

September 16, 2009

To all faculty and staff,

I was hoping that budget memo's were a thing of the past, but as we are all aware, the nation's economy continues to struggle. In particular, Idaho's state revenues are not meeting even the austere projections of last spring when the fiscal year 2010 budget was approved by the legislature. Just a few months into this new fiscal year, the state is projecting a deficit of \$151 million with warnings that the situation could worsen if revenues continue to fall short of projections.

Idaho's constitution mandates a balanced budget which does not allow deficit spending or borrowing. Therefore, the only options available to the Governor and legislature are either to increase revenue or decrease spending. In this economy, the only feasible alternative is the latter which will require NIC to decrease spending as well.

While we have been asked to identify potential budget cuts of 4% and 6%, we have not been directed to actually cut our budget yet. Nonetheless, the budget cuts are inevitable. We will, therefore, be proactive and make early budget adjustments which are prudent and preserve the outstanding quality of our education programs while minimizing the impact on students, faculty and staff.

We will be taking actions to address these cuts as we did last year. I have directed senior staff to begin by reducing temporary and part time hiring budgets as well as reducing travel and professional development costs, including a careful review of out-of-state travel. Further, we are delaying or cancelling equipment purchases when possible. On the personnel side, vacant and new positions will only be filled with approval from President's Cabinet. These measures to reduce expenditures are a first step toward meeting our state fund reduction target, but additional steps will almost certainly be required.

I am committed to keeping you fully informed as we work through this together. I will issue budget memos as frequently as necessary and post them on the President's website. I also remind you that you can give me your ideas and suggestions directly by using the Feedback Form on my website (www.nic.edu/President).

Priscilla