



**Message from USF President Judy Genshaft on State Budget Shortfall Delivered via webcast  
January 17, 2008**

Hello.

Today I would like to begin the first in a series of regular web casts to discuss the state budget situation and its significant impact on the State University System and the University of South Florida.

We are facing critical economic times in the United States and in the State of Florida that demand our immediate attention.

We knew that the State of Florida was facing significant budget reductions in this fiscal year. However, the just-released state revenue picture makes it clear that the anticipated cuts are not enough.

Last week, Chancellor Mark Rosenberg notified all university presidents of a potential one billion dollar shortfall in the State of Florida's general revenue forecast for the balance of the current fiscal year, leading to a potential two billion dollar shortfall in 2008-09.

The continuing decline in Florida's economy will impact the entire State University System.

Already we are beginning to feel the effects of the updated forecast at USF. The University's base budget will be reduced nearly 13 million dollars this Spring, bringing the total base budget reduction for this fiscal year to approximately 26 million dollars. And, we have been warned that there may be additional cuts in the future.

Today, Governor Crist released his proposed education budget. If this budget is approved by the legislature, it will clearly help Florida's higher education institutions in 2008-09.

But this year will be difficult for the State University System and for USF.

In response to the Chancellor's latest update, we are taking several immediate steps at USF.

First, we are immediately implementing a freeze on all hiring and on purchases of nonessential items. The University Budget Council is working on a policy for how any exceptions to the freeze will be handled. Today, your Budget Council representative will receive more information on the freeze, and will be disseminating this information to you.



Second, we have developed principles for budget reduction in consultation with the Board of Trustees and representatives from Faculty Senate. The University Budget Council is utilizing these guidelines as they develop divisional budget reductions. In the coming weeks I will be meeting with the Board of Trustees, the Provost and University Administrators to review these guidelines as well as the proposed cuts and strategies to address the current budget issues.

Third, I have directed the Vice Presidents to work together to develop one plan for a 15 percent budget reduction for the University of South Florida. This includes our regional campuses. The Vice Presidents will be consulting with various groups throughout the university as plans are brought forward.

The cuts we are facing are real; our action to address them must be bold. We must do more than cut around the edges. We have to plan strategically and thoughtfully.

We will respond to the current fiscal environment and move forward in a very strategic way. We have an ambitious strategic plan for USF which will help to guide us and our actions throughout this process. As our consultant, Dr. Stephen Portch stresses, we must be “disciplined and focused”. The decisions we make now will set the tone and pathway for our future.

I will continue to keep you apprised of any new statewide developments and any steps that we take to ensure our university success. I appreciate your continued support.

Thank you.