

Via Email to nkuall on 12/11/08

Subject: [nkuall] Budget Update: Some Encouraging News!

To: The NKU Community

From: James C. Votruba

I am writing to provide a further update on our anticipated state budget reductions. Recall that I informed the campus earlier this week that the governor had asked each postsecondary institution to prepare a four percent state budget reduction plan. I spoke with the governor's office this morning and learned that Governor Beshear will announce a two percent reduction in state funding rather than four percent. The governor's chief of staff, Adam Edelen, underscored Governor Beshear's belief that education must be Kentucky's highest priority and this is why he has recommended a lower reduction for postsecondary education as well as no reduction in P-12 SEEK funding. Of course, this means that other state agencies will be asked to take much deeper reductions. The governor will also recommend a seventy cent increase in the cigarette tax.

This is very encouraging news for NKU and I applaud the governor for taking a bold and forward looking policy position regarding the importance of education for Kentucky's future. In announcing that the reduction will be lower than predicted, the governor has made clear his hope that campuses will minimize tuition increases in order to protect affordability at a time when Kentuckians are struggling with the current recession. I share his concern and indicated that we will do everything within our power to keep tuition increases as small as possible.

A two percent permanent reduction in our state budget is about \$1.1 million and will be managed using the strategy announced in my earlier email. While we can feel relief that the reduction is only half of what was anticipated, we need to remember that many economists are predicting an even darker state revenue picture in the next fiscal year. With this in mind, we will continue our efforts to increase efficiencies and produce added revenues so that we are positioned to manage further reductions if they occur while also creating the ability to invest in areas important to the university's future.

I am very encouraged by this news from the governor. Much more will need to be done to position the commonwealth in the face of what is likely to be a deep and prolonged recession but this commitment to protect education as an investment in our future is deeply appreciated.

I had begun to feel a bit like the Grinch so I'm particularly pleased to be able to deliver this news as we approach the holidays!

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