

From: Ralph Wilcox
Sent: Wednesday, February 27, 2008
Subject: Message to the Faculty



February 27, 2008

Dear Colleagues,

Thanks to your impressive contributions, USF continues to strengthen its presence in the global higher education community, most recently noted in our Campus Viewpoints profile in [The Chronicle of Higher Education](#). Our indicators of student academic success (academic profile, retention, and graduate rates) are on the upswing, and our faculty research productivity and postdoctoral fellow counts are running ahead of last year at this time. Just last week I attended the 18th Annual USF Health Research Day where one couldn't help but be struck by the scientific range and excellence embodied in more than 200 poster presentations authored by interdisciplinary teams of faculty and students from USF's Colleges of Medicine, Nursing, Public Health, Arts and Sciences, and Engineering, together with the Florida Mental Health Institute.

As a follow-up to my recent invitation, I do hope that you will give careful consideration to attending one or more of the [Spring Commencement Exercises](#) held at the USF Sun Dome on Friday, May 2, and Saturday, May 3. This year, I look forward to welcoming you to a faculty appreciation event in the Sun Dome Green and Gold Room one hour before each Commencement exercise.

While the financial news is not all that we might wish for today, the USF Foundation is bucking the trend with total assets of \$495.3 million (the vast majority of which is restricted and, thus, cannot be used for general operating purposes), including an endowment of \$383.2 million at the end of 2007. The Foundation also recently announced an anonymous gift of \$5 million, in addition to a gift of \$2 million from the Helios Education Foundation which, when matched by the State, will create more than \$10 million in endowed, need-based scholarships for our students.

Since I last shared with you a status report on the State Universities' rather bleak budget outlook, I have had the opportunity to meet with various faculty, staff, and student groups and speak with many of you one-on-one. I very much understand and share the deep concerns you expressed with regard to USF's ability to continue its mission as a public research university in the context of a difficult economic climate. Your concerns and desire for clear answers are altogether understandable, made difficult by the mixed messages that appear in the media. Because of this, I'd like to provide you with an update on what we expect the magnitude of the budget reductions at USF, when we should expect them, the University's prospective response, and the potential impact on members of our academic community and others.

Since I last wrote, the -3.6% base budget reduction that we experienced in Fall 2007 has been softened somewhat by a +1.1% infusion of cash. While this helps us in the short-term, it does not provide the

recurring funds necessary to budget beyond the end of June 2008. Moreover, as you know, the continuing decline in state tax revenue collections has led to another -3.8% budget reduction this spring, amounting to a total projected -6.3% cut (or \$21.8 million less in state funding at USF) for the current fiscal year. While this is less than the -7.4% reduction that we have been projecting, please remember that the cash infusion does not help us with long-term planning, such as employee retention and hiring new faculty. Beyond this, there is talk in Tallahassee that the current year's reduction may shrink even more, to -4%. However, this is not yet certain, and we will have to await any such Legislative action next month. Until we begin to see an economic resurgence in Florida, and across the nation, we must anticipate even deeper cuts in the 2008-09 fiscal year that begins July 1, 2008. We have been advised by Chancellor Rosenberg to prepare for as much as a double-digit cut next year (and it is my hope that it is closer to -10% than any higher), on top of this year's reduction. Accordingly, and although painful, President Genshaft's call for the University's leadership to develop a -15% base budget reduction (or - \$52 million) scenario is a wise move. To clarify, the proportional share for USF Tampa (excluding USF Health and the regional campuses) will be -\$34 million.

As we await a clearer understanding of the magnitude of the budget challenges facing Florida's public universities and colleges, we are proceeding with a number of important initiatives:

1. **Budget Priorities Advisory Task Force** – The USF Faculty Senate and faculty-led *Budget Priorities Advisory Task Force* is completing its charge, and I will meet with the Co-Chairs and Subcommittee Chairs later today to hear their recommendations for cost savings through programmatic restructuring, reduction, redirection, consolidation, and elimination.
2. **Faculty Hiring** – A revised faculty hiring plan was approved for 33 faculty searches that are currently underway or in process, and approval is on hold for 21 additional faculty positions. These difficult strategic decisions were made by the Provost's Senior Staff with input from the Co-Chairs of the *Budget Priorities Advisory Task Force* and guided by the now familiar principles of **centrality, quality, demand, and viability**. A similar review of requests presented by deans and directors for approval to fill vacant staff positions was conducted the following week. It is important to point out that while the permanent funds associated with vacant positions will most likely be allocated to the budget reduction or reinvested in the next fiscal year to support unit operating needs, I am hopeful colleges can retain this year's cash savings associated with the vacancies to address current commitments.
3. **Non-Salary Spending Guidelines** – Last week, we disseminated *Non-Salary Spending Guidelines* to help you navigate the freeze on non-essential expenditures without paralyzing the University. These guidelines pertain to travel, equipment and computer purchases, office expenses, renovations, and service contracts. While it means we must "tighten our belts" in the short-term, such spending discipline will help preserve our core obligations to ensure quality of learning for currently enrolled students and support for faculty scholarship.
4. **Consolidated Purchasing** – Concurrently, USF's leadership has been exploring cost-saving measures through modified business practices. In the coming weeks and months you will hear more about the introduction of consolidated purchasing across the USF system for office supplies and computer hardware and software. Intended to improve services and support while reducing costs, such practices are consistent with those found in public and private higher education systems across the country.
5. **Enrollment Reduction Plan** – We are also developing an enrollment reduction plan for submission to the Board of Governors. It is clear that we cannot possibly maintain the same quality of educational delivery to the same number of students with such a significant reduction in funding. While this plan will likely be implemented over a three year period, it will also provide us the opportunity to better shape our student body through freezing freshmen

