

University of Kentucky cuts workforce, hikes tuition

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The University of Kentucky laid off 140 people, 1 percent of its workforce, this week. Cautioning that it was only an initial round of more cuts, the Board of Trustees approved the “gut-wrenching” measure on Tuesday by a 17-2 vote. The layoffs are the most severe in the university’s history.

The University of Kentucky is Lexington’s largest employer. It employs approximately 2,500 faculty, 9,000 staff and an additional 3,000 employees that work for UK Healthcare.

UK students and workers are being made to pay for a \$43 million budget shortfall by raises in tuition and job cuts. Aside from the job cuts, the university also raised tuition by 6 percent for the 2012-2013 academic year, which is the maximum allowed by the Council on Post-secondary Education, to compensate for the shortfall. Tuition is expected to rise again in the 2013-2014 academic year by at least 3 percent.

The cuts are of a piece with the multitude of austerity measures taking place in the state, across the country, and indeed, the world over. Kentucky students are generally low-income and rely on loans and ever-diminishing grant aid. The state ranks first in the nation in the student loan default rate, in large part because students graduate with high debt loads into a poor job market dominated by low-wage industries.

Like UK, other universities in the state are implementing job cuts and raises in tuition. The University of Louisville, which is laying off some two dozen employees, is raising tuition by 6 percent. Kentucky Community and Technical College System, which operates 16 colleges with 68 campuses across the state, is expected to raise tuition by 4 percent. A further 5 percent increase was granted by the Council on Post-secondary Education earlier in the year for regional schools.

According to *Lexington Herald-Leader*, the off 65 workers in 18 colleges, 38 from UK Healthcare and 27 who worked in administrative and support units such as IT, human resources, the art museum and institutional diversity. Information on the last 10 workers was not available. The average age of laid-off workers is 48, with an average 10 years of service at the university. Nine employees were laid off within one year of retirement.

UK workers should anticipate wage freezes or cuts, and a further reduction in its workforce beyond that which has already been implemented. UK has lost \$50 million in state funding since 2007. President Eli Capilouto’s budget proposal has cut both administrative and academic units, with more cuts expected in the next two years. Furthermore, remaining faculty and staff will not get a raise in the 2012-2013 academic year.

Aside from job losses, UK is also closing facilities. The Eden Shale Research Farm in Owen County is scheduled to close. The farm’s research focuses on beef cattle, forages, horticulture and switch grass for biomass production. It has been an invaluable asset to area farmers. Established in 1955, the farm was purchased by the university as a result of requests from farmers who sought to address the unique challenges of farming in the area. Five people will lose their jobs at the farm.

Capilouto cynically emphasized that the across-the-board cuts were “measured steps” that included the layoffs and further eliminated 164 vacant positions.

“Many people have characterized these as across-the-board cuts. They’re not,” he said. “They were planning targets. We thought it was simply unfair to spring on our faculty and staff a formulaic approach that had not been widely discussed.”

Capilouto characterized the staff cuts as a necessity, in part, to continue paying faculty “competitive salaries.” He phrased the possibility of cutting faculty pay as “extremely demoralizing,” essentially attempting to pit worker against worker. However, UK faculty could face the same future amidst the global financial crisis. Capilouto has suggested that more layoffs could be anticipated in January 2013.

The president also stressed that the new budget will improve undergraduate education and build new classrooms. It is unclear how undergraduate education will be improved with increased tuition for students and a 1 percent decrease of staff. Furthermore, Assistant Provost Richard Greissman stated that some of UK’s 100 lecturers could be laid off by the end of the 2012-2013 academic year.

“The problem is we don’t know how deep the cuts will eventually have to go,” Greissman said. “So we’ve established a contingency, then we’re saying we hope we don’t have to avail ourselves of it. We stand by the president’s message that we will do everything we can to make sure we don’t compromise the teaching.”

UK’s finance committee chairman James Stuckert stated that he felt “sorry” for the dislocated workers, but continued by adding, “Progress is not easy. But we must change our direction. We’ve got to do it.”



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