

February 3, 2008

Dear Colleagues,

Because I recognize that the *Academic Affairs Planning Group* (AAPG) will not meet for another couple of weeks, and due to the fluid nature of the budget challenges we face, I wanted to take this opportunity to update you on continuing activities. While not wishing to become fixated on the budget challenges we face (for there are so many more exciting, proactive initiatives underway at USF), the reality of a \$34 million recurring, base budget reduction (i.e. -15% from July 1, 2007 to July 1, 2008) at USF Tampa (excluding USF Health), is not something that we can take lightly. We will need to continue to work together in addressing this challenge and in regularly and accurately communicating matters to our chairs, faculty, staff, students and other stakeholder groups. My intent, from the outset, has been to maintain transparency throughout this difficult process and to seek input from various stakeholder groups as we continue to be guided by the principles of CENTRALITY; QUALITY; DEMAND; and VIABILITY. Moreover, our primary commitment will continue to be delivery of the highest quality education to students currently enrolled at USF, and to support and promote faculty scholarship.

We all recognize that across-the-board cuts will not serve the University well, so we in Academic Affairs will look to the faculty-led *Budget Priorities Advisory Task Force*, our deans and chairs, and others to provide guidance in making focused reductions that will ensure that we emerge well-positioned to pursue our strategic path. We expect recommendations to include programmatic restructuring, consolidation, redirection, reduction and elimination, strategies that promise to yield greater efficiencies, new revenues, and an enhanced institutional focus. Concurrently, President Genshaft has asked the Vice Presidents to identify cost savings that might be realized from changes in university-wide business practices.

My top priority, at your rightful urging, has been to preserve our faculty strength. As you know, the State University System of Florida claims the worst faculty-to-student ratio in the nation. Accordingly our leadership team, with the support of Drs. Dale Johnson and John Ward, Co-Chairs of the *Budget Priorities Advisory Task Force*, met last week to consider your colleges' prioritized requests to release faculty searches subject to the current freeze. Those approvals were forwarded to you on Friday, following approval by the President. We will continue this week in considering essential staff positions. Several of you have expressed concern about my statement that "you should expect (at this time) that all remaining vacant rate will revert to the Provost's Office to be allocated toward our 15% base budget reduction target..." While the budget reduction target could change in March, when the Legislature reconvenes, it seems unlikely at this moment in time. Accordingly, the vacant, recurring rate will constitute an important component of our \$34 million target, effective July 1, 2008. That having been said, I fully understand that for many of you, preservation of vacant faculty and staff rate has provided a necessary source of cash to hire adjunct instructors, deliver Summer School, and support operational needs. To this end, we will do our very best to leave as much of the cash you have dedicated to essential expenditures, for this year, in your College. Moreover, it is my hope that the *Budget Planning Workgroup* will find ways to restore some of these monies to your budget, in more appropriate line items, prior to the beginning of the next fiscal year.

I do think that it's important to point out that, in addition to recurring cuts, we will also need to generate some cash returns in the coming days. We have a wide array of cash commitments that have been made to various academic units and, while we will look carefully and critically at each and every item and explore the possibility of delaying such investments, I cannot in good conscience disregard them all. In the coming days, USF's *Budget Management Council* will be distributing guidelines related to spending on travel, equipment and computers, renovations, contracts, supplies etc., and non-essential purchases that are currently frozen. The resulting and necessary changes in business practices will doubtless present some difficulties for all of us.

In anticipation of a substantive base budget reduction, Florida's public universities have been directed by the Florida Board of Governors to re-align their enrollment plans for the 2008-09 Academic Year with the projected budget. With a freeze on FTIC enrollment (at 2007-08 Academic Year levels) already in place, Dr. Michael Moore is working with appropriate parties to develop a reduced enrollment plan for the coming academic year. Finally, as you know, I have maintained that our focus needs to be on sustainable, long-term budgeting in Academic Affairs, in addition to reconciling our immediate budget shortfall. To this end, Dr. Michael Moore is convening a *Budget Planning Workgroup* this semester with a threefold purpose of establishing (a) base budgets for all academic units, at levels appropriate to supporting their mission (although we recognize that this may be a multiyear process), (b) appropriate budget rules (including encumbrances), and (c) a transparent and sustainable budget planning process. The *Budget Planning Workgroup* is chaired by Dr. Dale Johnson and will include deans, chairs and faculty representatives. I expect the *Workgroup's* efforts to conclude in advance of the new fiscal year.

In closing, I want to take this time to thank you for your leadership. We all recognize that the economy is creating some big challenges for public higher education in Florida and across the nation. While we will likely face many more bumps in the road ahead, I am confident that we can emerge from these difficult times better positioned for an even brighter future and greater success.

Best wishes,

*Ralph*

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