

Colleagues,

I want to give you several updates as we work on your behalf in Frankfort and on campus with respect to the proposed state biennial budget. The General Assembly is about two-thirds of the way through the 60-day legislative session. The House continues to analyze the Governor's proposed budget, hold hearings to gather information and begin to formulate their response. It is expected that the House's version of the budget will move to the Senate around March 16th. Meanwhile, the Senate has also been gathering information on the budget and holding hearings of their own. I believe our message to "Fund the Solution" is being well received. I am making the case with information and data that higher education is not the problem, we are the solution to the problems and challenges faced by the Commonwealth.

I, along with several members of the senior staff, have been spending considerable time in Frankfort. Last week the University presidents met privately with the leadership of the House and Senate in separate meetings. We articulated our case for the restoration of funds in the Governor's proposed budget. On Thursday I testified before the House Budget Review Subcommittee on Postsecondary Education. Also on Thursday, the CPE President testified before the full Senate Appropriations and Revenue Committee concerning the impacts of the proposed cuts on all of the universities. In addition, I have been meeting privately with members in both the House and Senate. My goal in these meetings is to educate our representatives of the real impacts of the proposed cuts on the lives of our faculty, staff, students, community and the region. I have been very clear that if the Governor's budget is enacted as proposed it will directly impact people, programs and services. If you are interested in more details about information we are sharing with legislators, go to "The Source" on the MyMoreheadState portal and read the piece entitled "Postsecondary Education Budget Fundamentals." It is intended to factually debunk several myths that are discussed in Frankfort and elsewhere.

On campus the Budget Planning and Advisory Task Force continues its work. We have met five times in four hour blocks. Minutes of those meetings can also be found on the MyMoreheadState portal under team sites, along with the Task Force's charge and Guiding Principles. Task Force members have taken their responsibility very seriously. They realize that "everything is on the table" for discussion. Information and data has been presented and discussed on a broad range of topics. Our task is daunting in that the financial challenges we face represent a significant amount of money; approximately 8.5 million dollars. These challenges are the direct result of several factors: 1) tuition shortfall due to enrollment decline (this current year \$2.6 million), 2) cuts to the university's state appropriation proposed in the Governor's budget (\$1.9 million in this current year), \$3.8 million to our base appropriation beginning July 1, 2016 and continuing in the second year of the biennial budget, and 3) the uncertainty of the proposal for performance funding tied directly to our base budget. The bottom line is that even if the cuts proposed by the Governor are reduced or restored in the final budget, we will have to make adjustments to our budget.

Make no mistake about it, your work is vital to our success. Continue to focus on "student success." We must do everything we can do enable our students to be successful. It is our moral imperative. In addition, the more we enable their success through improved retention and graduation rates, the more it helps us financially with tuition revenue.

Finally, I've been asked a number of times about the potential for another "buy out" for faculty and staff. We will not offer a buyout for two reasons. First, buyouts cost the university in the short term

with cash requirements. Second, and most importantly, the retirement systems have really pushed back on the universities and made it nearly impossible for us to offer buyouts from a financial standpoint. I've also been asked about the potential for merit pay increases in the next fiscal year. While I believe many of you deserve such an increase for the exceptional work you perform, the financial reality we face will not permit us to do so.

If you would like to contact your elected officials and encourage them to "Fund The Solution," please go to <http://www.moreheadstate.edu/fundthesolution> (use your personal email address please).

Sincerely,

Wayne D. Andrews

President