



March 5, 2009

Dear members of the Temple University community:

Governor Rendell announced Tuesday that he will adjust his recommendation for the FY2010 appropriation to state-related universities, including Temple, from his original budget proposal announced last month. He has recommended that the Commonwealth use federal funds from the State Fiscal Stabilization Fund, a fund set up under the stimulus bill passed by Congress last month, to maintain state education funding at FY2008 levels. The Governor's decision will result in an additional \$42 million in his proposed budget, to be divided among the four state-related universities, Penn State, the University of Pittsburgh, Lincoln University and Temple. It is not yet clear what Temple's portion of the stimulus money will be.

While the Governor's announcement is good news for Temple, this action is a one-year measure for FY2010 and will not restore the \$11.4 million rescinded from Temple's FY2009 allocation by the Commonwealth this year. In Tuesday's House of Representatives Appropriation Committee hearing on funding to state-related universities, held immediately following the Governor's announcement, Committee Chair Representative Dwight Evans and the committee members repeatedly emphasized that this use of federal stimulus funding is a "stop-gap" measure and not a long-term solution for the funding of state-related universities.

The restored appropriations from the State Fiscal Stabilization Fund will help cushion the impact of the recession in FY2010. The funding will help Temple to keep tuition increases at the lowest possible levels for the next academic year and begin to expand our financial aid program, critical issues for our students and their families especially during this difficult economic climate. With the fiscal management plan for the FY2010 Temple University budget, we are also hopeful we can achieve adequate reductions in operating costs and minimize the impacts of the necessary spending reductions.

These, too, are only short-term solutions through the end of FY2010. Going forward, we must prepare for a sustained economic recession. I am confident that our continued efforts to control costs and prudently manage our resources will enable Temple to sustain its commitments through the duration of the downturn and emerge stronger in a sustained economic recovery.

Sincerely,

Ann Weaver Hart