

Dear Colleagues,

I would like to take this opportunity to update you on two important issues to our institution: the status of PAc-26 and the Supreme Court decision regarding public university budget reductions.

#### Status of PAc-26

As you may recall, in June the Board of Regents postponed action on PAc-26 to allow for further consideration of proposed revisions. Over the last few months, members of the Board and Faculty Senate met to address specific issues of concern regarding revisions to PAc-26.

While progress has been made in finding common ground between the Board and the Faculty Senate, matters of disagreement continue to persist regarding crucial elements of the revised PAc. To ensure every effort has been made to produce an effective document, the Board has agreed to postpone action on PAc-26 at the upcoming September meeting pending further negotiation. The Board has remanded the current revision of PAc-26 back to the administration and has asked the administration and the Faculty Senate to assemble reconciliation teams that will meet to work on the areas of disagreement. The Faculty Senate has agreed to participate in the reconciliation process.

To summarize, the Board has postponed action on PAc-26, until further notice, to ensure the administration and Faculty Senate reconciliation teams have sufficient and ample opportunity to explore common ground and produce an effective PAc.

I am confident that working together, the reconciliation teams will recommend for approval a revised PAc-26 that meets the needs of all stakeholders. I will keep you informed as the process unfolds. I wish to thank the Board and the Faculty Senate for their continued hard work and due diligence on behalf of Morehead State University.

#### Supreme Court Ruling

Yesterday (Thursday, September 22), the Supreme Court of the Commonwealth of Kentucky announced their ruling that will return \$886,000 in state appropriated funds to MSU. As you know, the mid-year reductions we were faced with complicated an already difficult budget situation given the current economic climate, rising fixed costs, and changing demographics of our region.

The announcement could not have come at a better time for our institution. After several months of trying to address the issue, we recently learned that the existing cooling system in the Lappin Hall Science Building could not be repaired. There are not sufficient capital renewal funds budgeted in the current year to cover the estimated \$1.1 million expense.

I am sure there is speculation and discussion about how these funds could or should be allocated. The fact remains that we continue to deal with the budget deficit in the current fiscal year in addition to unexpected costs that we must address in the near term, including the Lappin Hall cooling system. Therefore, we will be unable to restore funds to our employees that were part of furlough and salary reduction strategies. However, I want to reiterate that there are no current discussions that involve additional furloughs or staff layoffs. Please be assured that we remain thoughtful and strategic in how we approach our needs in this challenging fiscal environment. We will keep you informed as we move forward.

I know the last year has not been easy. We have had to make difficult decisions and sacrifices; however, we have continued to focus on what is truly most important – our students. I am grateful for the work you do each day to improve the lives of those we serve. What you do – and why you do it – matters.

Wayne D. Andrews

President