

Provost's e-mail – sent March 17, 2009

Dear Colleagues,

As I move around campus, some of you have shared with me your concerns and questions about what the current economic conditions may mean for our University. I suspect that those concerns are shared by most of us as we consider the possible implications for our families, our state, and our University.

President Simon has reminded us that in these times, our responsibility is to think about how we can build a sustainable future; how our University, while contributing to the economic recovery of the state and nation, can stay true to its values and our commitments to our stakeholders and students.

We intend to provide access and affordability, and to preserve institutional capacity for instruction, research and outreach. We will not compromise quality. Our commitment to recruiting and retaining a diverse student and faculty cohort remains intact. We will continue to find ways to provide financial support to our students, and to enhance their educational experience, including maintaining our faculty to student ratio. Although we need to be thoughtful about filling every open position, we will not retreat on our goal of diversity and inclusiveness in hiring. These are the values to which we will need to stay true as we navigate through these difficult times.

We are faced with some tough realities: state funding for higher education has declined nearly every year for the past several years, and the next three years look worse; longer term projections for state funding for higher education are not positive; tuition dollars alone cannot compensate for the steady decline in state revenue; health care and energy costs continue to increase; any one-time, federal stimulus money to the University is a short-term fix that can't resolve the long-term problem; and as a result, gift, grant and contract revenue along with revenue-based initiatives will grow increasingly important.

State and federal funding details change daily, so that it is difficult to pinpoint the exact dollar shortfalls or windfalls that we should expect. That's why it is so important to me that we approach our planning processes with a fundamental understanding of the realities and the values I've described. Here's how we will proceed:

To accommodate a significant base budget reduction over the next three years, I am committed to considering a full range of ideas and approaches. I am working with your deans and have requested that they work with their chairs and faculty as we determine how we will change.

I know that many institutions have elected to use central committees to make these decisions. I have decided not to proceed in that way, but to use the advice of unit leaders who should be most knowledgeable about where we have the most capacity for change.

I am committed to processes that involve strategic thinking and planning. Our institution is too diverse to think that the answer to reductions in one unit will fit another unit. Now is the time for those in each unit to consider seriously which functions or programs are of lower priority, quality, or productivity.

These are difficult decisions, but perhaps best determined locally. If we are to move forward with less, it will be important to recognize where we need to invest and disinvest.

Our plans will be multi-year. Rather than shift quickly into crisis mode, I want us to be deliberate and strategic about our changes. I have asked Deans to think about change over a three-year period. This allows us to review our decisions over time, and to use short-term cash management options as we make longer-term base budget reductions.

I want to urge planning that allows us to re-invest in areas that will allow us to grow in distinction and excellence. We will not stop moving forward as an institution because we are called on to contract in size.

Universities all over the country are retrenching and retreating. We cannot afford to retreat, or to allow ourselves to believe that innovation or creativity is tied to size. We may need to reduce our overall budget, but we cannot afford to sacrifice our goals or aspirations.

We need to work cooperatively across units to see where there are opportunities to share, or to understand where our planned reductions will impact others. President Simon often refers to "Team MSU". There has never been a more important time than now for us to work together for the common good of the University.

Because this affects all of us, we need the best thinking of each of us.

I will continue to keep you updated on recommendations for planned reductions, on news about State and Federal funding, and on the changes that preserve and enhance the value of our University during these difficult times. In the meantime, I would direct you to the University's budget website (<http://budget.msu.edu/>) for updates on our changing financial situation. In turn, I seek your advice and counsel as we move forward. Please take advantage of the upcoming Provost Forums (see <http://provost.msu.edu/> for schedule) or write to [provost@msu.edu](mailto:provost@msu.edu).

Kim A. Wilcox

Provost and Vice President for Academic Affairs