

February 17, 2014

MEMORANDUM

TO: Board of Regents
Mr. J. David Porter, Chair
Mr. Freddie Higdon, Vice Chair
Dr. Melissa B. Dennison, Secretary
Dr. Phillip W. Bale
Ms. Keyana Boka
Ms. Cynthia Harris

Mr. Gillard B. Johnson, III
Mr. James Kennedy
Dr. Patricia H. Minter
Mr. John W. Ridley
Mr. Laurence J. Zielke

FROM: Gary A. Ransdell *Gar*

SUBJECT: Legislative Talking Points

Last week, I and the other university presidents presented our concerns to the House Budget Review Sub-Committee on Postsecondary Education, chaired by Representative Arnold Simpson. We were each given about 15 minutes to make our case. The slides I used in my presentation are attached.

In summary, I outlined the problematic cuts that have led us to this point and my disappointment with a proposed cut at a time when we might expect some modest degree of recovery. I also tried to describe the breadth and depth of the overall financial challenge going into the coming budget cycle. This particular presentation was not a time to tout our achievements and accolades. Rather, the intent was to focus on our budget and the more general higher education financial dilemma. Our goal was to seek committee support for removing the 2.5 percent cut while sustaining the positive things in the budget related to KERS funding and capital projects.

I have been in Frankfort a lot in the last couple of weeks. My sense is that we are getting some traction in the House with regard to finding ways to take the budget cut away. My frustration, however, is that if that gets done, there will be some sense of satisfaction that higher education was well served. Even if the cut goes away, we will have no increase in base operating support.

The key, however, for us at this point, is to stay strong with House leadership to remove the cut, and then keep it out when the budget goes to Senate. The presidents meet with House Speaker Greg Stumbo on February 27. That will give us our next important measure of where we stand.

Our communication with legislators will be important when we host the General Assembly on the evening of February 25 in Frankfort. In anticipation of that event, and any other communication you might have with legislators over the next few weeks, I wanted to share with you what I believe are the succinct talking points on which we need to focus our legislative communication. I encourage you to communicate these four points whenever and wherever possible with members of the House and Senate in the days ahead, including our event on February 25.

- 1.) Eliminate the 2.5 percent cut to higher education. This would mean \$1.8 million that we would not have to cut from our budget next year.
- 2.) Sustain the KERS financial support for the universities. This would mean \$1.3 million we would not have to cut.
- 3.) Fund state-bonded capital projects. WKU's project is a \$48 million renovation of our primary science building.
- 4.) Support a \$2 million addition to the Gatton Academy budget. This will allow us to grow from 120 to 200 students in the Gatton Academy.

There are two other thoughts that may come up in conversation, so the following thoughts might be helpful.

The Bucks for Brains funding is pertinent to us, as our share of the Bucks for Brains pool is about \$2.5 million. The total amount (\$60 million) is part of the bonding portfolio and may be expendable, particularly in the Senate, as the Senate looks to reduce debt obligations in the budget. I did not include this among our particular talking points, however, as UK and UofL are the primary beneficiaries and will carry the water on the particular matter. On the other hand, the KERS support and the Gatton Academy funding do not affect UK or UofL, and are, therefore, key to our talking points. If asked, express your support for Bucks for Brains, as we do not want to come across as being opposed to it. Likewise, we do not want UK or UofL to oppose the KERS or the Gatton Academy funding.

We have suggested to House leadership, and we will do so when the budget reaches the Senate, that we will defer our two agency bond projects (Parking Structure—\$11 million, Preston Center Expansion—\$20 million) until the next biennium. This is a good faith effort on our part to be the first university to offer a compromise to get the total state debt proposal to a smaller number. While this is a relatively small offering in the total agency bond proposal, it does represent our willingness to sacrifice something for the good of the whole.

These are our legislative talking points. Please put on your Regent's hat and communicate with legislators that you know. Let Robbin Taylor or myself know if you have questions, thoughts, or get any feedback—good or bad—from legislators with whom you communicate. Thank you.

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Attachment

xc: Ms. Robbin Taylor, Vice President for Public Affairs
Ms. Julia McDonald