MEMORANDUM

To: University Community
From: Office of the President
Date: July 16, 2012
Subject: Higher Education Modernization Act Update

We are writing to inform you of the results of the University’s advocacy efforts regarding the Commonwealth’s 2012-13 annual budget appropriation support and important legislative bills affecting the State System universities. Your assistance has proven to be helpful, and we thank you for your advocacy on behalf of the University.

Through a sustained collaborative effort by staff, faculty, alumni and business and community leaders, the initial state budget direction of a 20% reduction (a $6 million loss to MU) was amended, passed and signed into law with no further cuts. That means that the University has the same funding available as last year. With a 3% tuition increase ($94/semester) the University is still dealing with a deficit of $1.5 million. It is important to note that flat funding does not cover increases in utilities, healthcare, contracts and other issues. Although this deficit continues to present challenges, the challenges are not as severe as they would have been in dealing with a 20% cut in addition to the 18% reduction in state appropriations the University had to deal with last year.

Additionally, the legislature passed and the Governor signed bills that:

- increase the threshold for purchases that must be competitively bid, with annual inflationary adjustments, from $10,000 to $18,500;
- allow the University to enter into consortia agreements for purchasing, a definite improvement that will provide access to the volume purchasing power of consortia;
- allow the University to be able to seek PASSHE approval to offer applied doctoral degrees with emphases on collaboration;
- no longer prohibits University employees, including the president, vice presidents and others in appropriate roles, to raise private funds directed to University-related foundations; and,
- permits faculty whose research has led to discoveries that might have potential commercial value to enter into agreements with universities for the commercialization of discoveries and applications of their research.

There was no legislative progress regarding regional prevailing wage, the “four prime” construction system, and greater flexibility with the Department of General Services on construction projects. Work remains to be done regarding these concerns.

We are pleased to report that feedback from state government officials indicates the collective and individual contacts by many of you played an important part in changes to the budget and support to
legislative bills. As we look to next year, plans are to strengthen and increase communication and information links to government officials.

Once again, thank you!

Sincerely,

Francine G. McNairy
President

Michael G. Warfel
Chairman, Council of Trustees