

Report to the University Senate, February 2014

Eric Reed, Faculty Representative to Budget Council

The Budget Council met on Wednesday, February 12. Budget Director Kim Reed outlined the potential, difficult financial problems that WKU may face if Governor Beshear's proposed higher education budget cuts are enacted. It is not clear whether the legislature will pass Governor Beshear's proposed budget as it stands. The picture will become clearer in March.

Director Reed explained that President Ransdell's funding priorities for 2014-15 are as follows:

1. Cover the scholarship budget shortfall that WKU is experiencing due to expansion of state-mandated scholarship programs, increased tuition costs to students, and stagnant/declining enrollment;
2. If necessary, cover the \$1.8 million budget cut for WKU if Governor Beshear's budget proposal is adopted by the legislature;
3. Cover fixed cost increases including rising health insurance and retirement system costs;
4. Pay for a modest salary increase across the board.

A portion of the meeting was spent discussing what the ongoing role of the Budget Council should be. It was explained that the Budget Council is meant to (a) act as a bridge of information about the budget from the administration to employees and (b) offer to President Ransdell recommendations on how to spend excess money when state funding to WKU increases. Indu Chhachhi, the other faculty representative to the Budget Council, and I urged the body to consider expanding its functions to include contemplating the "big questions" of WKU's financial future – how to adequately fund our educational mission while enhancing the competitiveness and fairness of WKU's compensation and benefits.

The Budget Council will meet again in March.