

MICHIGAN STATE  
UNIVERSITY

Dear MSU Community,

As we begin a new academic year, I extend to you my thanks for the thoughtful planning, hard work, decision making, and collaboration that already have positioned us to better face increasingly challenging times.

The fiscal realities we are experiencing—and project will continue into the future—demand our continued attention. The state has reduced funding for higher education in all but one of the past five years. Current economic conditions have caused a precipitous reduction in state revenues, worsening the state's significant structural deficit.

This year, our operating budget was partially protected from reductions in state funding because of federal stimulus funds; however, we cannot anticipate an extension to this short-term fix. We must address the long-term problem that while our costs—particularly in the areas of health care and energy—continue to increase, the decline in state support to public universities will likely be severe and permanent.

Our planning assumes a 4 percent reduction in General Fund budgets for all units this year and a 6 percent reduction next year. The following years may bring comparable or even more severe reductions. We will not look to unreasonable tuition increases to fill the gap, as our students and their families also feel the pressure of the current economic conditions. And while we expect to increase revenue through enhanced contract and gift productivity, we will at the same time need to reduce expenses.



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Two primary tenets will guide us. First, we cannot simply cut back what we are doing today. We must modify our activities in ways that create greater efficiency and effectiveness. We must work differently, adapting our culture and our attitudes to build a new model for the way we achieve our goals.

Second, our fundamental goals and our measures of success will not change. Boldness by Design will continue to be our guide, and we will continue to pursue those institutional measures that best assess our progress.

Our sculpting will not come at the expense of our core values—quality, inclusion, and connectivity. Nor will it come at the expense of being among the best research universities in the world, one that is locally relevant and globally engaged.

In the months ahead, we will push ourselves to focus on our priorities, investing in areas of societal need and academic strength even as we reduce investment in other areas. As we do this work, we will rely on existing and time-tested university governance and administrative processes for decision making.

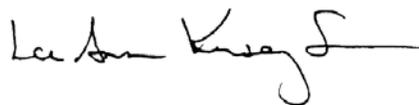
We will work under a set of design principles that are a synthesis of the many discussions we have had about the direction of the university. Within that context, I have asked Provost Wilcox and Vice President Poston to provide more specific frameworks for evaluating possible changes in both the academic and support areas of our operations. They and I will communicate frequently to share information and solicit input.

Transformation, conducted transparently, is not tidy. We are engaging in an inherently iterative, messy process that will unfold over time. Throughout, I ask that you make a commitment to be informed and engaged. A new Web site— **[shapingthefuture.msu.edu](http://shapingthefuture.msu.edu)**—has been created to share the design principles, provide updates, and make available communications related to our task. It also provides an avenue for you to offer comments and suggestions and to ask questions. I encourage you to visit this Web site frequently to stay informed.

There is no silver bullet or sweeping organizational change that can easily address our challenges. It will take all of you, individually and collectively, to use your talent, intellect, and commitment to help sustain our forward momentum and make this a university of choice in the years to come.

Again, I thank you for your past efforts to make MSU the strong institution it is today. Difficult times require us to think differently, indeed boldly. At MSU, a can-do spirit is in our DNA. However challenging, these are times that play to our strengths. While others may retrench, we are determined to move ahead. We are Team MSU. We can shape our future wisely and well.

Sincerely,

A handwritten signature in black ink, appearing to read "Lou Anna K. Simon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lou Anna K. Simon, Ph.D.  
President