

MICHIGAN STATE
U N I V E R S I T Y

September 3, 2009

MEMORANDUM

TO: Deans
FROM: Provost Kim A. Wilcox *K.A.W.*
RE: Academic Unit Budget Reduction Planning

I want to begin by thanking Academic Governance and the Deans for their assistance as we worked through the spring and summer to first understand the severity of the budget challenges facing our University, and then to consider what these mean for our future planning. We agree that the process for moving forward is a complicated one. Change must occur at all levels, across all areas of the University. This is one of several communications being sent to the campus community which describes the processes by which recommendations for change will be developed. As a campus, it will be important to share a common resolve to make decisions that will preserve and enhance the quality and reputation of our University.



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As we have previously discussed, the University is planning for a general fund budget reduction of 4% this year, 6% next year, and an underdetermined reduction for 2011-12, which could exceed the originally projected 6%. My goal is to reduce costs in a way that will best position the University for the years ahead. This implies deliberate and strategic reductions, as well as new investments. The decisions we make will shape this University and its future. What we decide will impact our students, our faculty and staff, our partners, and our community. Our decisions cannot be short-sighted or short-term, but need to be grounded in a vision of the University we want to become. With that as a goal, President Simon and I worked on compiling a set of design principles which should guide our efforts. These principles represent a synthesis of elements we have used in our planning over the last few years, including our University values, the Boldness by Design imperatives, our Institutional Metrics, and the parameters from our annual Planning and Budget process; they also are consistent with discussions within Academic Governance over the past several years. These design principles were shared this summer with the Board of Trustees, and are posted on the "Shaping the Future" Web site (shapingthefuture.msu.edu.) They should be used to provide guidance as we consider both disinvestment and reinvestment. Our challenge is not merely to decide what we will no longer do, but what we will choose to do as we move forward.

Each college must begin immediately to consider possible reductions that can be achieved through both increased efficiency as well as discontinuation.

I am asking each Dean to specifically review the following structures and functions:

- Curriculum, for flexibility, relevance, redundancies, and possible opportunities provided by the proposed changes in the academic year calendar
- Activities, to determine whether they directly contribute to our mission
- Programs, to determine viability/desirability in our changing environment
- Research and creative activities, to determine if there is ongoing or emerging need, potential for excellence, sustainable funding
- Units, institutes and centers, to determine whether or not they are necessary to support our future directions, or if there are more effective alternatives
- Administrative assignments, to determine whether or not they are the best use of faculty time and talent
- Outreach and engagement activities, to assure that they are embedded in scholarship and critical to what we do

Some of the changes will not yield immediate savings. It will take some time to transition or bridge to these changes. Other measures can be taken immediately. **I am asking each Dean to submit to me a list of recommendations for both short- and long-term budget reduction strategies by October 16, 2009.** I realize this is a short timeline, but it is critical that we take action and that we preserve most of the Fall Semester and the academic year for review and implementation of these recommendations.

This must be a University-wide effort. We will need the best thinking of the entire campus community. I encourage you to engage all important stakeholders in your discussions; and of course, faculty consultation through academic governance will play an important role throughout the process. As I said last spring, we cannot stop moving forward as an institution because of a contraction in our resource base. We may need to reduce expenditures, but we cannot afford to reduce our efforts to enhance our quality and reputation. The next few months will not be easy, but it is important that we plan together for our collective future.

All budget-related communications will be posted on the Web site, (shapingthefuture.msu.edu.) Thank you, and your college faculty, for your continued efforts.

c: University Community