

With all of the focus in the news on the global economic downturn, it's important that we keep sight of our strengths. At MUW we pride ourselves on providing a quality academic experience at an affordable price. That affordable price has attracted many students to our institution this summer, resulting in enrollment growth of 13.76% over last summer. Also, MUW remains a major employer in the area and we continue to attract federal funding, much of which works its way — through our paychecks, our students and our vendors — into the local economy. With the federally funded exterior painting of Callaway Hall, state-funded HVAC project in Kincannon Hall and fire suppression in Goen Hall, and the upcoming repair and renovation of Poindexter Hall, we continue to help the area's construction industry.

But we cannot pretend that the economic storm has bypassed the university. We began the current fiscal year (FY 2009) with a loss of \$136,283 in appropriations that were reallocated in accordance with IHL's funding formula. Over an extended period, we may lose over \$4 million to rebalancing, a 26% reduction from the FY 2008 level of funding. With the state's revenues not meeting the budget estimate, our appropriations for FY 2009 were further reduced over 5% from the original budget. While federal stimulus funding should provide us with relatively level appropriations for the fiscal year beginning July 1, 2009 (FY 2010), our costs continue to rise. The state's budget is projected be very tight for at least the next three years, and there will be much competition for funding. The IHL Board did postpone additional re-balancing of appropriations for FY 2010, but *they remain committed to reallocating resources to reward those institutions that have experienced enrollment growth*. Also, as an institution, we must be even more sensitive than ever to the possibility that the financial circumstances of our students and their families will change during the course of their education at MUW.

We have not been idle in addressing these challenges. Some areas have postponed searches for positions. Some are leaving staff positions unfilled. The Resource Planning Taskforce has made recommendations for more efficient scheduling, better technology planning, and sustainability initiatives. We have adopted new money-saving energy conservation programs, and we even shut down a few days over last year's winter and spring breaks. Many of you submitted your ideas for potential savings in our online budget survey. It will take our collective efforts to keep expenses under control, and to maximize our revenues. Our priorities are to preserve our excellence in teaching, and to preserve, to the extent that resources allow, our most important resource: our employees, both faculty and staff.

There will be no salary increases in fiscal year 2010. Exceptions will be considered by deans and directors only if necessary to recruit or retain key talent, to reward faculty in the tenure and promotion process, or to compensate staff for assuming additional responsibilities as a result of implementing more effective business practices, or if the increase is directly related to new revenues such as research grants.

While this is a time of serious challenges, it is also a time of important opportunities. We will aggressively recruit students, both at home and abroad, and we will expand our online offerings through the Global E-College. There are other opportunities we should seize as well, including improvements to our business practices that increase efficiency and eliminate unnecessary expense. Your full participation in these efforts is appreciated.