



## **A Message from Chancellor William E. Kirwan to the USM Community August 26, 2009**

With the national recession continuing to weaken Maryland's fiscal situation, the Board of Public Works today approved Governor Martin O'Malley's recommended cut of \$454 million to the state's FY 2010 budget. The University System of Maryland's share of the reduction includes a transfer of \$20 million from our fund balance to the state. It also includes a \$10 million reduction to our state-appropriated funds, which will require eliminating vacant positions as well as decreasing funds for facilities renewal, student financial aid, and student services.

In addition, the statewide budget action includes *temporary* salary reductions (for FY 2010 only) for state employees. For USM, this action totals \$26 million, which we will accomplish through a tiered furlough plan and other salary adjustments. While we are still formulating details, I am confident that our actions will mirror the approach we took last year to mitigate the impact on employees at lower salary levels.

This latest round of cuts to our FY 2010 budget, following the \$37.7 million reduction announced last month, brings USM's total FY 2010 reduction to nearly \$94 million.

Fortunately, state officials have granted USM flexibility in handling the reductions. Our ability to use our fund balance, while maintaining it at a level needed to protect our financial stability, is allowing the university system to mitigate somewhat the impact of the reductions.

However, there is no escaping the fact that these cuts—especially the *temporary* salary reductions and decreases in student aid—come at a very difficult time for our employees and the students we serve. While we understand that the university system must share in the sacrifices being made statewide, these reductions will be painful for individuals and a challenge for the entire university system as we work to advance access, affordability, and excellence.

Please know that the USM Board of Regents and leaders across the system appreciate all that you do on behalf of the state's public higher education system. Your dedication and commitment have helped to position USM as a national model of excellence, effectiveness, and efficiency. As a community, we will get through these tough economic times.