TO: Faculty and Staff

FROM: Tom George, Chancellor

RE: Expenditure Reductions

DATE: January 22, 2016

On Friday you received an email with an update on our budget situation and a link to a web site with more information. I am sending this note to further stress the need for UMSL to create a sustainable budget and to request your help in reducing our deficit during this fiscal year.

I cannot over emphasize the importance of this request. Largely due to lower than anticipated enrollment, we are burning through millions of dollars in reserve funding. Continuing to operate in this manner is not sustainable.

Last fall, we implemented a hiring freeze to control current and future commitments. We have expanded the types of positions to which the freeze applies and have tightened the criteria for and process to secure a waiver. Prior to requesting a waiver, we are asking that all other options be explored, including reducing nonessential services and collaborating with other university areas. Use of contractors and temporary positions will get similar review. Use of consultants in general should be suspended where possible.

Between now and July 1, 2016, I am directing you to review your activities and to make dramatic reductions. Cost savings from these non-personnel expenditures may reduce the impact on personnel expenditures and our workforce.

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

- In-state and out-of-state travel that is not directly related to income generation.
- 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.

- 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 desktop 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.
- Employee training other than that which is required directly for the position or is mandated for licensure and/or compliance.
- Position reclassifications; mid-year promotions; mid-year salary adjustments.
- Employee overtime whether paid as additional salary or compensatory time off.
- Employee recognition events.

As you make decisions about what expenditures to cut, consider the following:

1. Carefully evaluate if there will be a negative impact on the ability to generate revenue for the university.

2. Avoid any cuts that could directly affect safety of UMSL employees or students or that jeopardize state or external
compliance operations, and then only after thorough analysis.

3. Carefully evaluate where there could be a direct and clearly damaging effect on instruction.

Managing our way through these difficulties requires everyone's cooperation. As we face these challenges, we must do so without compromising our primary responsibility to deliver a quality education to our students.

I greatly appreciate everyone's hard work and individual efforts on behalf of UMSL.