

From: Office of the President [OfficeOfThePresident@USF.EDU]
Sent: Wednesday, August 14, 2013 4:42 PM
To: USF Faculty and Staff (Exchange)
Subject: A Message from USF System President Judy Genshaft

Dear Members of the USF Community:

Last month, I announced fiscal measures to support the USF System's financial strength and to retain our talented faculty and staff. Several factors have led to the need for changes in our spending, including reduced state appropriations, the end of federal stimulus funds, a changing higher education fiscal landscape, and the need to increase cash reserves to protect the excellent bond rating which provides many advantages to the system. Reducing spending and increasing revenue generation will allow us to enjoy a secure financial future.

As we come through the first phase of this adjustment to a "new normal", I have listened to ideas and input from every corner of the system on how our plan affects USF's academic, research and operational enterprises. I have appreciated your candor as our university seeks to create a talent retention fund to reward high-performing faculty and staff while also restoring the critical cash reserves depleted in years of state funding cuts.

The talent retention fund plan has been well-received and in coming weeks more details will be available. These increases will be in addition to the across-the-board pay increases for state employees approved by Florida's legislature and governor.

With your feedback, our overall fiscal management plan is now taking more definite shape:

- The restoration of the cash reserves will be a three-year project with definitive goals set for restoring cash reserves for each of the three years. Given the institution's reliance on carry-forward cash to shore up recurring funding shortfalls, a longer time frame is needed to identify further efficiencies in the system while developing new sources of revenue that will allow USF's academic and research enterprises to transition.

Our mandate to increase the cash reserves by an additional 2% over state and USF Board of Trustees policies remains in effect. We believe this is the best course of action to protect the financial foundation of the university.

- Carry-forward cash will be released as approved by your division's senior vice president. However, spending decisions will be strictly guided by the goals of USF's strategic plan; our core mission of enhancing academic and research excellence; and efforts which generate new revenue that will provide the USF System greater financial resilience in the future.

- Research Initiative Account (RIA) fund balances will be made visible for individual faculty accounts and available to use in support of research-related expenditures that cannot be directly charged to a research project. We know those of you involved in the university's research enterprise will manage these funds prudently and with a focus on productivity and strategic priorities.

- Hiring controls will remain in effect to ensure that positions that are filled are meeting critical needs such as the system's health and safety obligations, research productivity, student success,

accreditation needs and revenue generation. Units will continue to be asked to offset the cost of new hires through savings and/or revenue growth.

I have confidence we can address our fiscal needs through this three-year plan and create a financial culture that is focused on our essential mission and goals but also enables investment in our strategic priorities, our academic mission and our research enterprise. These decisions are necessary today to protect our ability to invest in our new endeavors and our employees in the future. Failure to act now will cost us more in the long run.

Please be mindful that the restoration of our cash reserves is imperative to protect the USF System's excellent bond rating – one of the three highest in Florida and an important marker of the system meeting high standards of excellence throughout its management and operations. As a public institution, achieving the highest possible bond rating is an essential responsibility we hold. Our students, our communities and the taxpayers of the state of Florida deserve nothing less from us.

Working together we can chart a course for a secure and promising future for the USF System, our outstanding faculty, staff and students. I thank each and every one of you for playing a role in this challenging transition, knowing full well that the talented and dedicated people of the USF System will be capable of achieving our goals.

Judy Genshaft
President, USF System