

January 11, 2010

To the University of Idaho Community,

Earlier today, during his State of the State address, Idaho Governor C.L. "Butch" Otter proposed a midyear holdback of 1.6 percent as part of the state's ongoing efforts to address its budget challenges. The governor's proposal today would result in a combined total reduction of nearly 16 percent—roughly 1/5th, and more than \$20 million—of the University of Idaho's total state appropriations.

In addition, the governor recommended transferring \$9.4 million in livestock center funds back to the state's general fund, which is disappointing. But we appreciate his continuing support for the center and his commitment to seek a return of these funds to the University at a future time. He did recommend continued funding for the Center for Advanced Energy Studies and stressed the importance of fully funding the state's commitments to WWAMI, our cooperative medical education program.

Including the governor's most recent recommendations, the additional cuts outlined today bring the total reductions for the University of Idaho to more than \$30 million since last year.

This represents an historic disinvestment in the state's only national research University and its most strategic partner in fueling the economic recovery. We will continue to work with our lawmakers and our citizenry to preserve and protect their 120 year investment in the University of Idaho. I continue to advocate that higher education is the best investment the state can make in its future, as the University of Idaho's research and teaching delivers a more than 7-to-1 return on the dollars invested; our state's recovery is jeopardized when we chip away at the source of that recovery.

Information regarding the governor's proposal and its impact on our hard-working employees who give so much to this great institution and to the great state of Idaho, will be made available as soon as plans are developed in concert with University leaders, faculty and staff.

We are the state's partner, and we pledge our continued partnership as we seek solutions to the financial challenges we face. I appreciate all that our faculty and staff continue to do to ensure the state's investment is as effective and efficient as possible by doing business better and differently, developing public-private partnerships, and seeking new and better ways to expand access and research and deliver education to those we serve around the state.

Sincerely,



Duane Nellis, President