



January 13, 2009

To: Chancellor Brady Deaton
Chancellor Leo Morton
Chancellor John Carney III
Chancellor Tom George
Vice President Gary Allen
Interim Vice President Steve Graham
Vice President Steve Knorr
Vice President Nikki Krawitz
Executive Vice President Gordon Lamb
Vice President Mike Nichols
Vice President Rodriguez
Chief of Staff David Russell
Associate Vice President Cindy Pollard

From: Gary Forsee, President

RE: Expenditure reductions

Difficult budget decisions continue to confront us. State revenues continue to be below expectations for 2009, and revenue projections for 2010 are substantially off previous projections. While we are still unsure what, if any, 2009 mid-year withholdings will be required by the state legislature or the outcome of our 2010 budget requests, it is apparent we need to be extremely cautious in our resource use.

In November, I announced a system-wide hiring freeze, and I asked the chancellors to work with their campuses to review and prioritize all lines of expense. Consistent with that request, I am now directing we severely curtail all other expenses between now and July 1, 2009. Cost savings from these non-personnel expenditures may reduce the impact on personnel expenditures and our workforce. In order to reduce expenditures without putting the university at risk, management will need to exercise judgment in deciding what to eliminate and what to allow.

The expectation is that the university will significantly reduce expenditures in each of the categories listed below:

- In-state and out-of-state travel.
- Business meals and refreshments for meetings involving university employees only.
- Marketing and advertising using outside vendors except in circumstances where it has a direct impact on the ability to generate future revenues for the university.

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- Publishing/printing/reproduction (copy services). Electronic documents and web postings should be used in place of hard copies especially in the case of multi-color annual report-like documents produced by departments, campuses and/or programs.
- Supply purchases, particularly those not under university supply chain agreements.
- Non-capital equipment purchases, such as desk top computers, except those needed for direct instructional or research purposes.
- Professional service and consulting contracts except those that could impact the generation of future revenues.
- Non-capital expenditures for maintenance and repair and minor renovation, unless required for life safety purposes.
- Non-capital expenditures for vehicles and furniture.
- Employee dues to professional associations and other organizations. Payment should be made by the individual not the institution unless membership is a job requirement. This does not apply to university memberships to professional organizations.
- Employee training other than that which is required directly for the position.
- Position reclassifications; mid-year promotions; mid-year salary adjustments.
- Employee overtime whether paid as additional salary or compensatory time off.
- Employee recognition events.

In order to determine our progress in achieving the intended outcome of significantly reducing expenditures, we need to monitor progress closely. We will be doing this at the system level but also expect each campus to provide feedback on the outcome of these directives in a timely manner. This will allow us to determine what additional steps may need to be taken to respond to the state's revenue situation and related budget directives.

As previously indicated, I expect each campus/staff unit to identify areas of restructuring and changes to how we approach our mission that are independent of any statewide reductions. There have been separate instructions in this regard but I want to insure our planning continues to focus on this dimension. It is time for us to step up to broader "reform" issues, however each entity may define those issues.

My expectation is that you will distribute this memo widely on your campus, along with any campus-specific implementation guidelines, as it will be done at the system office, and that this be completed by this Friday, January 16, at the latest. Managing our way through these difficulties requires everyone's cooperation. I appreciate everyone's hard work and individual efforts on behalf of the University of Missouri.

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c: University of Missouri Board of Curators