018 Message to Campus from the President, Provost, and Senate Council Chair:

“If the current language remains intact, we will determine whether changes to our Governing Regulations are required. If so, the administration and faculty leadership, including the University Senate, will work together to develop changes to the Governing Regulations that would require review and approval by our Board of Trustees. Any changes will maintain our long-shared commitment to academic freedom; and we will ensure that our faculty tenure and retention policies and procedures are transparent and fair, retaining and providing all due process as required by state and federal statutes and the Constitution. Tenure is a vital element in the search for truth and interwoven into the fabric of our University’s work to create and expand knowledge; educate our students; and improve lives in Kentucky and beyond. Our Governing Regulations will continue to embrace that fundamental understanding.”

April 15, 2018 Message to Campus from the President:

“As to the budget language regarding tenure, our position remains the same: tenure is an essential element of the search for truth and the transmission of knowledge; and we will adhere to our Governing Regulations to provide transparency and due process.”



AR 6:2 – Major Changes

AR 6:2: Policy and Procedures for Addressing and Resolving Allegations of Sexual Assault, Stalking, Dating Violence, and Domestic Violence

- Determinations of responsibility (guilt or innocence) will be by preponderance of evidence (50.1%).
- Determination of responsibility will be unanimous.
- Respondent will be able to appeal, but Complaining Witness is not.
- Lawyers can actively participate in all aspects.



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