

MEMORANDUM

TO: UAHuntsville Community

FROM: Robert A. Altenkirch, President

DATE: February 14, 2012

SUBJECT: FY2013 Budget Update

The process to develop the FY2013 budget is just beginning. Our overall budget for FY2013 is anticipated to exceed \$200 million.

Governor Bentley has proposed a 4% reduction of the State appropriation for all four-year institutions. Our portion of that reduction would amount to \$1.7 million out of the current appropriation of \$43.2 million. The Governor's proposed budget is just the first step in a long process that typically extends throughout the legislative session.

The operating budget for the current fiscal year focused on many priorities that will remain in place for the FY2013 budget, namely improvements in student life and related services, enhancements to the information technology infrastructure, and targeted investment in instruction. Our challenge will be to address priorities, continuing ones and ones that will emerge during the budget development process, in order to maintain momentum while at the same time keeping tuition affordable and providing value to students and funding agencies.

We will keep you posted, with periodic updates, as the appropriation process progresses and as we further refine and develop budget priorities. In addition, knowing that potential changes in the Teacher's Retirement System (TRS) are a concern among many of you, and that there are several bills that may impact the University and our employees, we will keep you apprised of developments with respect to the TRS as well as other aspects of the budget process.

Thanks,

Bob