enrollment at this year's levels, reducing transfer student enrollment (through increasing admission standards to further enhance student success), and modestly increasing graduate enrollment. Moreover, we will likely see some redistribution of undergraduate enrollment to the regional campuses. However, it is important to point out that with enrollment reductions comes a reduction in tuition revenues, even if Florida's undergraduate resident student tuition remains the lowest in the nation.

6. **Differential Tuition** – Beginning Fall 2008, we are planning to charge statutorily-approved differential tuition (+15%), on the Tampa campus, to all new undergraduate students enrolling from Fall 2007 forward, with the exception of students with Florida Prepaid contracts which were in effect on July 1, 2007. Furthermore, we expect to award need-based scholarships to offset this cost for eligible students. While the early revenues from differential tuition will be low, the Board of Governors has approved an 8% tuition increase that, if approved by the Legislature and Governor, will in time provide a healthy boost to backfill our budget losses. A Technology Fee is also planned for the 2009-10 academic year.
7. **Research Facilities** – Consistent with our valuing of interdisciplinary research, we are aggressively promoting investment in research core facilities at USF to reduce duplicative spending on faculty startups.
8. **Budget Planning Workgroup** – Finally, and to plan for the long-term, I have convened a *Budget Planning Workgroup* comprised of faculty, chairs, deans, and members of the USF Faculty Senate and faculty-led *Budget Priorities Advisory Task Force*. This group has been asked to establish (a) base budgets for all academic units at levels appropriate to supporting their mission, which may be a multiyear process, (b) appropriate budget rules, including encumbrances, and (c) transparent and sustainable budget planning processes for the future.

Of course, the most significant changes are likely to follow careful consideration of the *Budget Priorities Advisory Task Force's* recommendations in the coming weeks. While we must find ways to balance this year's budget, we will neither rush to make nor implement decisions on programmatic restructuring, reductions, redirection, consolidation, and elimination without first consulting with key stakeholders. We are equally committed to employees, who, due to layoff, seek counseling and outplacement assistance through Human Resources.

While I have sought to outline what I hope you will consider to be a carefully thought out and responsible budget reduction process, there is no escaping the severity of these cuts. The impact on faculty, students, staff, and the state of Florida will be deep and long lasting. In meeting our obligation to currently enrolled students, we can anticipate larger classes which we know challenges effective learning and student success. New student enrollment reductions, program elimination, and limited class availability will further impact student access and graduation rates across the state.

The reality of declining state support for public higher education is not a new phenomenon, as public investment in some state university systems across the nation has dipped to less than 20% of university budgets. However, the difference in Florida is due in large part to the manner in which the Bright Futures and Florida Prepaid programs are held sacred by some, coupled with a belief that low tuition equates to high access. Even when presented with the fact that Florida's in-state tuition covers less than a quarter of the cost to educate students and our university system already has the worst student-to-faculty ratio in the nation, the Legislature has been reluctant to grant local tuition setting authority for the State's universities. Given the dismal state of Florida's economy, it seems that markedly higher tuition with a substantive portion set aside for need-based financial aid is the best answer to balancing quality and access to Florida's State University System at this time.

Of course, you can help in several ways. I urge you to contact your elected officials and underscore the importance of USF and the State University System to Florida's future. Most importantly, I ask that you take care in accurately communicating the facts laid out above. In addition to the extra students that you have accepted into your classes, and I thank you for that, I ask that you focus your summer teaching requests on required and core classes that will ensure sufficient enrollment and support student progress. I have asked our deans to plan for a full summer offering in 2008, yet we will need to pare the number of sections based upon student enrollment patterns and our understanding of available resources. You can also help by ensuring you are utilizing any available non-state funds in Foundation and Research Overhead accounts to offset E&G expenditures when appropriate.

While I will continue to update you on Florida's higher education budget as the story unfolds in the coming weeks and months, you can review relevant documents posted on the [Provost's website](#) and USF Budget websites for [2007-2008](#) and [2008-2009](#). Meanwhile, please do not hesitate to [contact me](#) with any questions or send me your thoughts on how we might most effectively move the University forward in this challenging budget climate. If you prefer, you can share your ideas with me in person by joining us for coffee in the Provost's office on Wednesday, March 5, 2008, from 8:30-9:30 a.m.

Best regards,

Ralph

Ralph C. Wilcox
Provost and Senior Vice President