


July 21, 2017

To: Interim Chancellor Garnett Stokes
Chancellor-Designate Alexander Cartwright
Vice Chancellor Rhonda Gibler
Chancellor Leo Morton
Provost Barbara Bichelmeyer
Vice Chancellor Sharon Lindenbaum
Interim Chancellor Christopher Maples
Provost Robert Marley
Vice Chancellor Walter Branson
Chancellor Thomas George
Provost Kristin Sobolik
Vice Chancellor Richard Baniak
CEO/COO Jonathan Curtright
Vice President Gary Allen
Vice President Mark McIntosh
Interim Vice President Jill Pollock
Vice President Ryan Rapp
Interim Chief of Staff David Russell
Senior Associate Vice President Steve Graham
Chief Diversity Officer Kevin McDonald

From: Mun Choi, President 

Subject: Expenditure Reductions

We continue to face a period of significant budget constraints requiring us to take bold actions to become a stronger institution. As University leaders execute long-term budget plans, which include making investments in academic excellence, finding new revenue growth opportunities, improving resource allocation and utilization, and leveraging collaboration, it is important that we remain good fiscal stewards and to focus on being a great place to work.

As we begin FY18, we have received withholds totaling more than \$18.8M in addition to the \$40.7M state cut in core operating funds for FY18. To address these challenges, every system unit and campus must remain committed to the short and long-term budget plans submitted in June that amounted to \$101M. *Additionally*, I am asking every leader to focus on strategic hiring and reduce non-personnel, operating expenses funded from general revenue and auxiliary budgets. This will allow us to address priorities, including faculty & staff compensation, undergraduate scholarships, research facilities & instruments and experiential learning, among others. The targets on the following pages serve as guidelines as the actual results will vary for individual departments. These guidelines do not apply to grant funded, faculty start-up or research cost recovery accounts.



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For your campus or unit, please execute plans to reduce spending or generate additional return for each of the categories identified below. Each general revenue and auxiliary budget holder should examine every area in the context of supporting excellence in research, teaching and engagement. If one of these categories generates additional revenue to offset expenditures, spending increases are allowed.

Strategic Faculty & Staff Hiring:

- Rehiring of vacant positions –can be approved by the Chancellor or his/her designee.
- New positions - new positions or position reclassifications can be approved by the Chancellor or his/her designee.

Expenses no longer allowable under system-wide policy:

- Cell phones, data plans and pagers – the University will no longer reimburse nor purchase employee cell phones, data plans and pagers unless it is a job requirement (for individuals on call, i.e., public safety, medical professionals, regulatory, etc).
- First-class/business-class travel – consistent with current policies, first-class or business-class travel will not be allowed, unless it's required for medical reasons

Expenses requiring long-term reduction by campus:

- Utilities (reduction target of 10%) – identify and implement measures to reduce energy consumption
- Leases (reduction target of 20%) – review current leases for continuation or elimination. New leases for academic and administrative space can be approved only by the Chancellor

Expense categories requiring significant reduction by each budget holder:

- Business meals, refreshments and catering involving only university employees (reduction target of 75%)
- Employee off-site training requiring out of state travel (reduction target of 75%)
 - Training programs that are required directly for the position can be approved by responsible Vice President/Vice Chancellor/Vice Provost
- In-state, out-of-state and international travel for administrative and professional development purposes (reduction target of 50%)
 - Multiple attendees for the same out-of-state and international travel requires prior approval from the responsible Vice President/Vice Chancellor/Vice Provost
- Publishing, printing and reproduction costs (reduction target of 50%)
- Institutional membership dues (reduction target of 50%)
- Individual membership dues to professional associations and other organizations (reduction target of 50%)
- Supply purchases, particularly those not under UM System supply chain agreements (reduction target of 25%)
- Non-capital equipment, such as vehicles and furniture (reduction target of 25%)
- Professional services and consulting contracts (reduction target of 25%)
- Computer and software purchases, such as laptops, except those needed for direct instructional or research purposes (reduction target of 25%)

I ask that you develop implementation plans for your campus and distribute them widely. I expect unit budget holders will meet with their units and the campus Finance office to review budget performance and monitor progress against planned reductions. Expenditures that exceed the budget or were not included in the budget will require the approval of the unit head and campus Finance office. As a reminder, priorities for all expenditures should be to support student success, research and creative breakthroughs, or effective engagement. Results of budget monitoring reviews will be shared with the system Finance office as part of the campus' monthly close process.

I appreciate your dedication and hard work on behalf of the University of Missouri.