



THE UNIVERSITY
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MEMORANDUM

TO: Vice Chancellors, Deans in Academic Affairs and Health Affairs, Associate and Assistant Provosts, Directors of Centers and Institutes, AHEC Director, Other University Directors, Department Chairs and Division Heads

FROM: Bernadette Gray-Little, Executive Vice Chancellor & Provost *BGL*
Richard "Dick" Mann, Vice Chancellor for Finance & Administration *RLM*

RE: Lifting of State Freeze on All State Funds Including State Receipts
(Effective July 1, 2009)

We recently received word from the Office of State Budget and Management (OSBM) that the State Freeze that went into effect on April 9, will be lifted July 1. While this is welcome news, OSBM has also communicated the likelihood that it will impose a FY 2009-10 allotment reduction in addition to any reductions enacted by the legislature. An allotment reduction is equivalent to a non-recurring reduction. While we do not know the level of non-recurring cuts OSBM might impose in FY 2009-10, it is clear we face strong prospects of such reductions as we did at the beginning of the current fiscal year.

We believe decisions on how to cover a non-recurring reduction should rest with each Vice Chancellor or Dean, so you can minimize the adverse effects on your mission. Therefore, the decision to freeze hiring, limit travel, or curtail other non-personnel spending during FY 2009-10 in anticipation of non-recurring reductions is your choice. We ask that you exercise good judgment as always, by planning for this likelihood.

As a reminder, the current state-imposed freeze guidelines are still in effect through June 30.

BGL/RLM:st