Colleagues:

Welcome back! I hope that besides parking the new academic year has started well for you. We are in the midst of a severe state level budget crisis that impacts our institution. However, before getting to that topic, let’s first remember the very reason we are at USF—our commitment to students and our pursuit for new knowledge. Let’s celebrate our aggregate achievements before getting down to the challenges. You are returning or joining an institution that takes pride in the following:

- 45,244 students call USF their educational home (last year, we had 44,038 students).
- 30% of the freshmen are in the top 10% of their class!
- Average SAT of the freshmen class is 1148 (almost 100 points up from 4 years ago!)
- We have the largest Honors College in the State of Florida and the average SAT of the new Honors class is 1348!
- One in every 3 freshmen is ethnically diverse!
- A majority of our freshmen are natives of Florida; nonetheless, we are joined by students from 51 countries and 35 states!
- Our sophomores, juniors and seniors are returning to the classroom and progressing toward degree at a much higher rate than ever before!
- We have truly turned the corner on graduate and professional student enrollment – this is the third consecutive year of sharp growth!
- A very interesting fact – we accept more transfer students than any other institution in the country but here is an even more interesting fact – more students transfer to us from other universities than come from community colleges. (Possible interpretation – students go elsewhere and realize what a mistake they have made!)
- You brought in $308 million of contracts and grants in 2006-07!
- We are joined by a member of the National Academy in Engineering and another Nobel Laureate now has a part time position in Physics!
- Our football bowl winning Bulls are rated #25 in the nation by Sports Illustrated! Don’t miss their games and tailgate parties organized by the USF Club!

Thanks and kudos to you for making USF a stronger and better institution each year. Please don’t forget to thank and appreciate all the staff members—in your unit and elsewhere—who work so hard behind the scene to make it possible for you to excel. My most heartfelt thanks to everyone!!
Now let’s turn to some pragmatic issues:

**Budget Reduction:** Earlier we had completed a plan to take 4% budget reduction; however, we have been told that an additional budget reduction in the range of 2% to 6% is unavoidable. I have charged the BudgetPriorities Advisory Taskforce to evaluate all centers, institutes, programs and departments on four criteria -- quality, centrality, demand, and sustainability -- and make recommendation for programmatic elimination, consolidation or reduction to me. I truly and sincerely applaud the leadership of the Faculty Senate and the members of the Taskforce for assuming this very time-consuming task. While the Taskforce will do its best, it is unreasonable to expect that its work alone can find the cuts as deep as we have been now given. The additional burden of cuts has forced us to absorb a portion of the cuts by putting unit plans in motion. We simply do not have the capacity centrally or locally to absorb the reductions without some immediate savings. Recommendations of the Taskforce will help us absorb additional reductions and redirect funds to strengthen quality programs.

**Impact on the Core Mission:** I applaud and thank my fellow vice presidents and others for accepting a larger portion of the cuts so that credit-generating units can be spared the full brunt. Deans have been mindful in protecting their colleges’ capacity to perform core functions. I urge you to please protect our tenure-earning faculty for two reasons: first, their success is our future; and second, they may not have been through a budget reduction environment before. We will stay focused and get over these, just as I have seen us do three times before during my tenure at USF.

**Office of Research:** Last year, we received $308 million in contracts and awards but captured only $23 million in indirect (F&A) to reimburse the cost incurred by the institution (centrally or locally). For the past four years, the awards have gone up significantly but the indirect recovery has remained at $23 million. The good news is that we have grown too fast (kudos to you all), but the bad news is that our infrastructure is not adequate to sustain and grow the research enterprise at this rate. Over the course of next year, we will be comparing our portfolio and support system with that of other peer institutions to make changes. The ultimate objective of all these changes will be to help researchers achieve their maximum potential. I am attaching an earlier email jointly issued by me and Vice President Klasko regarding the reorganization of the Office of Research.

**AAU-eligibility: Dream or Reality?** I have been asked this question often and by several of you. I stand by my philosophy – “When life gives you lemons and everyone is busy making lemonade, we should think about making Margaritas.” The budget reduction, indeed, feels like a bucket full of lemons; however, we should not allow it to change our course or trivialize our potential. No one would have thought four years ago that Carnegie’s top tier designation or Florida’s research designation (evidenced by differential tuition granted by the State Legislature) was a reality for USF. But, we did it. Now is the time to become honest and courageous in separating quality from mediocrity and mission-critical elements from non-mission critical elements, and plan for tomorrow. Many actions give us a glimmer of hope for the much needed investment in our future: differential tuition, growing activity in the Office of Patent and Licensing, and upcoming Comprehensive Campaign. The next step in the planning process is preparing unit compacts (an agreement on goals and resources needed to achieve those goals).
The President has asked that we pilot the process this semester to make sure that it works for academic and non-academic units alike. Stay tuned!

**Executive Searches**
Dean of FMHI: Dr. Junius Gonzales joined us in August.
Dean of Engineering: Dr. John Wiencek joined us in July.
Dean of Marine Science: Search is active.
Chief Technology Officer: Dr. Michael Pearce joined us in August.
Dean of Libraries: Search Committee is in the process of selecting finalists.
Dean of Honors College: Dean Silverman will continue to lead the College.
VP for Research and Innovation: Position is being defined.

Thank you for your hard work and dedication. Your leadership becomes even more important now that we are going through some tough times.

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