

Faculty and Staff,

On behalf of the Board of Regents, I would like to take this opportunity to update you on a number of items and issues of importance.

It's no secret that an affordable college education gives students a leg up in life by providing the skills that many of them who come from Kentucky families need for better jobs and wages. However, affordable higher education in the Commonwealth could be quickly slipping away unless we all work and pull together as one family.

At Morehead State University, years of higher education underfunding, shifting demographics, declining enrollments and fewer returning students, coupled with the recent budget cut to all of Kentucky's public colleges and universities have created a \$9.7 million budget deficit for the coming fiscal year that must be addressed. Be assured, MSU is not in crisis; however, we are taking thoughtful, strategic measures to adjust to a changing environment to maintain and ensure long-term sustainability, affordability and quality programs.

There is no way tuition and fee increases alone can bridge that gap, nor should students and their families be asked to shoulder this burden entirely. The key to long-term resilience at MSU and future student success is shared sacrifice and increased efficiency so that we can ensure a quality college education remains within the reach of hard working Kentucky families.

MSU President Wayne Andrews and campus leaders developed a deficit reduction plan approved by the Board of Regents that calls for short-term sacrifices by the entire MSU community. The plan is prudent and demonstrates good stewardship of taxpayer and student tuition dollars. It invests in student success in a way that benefits traditionally underserved populations by requiring us to streamline and focus our resources where they are most needed.

So what have we done? All employees, including administrators, have either taken five unpaid furlough days or will take a one-time salary cut in the coming year. We have eliminated 25 vacant positions and 23 employees were notified their positions would be eliminated at the end of their current contract period. No tenure/tenure track faculty were impacted by the eliminations. Fortunately, the number of impacted staff is lower than originally anticipated because some individuals were able to move into vacant positions for which they were qualified. I applaud the flexibility, patience, and cooperation of the staff during these challenging times. This has been a difficult process for everyone involved, and while we are a family, we cannot ask our students to shoulder costs we are unwilling to shoulder ourselves.

After consultation with the Faculty Senate, the Board of Regents has decided not to eliminate tenured or tenure-track faculty, choosing instead to rely on instructional efficiencies and increased retention efforts to plug the current year deficit that is apportioned to Academic Affairs. PAC's 22 and 26 were removed from today's agenda and will be acted upon at our next quarterly meeting in September. We approved PG-63, which establishes a furlough policy for both faculty and staff, should it be needed in the future.

Quite simply we heard the faculty loud and clear that tenure is an important dynamic in retaining and attracting top professors. We affirm the importance of tenure and academic freedom in education as well as the Board's commitment to maintaining MSU as a comprehensive regional university by offering a robust mix of quality, high demand academic programs, services and experiences that are essential in preparing students for 21st century jobs in a global society.

As mentioned, Academic Affairs has been asked to focus on instructional efficiencies, including effective schedule management, and increasing retention as strategies of choice before turning to other measures. Going forward, however, if these Academic Affairs initiatives do not meet the final objectives in 2016-2017, further budget reduction actions may become necessary. Specifically, should increased efficiencies and retention fail to mitigate the continuing gap of \$1.4 million in Fiscal Year 2017-2018, the Board of Regents will remain true to the Faculty Senate preference not to eliminate tenured or tenure-track faculty, and will instead reduce faculty salaries on a recurring basis to fill the remaining budget gap. There can be no group that is protected from sharing the burden of college affordability.

College affordability is absolutely critical to increasing access to higher education, and working Kentucky families have been responsible for far too much of the shifting burden of higher education costs over the last decade. The burden must be shared by all. By working together to provide Kentucky students a quality and affordable education, we are helping to ensure the future prosperity of the Commonwealth.

President Andrews has announced his retirement at the end of the next academic year, and the Board of Regents has asked him to focus on two primary areas during this time: implement and manage the budget, and address enrollment and retention. He has the full and enthusiastic support of the Board to do so, and we have every expectation he will get the job done, just as he has throughout his tenure. Yesterday, you received an email announcing the membership of the presidential search and screening advisory committee. As I promised when I addressed you at the May 13, 2016 Special Convocation, this group is a broad, inclusive representation of the campus stakeholders. You will be receiving additional information from the committee chair, Mr. Wayne Martin, in the coming weeks.

I appreciate the work you do each day to contribute to the success of our students and to the overall mission of MSU. It is important during these challenging times that we work together and pull together as one MSU family.

Sincerely,

Paul C. Goodpaster, Chair

Board of Regents