

January 3, 2011

TO: The UMBC Community

FR: Freeman Hrabowski

Elliot Hirshman

RE: Budget Update

As the 2011 General Assembly Session approaches, Governor O'Malley and other officials are working to close a State budget gap exceeding \$1.2 billion. The Governor recently announced he will propose a budget plan that includes deep cuts in State agency spending. Higher education will be required to participate in the budget reduction, and the Chancellor and other USM leaders are actively working with the Administration to minimize base budget cuts, maintain tuition flexibility, and reduce or end furloughs.

As budget deliberations proceed in Annapolis, UMBC is well prepared to respond to the outcomes. Throughout the economic recession, our campus planning and budgeting have been conservative and focused. We have effectively managed operating budget and fund balance cuts of \$18M over the past two-and-a-half years. Working through these challenges together, we have raised the campus's national profile, enrollment, selectivity, tuition revenue, and research grants and contracts. We are confident that UMBC will continue to excel as we stay focused on protecting the academic program, supporting people, and pursuing our strategic priorities of student success, infrastructure for research and creative achievement, environment and sustainability, and safety and security.

We know that every member of the campus community has been affected professionally and personally by the extended recession. We continue to be deeply grateful for all that you do to support UMBC. We understand the importance of keeping everyone informed about future budget developments, and we will provide written updates as new information becomes available. Again, thank you.