

TO: The Eastern Kentucky University Faculty Senate

FROM: Senator Michael T. Benson

DATE: May 4, 2018

RE: May Campus Report

Since the April 6th meeting of the Board of Regents, I have charged the Budget Implementation Team with putting in place the approved budget reduction strategies. As they begin their work, a clear direction from my office – and with support from the EKU Board of Regents—is that FY '19 savings from the stated goal of \$25 million in reductions need to be reinvested back into academics. The following strategies represent this position.

Budget Overview

The budget reduction goal for the Budget Advisory Committee (BAC) was \$25 Million. This goal was based on projected increases in pension obligations (KERS and KTRS), state budget reduction, and tuition shortfalls. The table below shows how the projections for these changes compare to actuals.

Budget Advisory Committee Projections vs. Revised Estimates

Budget Category	BAC Projection	Revised Estimates*
KERS Pension Increase	\$10,000,000	\$9,714,000
KTRS Pension Increase (FY19 and 20)	\$2-3,000,000	\$2-9,000,000
Mid-year Budget Reduction	\$650,000	\$650,000
FY19 and FY20 Budget Reduction	\$4,060,769	\$4,060,769
Additional State Reductions	\$200,000	\$200,000
Tuition Shortfall (FY18 &19)	\$4-6,000,000	\$4-6,000,000
Total	\$21-23,910,769	\$21-29,624,769

*NOTES: Estimates continue to be revised as needed. The KTRS increase will not be known until vote by the KTRS Board.

As shown above, the largest differences between the BAC projections and revised estimates is in the KTRS pension increase. The latest information indicates that the KTRS increase will be lower than expected for FY19 but will likely increase by \$9 Million for FY20. The EKU Budget Office has completed an analysis of the approved strategies to determine the impact of those strategies in FY19 and provides an estimated implementation savings of \$13-15M. While House Bill 295 provided temporary relief from the KERS increase, the OSBD letter indicated that EKU’s

increase would be more than \$9 million dollars and it is very likely that ECU will be obligated to pay the increased KERS obligation in FY20.

Strategy Adjustments

Based on an expected FY19 balance of \$1.3 million in the moderate scenario, adjustment of some strategies to minimize impact on the University is prudent, especially as it relates to instruction. With direction from my office to reinvest in academic affairs, Provost Whitehouse is consulting with the Deans and the Implementation Team to identify areas where these dollars should be directed. However, following recent discussions with members of the Budget Implementation Team – that includes members of the Budget Advisory Committee – I have determined that the first reinvestment into academic affairs will be made in the four tenured faculty positions within economics and one tenured position in theatre. The data justifies these positions both in terms of need for support course instruction for various degrees (particularly in economics) as well as general education requirements (especially in theatre).

Provost Search

Following discussion with our search firm consultant, we are prepared to relaunch the Provost Search. I wish to thank Dr. Deborah Whitehouse for her service as the Interim Provost and Senior Vice President for Academic Affairs during a most challenging time. Upon the naming of a permanent Provost during the fall semester, Dr. Whitehouse will have served Eastern for over 34 years and earned a well-deserved retirement.

Dr Shirley O’Brien and Dr. Matt Winslow have agreed to resume their roles as co-chairs of the Search Committee with the membership remaining intact (John Williamson of Model Lab School will serve on the Committee) and the proposed timeline as follows:

September 4, 2018	Best Consideration Date for Interested Candidates to Apply
September 11, 2018	Search Committee to Narrow Down Candidates for First Round Interviews
September 18-19, 2018	First Round of Skype Interviews with Search Committee
September 24-28, 2018	Finalists’ On-Campus Interviews
October 1-5, 2018	Name New Provost & Senior VP for Academics
November 15-30, 2018	Provost & Senior VP for Academics Target Start Date

Jeremy Raines in my office will be the point person for the search process and all inquiries should be directed to him. The posting will be circulated for faculty input and comment within the next few days and we ask for your careful consideration as you review what we currently have listed as the desired qualifications/attributes/experiences of our next Provost. Once this

is completed, the website – with the revised and updated posting – will go live and we look forward to attracting a strong pool of viable candidates.

End of Year and Summer Break

This has certainly been a challenging time for higher education generally and for ECU specifically. But now is our chance to pause and collect ourselves and, hopefully, recharge during the coming weeks after we first celebrate graduation exercises with our students.

In the coming weeks and months, I also look forward to the opportunity engage our campus in meaningful discussions about ECU's future – both within the Kentucky system of higher education and beyond – and hope you will participate in these conversations. More details about how to participate will be forthcoming, but I hope all those who are willing to participate and engage will do so.

Thank you for your continued service to Eastern Kentucky University. I sincerely hope you have a wonderful summer break and I look forward to welcoming you all back in August for what promises to be an exciting academic year ahead.