State Budget Shortfall Announced

With the continuing turmoil in the economy, it remains clear that we must continue to exercise diligence as we approach the budgeting process for next year. In today’s issue of *The Kansas City Star* the budget adviser for Governor-elect Jay Nixon says Missouri is heading for a $340 million shortfall in the current fiscal year, due to the recession. At this time we are uncertain what the implications of this will be for UCM, but we are taking proactive steps, including the recently instituted “soft” hiring freeze. As part of this process, I have asked the Salary Review Committee to review all requests to fill permanent positions.

As we move forward, we should all look for opportunities to reduce unnecessary spending during the remainder of this budget year. Taking advantage of these opportunities now enables us to be more strategic in the coming year. In late January 2009 the governor will submit his 2010 budget to the legislature, which will give us better guidance on the anticipated level of state support for UCM. Initial guidance from the Missouri Coordinating Board for Higher Education indicates a reduction in our base may occur, which makes our current planning even more important. We, along with other state agencies, were asked yesterday by the legislature to develop generic scenarios for potential reductions in our 2010 fiscal year state base budget of 15, 20 and 25 percent.

As we approach this planning exercise, which must be completed by Dec. 18, our message to the state will include a reminder of the value of higher education for Missouri. The future of our state depends on an educated work force to serve as an engine for social, cultural and economic development. While we don’t know what the reality will be, we are working to maintain maximum flexibility as we develop the process to create next year’s budget. Once we have clear direction from the state, we intend to conduct a campus-wide dialogue as part of the budget process. Above all, it is imperative that we remain strategic in our decision-making, even as we address short-term issues, so that we can ensure the highest quality learning environment possible.