Colleagues,

As we begin spring semester and start the final six months of the current fiscal year, we have reassessed our current budget status and potential future funding. Unfortunately, the economic news as it relates to the State budget is not positive. Overall, revenues through November continue to lag behind current budget needs and a large portion of the current budget is being funded from stimulus funds which will not continue into the new budget year. After consulting with senior leadership, I believe it is in our best interest to implement the following spending guidelines for the remainder of the current fiscal year.

One of our major goals is always to do whatever we can to preserve our most important resource, our employees, so that we can continue to provide the best possible service to our students. Therefore, I am directing that the various divisions take a series of actions to position the University to weather the continued economic downturn.

I know that these types of actions create real hardships and raise a great many questions. To the extent possible, I have asked the Provost and Executive Council to be flexible in addressing true needs. Please work with your Provost, vice chancellor or the Chief of Staff as appropriate should there be a situation that needs to be addressed. Thank you very much for your understanding and for your assistance as we all struggle with this economic situation.

Proposed Spending Guidelines for Remainder of FY 09-10

In preparation for possible additional statewide budget reversions and to assure adequate funds for completing critical campus-wide budget commitments the following actions are being implemented effective immediately through June 30, 2010.

Hiring: All vacant positions are frozen until July 1, 2010. This includes positions that have been released for recruitment. If an offer has been extended we will honor the offer; however, if a search is underway then it should be suspended. Exceptions to this freeze must first be reviewed and endorsed by the Executive Council and submitted to the Chancellor for final approval. Non-state funds are not subject to these spending guidelines; however, budget managers are asked to carefully assess the revenues for the current fiscal year to assure a balanced budget. If you have questions about the funding source of your position, please contact the University budget office.

Purchases: Departments should limit the inventory of supplies and materials to no more than one month's supply. New subscriptions, memberships and contracted services not essential to current operations may not be processed. Each purchase request should be closely scrutinized as to whether it is essential or whether it can be delayed until the new fiscal year. Transactions involving the P-Card will be honored as long as transactions are limited to essential purchases. You may receive additional information from the Provost, vice chancellor, Chief Information Officer, or Chief of Staff who may wish to clarify the parameters of the spending freeze within this general principle.

Equipment: The approval of all equipment purchases must be authorized and approved by the Provost, vice chancellor, Chief Information Officer, or Chief of Staff. Equipment purchases will be limited to the replacement of obsolete or inoperable equipment and purchases must be within the current funds available in equipment budgets. Budget revisions to realign other non-salary lines to equipment lines will not be approved unless authorized by the Chancellor.

Travel: Requests for travel authorization must be approved by the Provost, vice chancellor, Chief Information Officer, or Chief of Staff. The State Budget Officer has suggested restricting travel to the maximum extent possible. In situations where we have sent multiple representatives to the same professional meeting we will now limit attendance to a single representative (to the extent possible) and expect that person to train others when he/she returns. Travel that is necessary to retain licensure or other credentials as required by the university will be approved. Faculty travel for presenting papers at professional meetings is appropriate. Out-of-state travel will be limited to a minimum and out of country travel will only be authorized when required to support an academic program. We will continue to encourage the use of teleconferences and video conferences as the preferred methods for meetings with General Administration and other state agencies.

I want to make clear that I fully understand the importance of travel to professional meetings, especially for untenured faculty members who are appearing on a program. To the extent possible, we will continue to support this travel.

We have already begun to receive inquiries from the State Budget Office about campus cash flow requirements. You will remember that last year all expenditures required prior approval by the State Budget Office and were tightly controlled because of cash availability. At this point, these budget actions are being initiated at the campus level; however, they could become directives of the Governor if overall state revenues do not improve. If by chance the December revenues exceed expectations and the State relaxes current budget reversions, then we will reassess these guidelines.

Proposed FY 10-11 Budget

The General Assembly will return in May 2010 for their short session; therefore, budget actions related to the FY 2010-2011 budget will not be finalized until late spring or early summer. A tentative budget has been approved; however, it is subject to modification based upon revenue collections in the current budget and overall state and national economic conditions. Even though the official session does not begin until May, the various legislative committees are at work and making numerous requests for information.

Under the current FY 2010-11 budget we anticipate new funding for enrollment growth; however, we also anticipate additional budget reductions leaving some uncertainty about whether the overall FY 2010-11 budget will be more or less than our current budget.

At this point, we will not make any commitments against potential new funding in FY 2010-11 unless approved by the Chancellor based upon a request submitted by the Provost, vice chancellor, Chief Information Officer, or Chief of Staff. All requests must also include a plan

for funding the action from existing funds in the event new funds are not available. This includes recruitment for new faculty positions. The Provost will work closely with the deans to develop a FY 2010-11 staffing plan within the current faculty position budget. I am very aware of the impact of enrollment pressures and will encourage the Provost and deans to make that a major priority.

We will continue to provide regular updates to the campus as more current information becomes available. If you have questions, concerns or suggestions, please direct those to the appropriate senior administrative officer in your division. Thank you for your continuing patience as we work through these most difficult budget times.

Please share this information with persons in your division who do not have access to email.

John W. Bardo