

President's Report
Faculty Senate
March 2, 2009

I truly regret that my travel schedule for development work has prevented my presence at another meeting of the Faculty Senate. I promise this is not part of a strategy to avoid attendance at your meetings. This is another instance in which the scheduling of an off-campus event important to our fund raising efforts being beyond our control.

We should all be thankful that the leadership of the General Assembly and Governor Beshear agreed on a revenue package that has resulted in what we are told will be a two percent reduction in our current year state appropriation. The Financial Planning Council has proposed, and I concur, that we continue with our planned internal reduction of four percent. I realize that this is larger than the state cut being passed on to us, but I believe it to be the prudent thing to do.

All predictions are for the recession to deepen some more before the economy turns around. While there are no new revenue projections for 2009-2010, the prevailing wisdom is that we will receive another reduction for the coming year. I believe we must do everything we can to prepare for that now, rather than be in a more reactive mode in the new fiscal year. For that same reason, we are continuing our hiring freeze. There are 21 budgeted staff positions that are vacant and for which no searches are underway. Any of these positions that are "captured" will further prepare us for next year.

I am sensitive to the concerns regarding faculty and staff employment numbers. While there are good reasons for staff growth – many of which are directly related to academic support – our first priority must go to the core mission of teaching. Again, attrition and strategic reassignments will be our mode of operations in personnel reductions.

We believe that the Council on Postsecondary Education will approve a tuition ceiling of four percent for resident undergraduates for the state's comprehensive universities when it meets on March 6. We will be proposing tuition rates for all categories of students to our Board of Regents when it meets next on April 24. We hope the net tuition increase will be sufficient to meet the unavoidable fixed cost increases in such things as utilities, benefits, insurance, etc.

There is also a possibility that we may receive some one-time monies through the Federal stimulus initiatives to reduce the impact of a state budget shortfall in 2009-2010, and perhaps 2010-2011. We will have to be very cautious about how these funds – if they are realized – are used so that we do not create recurring obligations from their application. Unfortunately, the building infrastructure funds for education that were in the House version of the stimulus did not survive the House-Senate negotiations.

There are funding opportunities through grants from Federal agencies in the stimulus. A number of those open to higher education institutions to pursue. Dr. Pogatshnik has summary information on which agencies will be receiving grant proposals. Timeliness is of the essence in this regard.

I am finding it very helpful to me and my morale in dealing with these financial hard times to not let them consume my every moment. We continue to work the alumni – development circuit hard. While major gift income is down, we have substantially increased the number of donors. As I told you last month, this postures us well for the future when the economy is better. I have spent a lot of time in Washington and working with congressional staff within Kentucky to build relationships that have already begun to pay dividends. We have increased the institution's visibility and standing in Frankfort, as well. We also have been going about our work to lay the ground work for increased international relationships to provide greater opportunities for our faculty and students.

Despite the challenges, there are a lot of positives in which we can take heart. We have some new facilities under construction that will provide great new capacity of this institution. The Carnegie Foundation recognition of our engagement with our community, region, and beyond and our biofuels initiative have raised our stature. Our Honors Program continues to reap honors (no pun intended). Our Mock Trial team has recently outshone its counterparts from many of the nation's "brand name" institutions. Our Student Alumni Ambassadors have again gained recognition as the very best. Our Chautauqua lecture series has brought us this year a group of speakers of which any institution would be proud. This is not an exhaustive list, by many means, there are points of excellent and pride all over this campus.

Thanks to each of you for all you do to make this a special place.