
From: UMSL Communications
Sent: Tuesday, April 14, 2020 11:00 AM
To: UMSL Faculty; UMSL Staff
Subject: UMSL Budget Planning Update

Sent on behalf of the Office of Finance and Administration

Dear Faculty and Staff,

As indicated by UM System President Mun Choi and the chancellors [this morning](#), our universities are facing a period of significant financial constraint that will require us to take bold actions to become a stronger academic institution in both the short- and long-term. Although the severity of the economic challenge and duration of the public health crisis are not fully known at this time, we have quickly [adopted systemwide measures](#) to offset short-term costs and must now prepare to mitigate the long-term financial impact of COVID-19.

Each university has been asked to develop contingency plans for financial reductions to address the FY20 deficits and to also work toward a revised FY21 budget by June 7. At UMSL, I have asked our deans and unit leaders to work closely with their business managers to develop budget reduction scenarios for potential cuts ranging from five to 20 percent. It is important to emphasize that we cannot rely on reserve funds to solve what may be a permanent budget reduction. It is also important to share that the financial challenges we face will not be addressed with across-the-board cuts. Instead, during this process, we will remain focused on the priorities established by the president and chancellors:

- Ensuring our students receive a high-quality education
- Supporting retention and recruitment of our students
- Continuing sponsored research and scholarship, especially related to the public health crisis and precision health
- Supporting the university's response to the public health crisis and other engagement activities
- Supporting activities that grow revenues for the university

Like all higher education institutions in the United States, we are in a very difficult and unprecedented situation. While UMSL has faced budget challenges in this past, the unknowns associated with the pandemic could cause significant financial challenges for our university well into the future. It is unfortunate, but we know that there will be difficult decisions to make in order to continue our operations.

As President Choi and the chancellors noted, this will require several options to be considered including layoffs, unpaid leaves, restructuring, strict cost containment and other measures. However, there are many ways to approach a balanced budget and our community is encouraged to share suggestions for financial and operational improvements with their unit leaders.

To help meet our financial constraints, top leaders are taking a voluntary 10 percent pay cut over the coming months. We are also asking those who may be contemplating retirement to consider doing so now, and we encourage those who can do so to take voluntary unpaid leave. Although we know these

steps cannot shield us from other measures that may be necessary to preserve our university and mission, these efforts will help as we develop sustainable budget plans.

I have asked budget holders to review every aspect of the university when considering budget reduction scenarios. Budget scenarios should be completed by May 8 at which time campus leadership – including consultation with the University Assembly Budget and Planning Committee, Student Government Association, Provost’s Council and UMSL’s Executive Policy Group – will discuss the reductions that will be made based on our core mission and priorities. Of course, given the uncertainty of the situation, we will continue to maintain a 60-90 day planning timeline and will revisit the FY21 budget and adjust as circumstances change.

As Chancellor Sobolik noted last week, this is not just a reaction to a recent cut in state support – but an effort to determine the best way forward from the overall financial stress and ongoing operational safety concerns caused by the COVID-19 pandemic. With immediate and informed action, I am certain that we will emerge from this with our core strengths intact and a better pathway forward to serve our students and community as an elite public metropolitan university.

I echo these words as we take the necessary steps for budget planning. We will continue to update our [Budget Planning website](#) to keep our university informed throughout the process.

Sincerely,

Tanika Busch
Interim Vice Chancellor and Chief Financial Officer
Office of Finance and Administration

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