



UNIVERSITY OF MARYLAND

Main Administration Building
College Park, Maryland 20742
301.405.5803 TEL 301.314.9560 FAX

OFFICE OF THE PRESIDENT

MEMORANDUM

To: Vice Presidents
From: C. D. Mote, Jr.
Re: FY 2010 Budget Actions
Date: April 30, 2009

A handwritten signature in blue ink, appearing to read "C. D. Mote, Jr.", is written over the "From:" and "Re:" lines of the memorandum.

The Governor and Legislature have demonstrated their strong support for higher education in FY 2010, including efforts to ensure affordability through a freeze on in-state undergraduate tuition and modest increases in nonresident undergraduate and graduate tuition. However, given the severe economic downturn in the State, they could not fully fund our anticipated FY 2010 expenditures. To balance our budget, we must reduce our spending.

Among the FY 2010 expenditures that are not fully funded are inflationary increases in health benefit costs. In addition, we have increases in debt service, academic commitments and other obligations that need to be met. Taken together these increases are greater than the funding we will receive, leaving a deficit in our State-supported budget.

Overall, we must reduce our State-supported budget, adjusted for certain items, by 2.5% for a total of \$12.2 million in FY 2010. Unfortunately, we cannot allocate the deficit across the board in all areas. For example, we cannot reduce salaries, fringe benefits, debt service, public safety, library collections, fuel and utilities, and financial aid. *Enclosure 1* shows your responsibility area's share of the \$12.2 million budget reduction. The Office of Budget and Fiscal Analysis will send out detailed instructions regarding the reduction to your business officers separately.

Given continuing economic uncertainties, I also ask that you reduce nonessential expenditures wherever possible for the remainder of this fiscal year and in FY 2010. I realize that budget reductions and other expenditure containment initiatives have presented significant hardships to your operations and greatly appreciate your efforts to help the University meet this challenge.

CDM:tgb

Enclosure 1 – FY 2010 Working Budget – Budget Reduction by Major Responsibility Area