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Fiorito, Jack

From: president@fsu.edu [president@fsu.edu]

Sent: Thu 6/3/2010 12:59 PM

To:

Cc:

Subject: Message from President Barron

Attachments:

This message has been approved by Eric J. Barron, President of FSU, for distribution to all faculty and staff.

Dear Members of the FSU community:

This is a long message, with some detail, but I think it is important not to give a sound bite - I want to provide you with my view of our future and my plans for some immediate actions. It has been several months since I became your President and I have been working hard to get to know our university by talking with as many people as possible and visiting as many programs as I could manage in a short time.

One thing is clear - the budget reductions of the last couple of years have been very difficult. We have lost a significant number of personnel and some valued programs. There have been no raises for staff, faculty or administrators since September of 2008 (except for special situations such as promotions). I do not know of any major public university that has lost 25% of their state support in such a short period of time. The reduction in our base State support over the past two years has been \$82.9M, of which we still owe \$15M as we close out the year. It is a sad thought, but we were relieved that we lost only an additional \$3M in our base budget for the coming year, increasing our total recurring deficit to \$18M.

Fortunately, we believe that the significant pain we have already suffered will allow us to manage without any additional staff cuts in the coming year as long as we can continue to maintain enrollment and increase tuition at the rate currently allowed by the Legislature. At the same time, it will take time to remove our deficit based on income projections (basically using new tuition funds where it is allowed by law).

So, many of you have asked my views and my sense of the way forward given the stress that our financial situation places on all of us. I want to be deliberate in my message here.

We cannot afford to increase our deficit. We continued to lose ground this year and the State of Florida predicts a tough budget next year with the loss of federal stimulus dollars. Any actions that increase the deficit will require us to continue to limp along for an even longer period of time. After talking with so many of you, reading the faculty survey, and after much careful thought, I believe that "limping along" is the greatest threat to the success and quality of this institution. Specifically, if we do not pay competitive salaries, the loss in quality and in potential will be much more extensive than the loss we have already experienced through decreased State appropriations. Therefore, I do not believe we can look backward - we simply do not have the recurring funds. Instead, we must look forward and that means that our highest priority must be to find every avenue to re-invest in our existing faculty and staff. Let me list these investments in my priority order:

My view is that our first priority for spending any recurring dollars is to provide salary increases across the board and for merit increases for our existing faculty and staff.

Second, if we do not have recurring dollars to give base salary increases, our highest priority for expending one-time money (non-recurring dollars) should be one-time faculty and staff payments to address the standard of living for Florida State University employees and to demonstrate our deep appreciation.

My third priority is to invest in programs that will set the stage for future successes. We have a large number of superb programs, and we aspire to increasing that number. Importantly, wise investments will bring additional resources to FSU and advance the quality of the institution. As soon as we are able, we must increase our capability to invest in programs that will advance the institution.

The budget just signed by the Governor allows us to take a first step towards these priorities. Even though we lost

some ground, we had expected an even larger loss. We had set aside one-time money to cover this larger loss because we do not believe Florida State can continue to lose jobs. I believe that these one-time savings should be passed on to the faculty and staff. Therefore, it is my intent to immediately begin the process of addressing our need to reward our faculty and staff, even though the increases must be with non-recurring resources (one-time). Of course, the proposed one-time payments will have to be brought to the various labor unions before they can be implemented.

All of you have been striving to maintain the high standards that make us proud to be at Florida State University. Both the Board of Trustees and I are deeply appreciative of your effort. All of you are our greatest asset, and although there are many intangibles that support a quality of life, I believe that the salaries we pay are central to our ability to maintain and increase the quality of this institution. I regret that my proposal for an increase cannot be permanent at this time. But, permanent increases will be my highest priority as soon as we are able.

In this regard, we need to move forward with our priorities as soon as possible and not simply wait on State appropriations and proposed tuition increases. My overall strategy is to focus on three areas:

- (1) Wise use of our non-recurring dollars to benefit the institution and its staff,
- (2) A renewed focus on fund-raising with the objective of increasing our endowment to the point where we can gain at least an additional \$30 to \$40M a year in recurring spendable income as quickly as possible, and
- (3) A concerted effort to utilize the flexibility that we have been given over tuition and fees and to work to increase this flexibility so that we can remove the deficit more quickly and begin to re-invest in the success of this institution.

I intend to discuss these objectives with the Board of Trustees and then to take on this effort with all of the personal energy that I can muster.

There are also many other actions that we need to work on immediately that do not cost dollars as, for example, making sure that we can provide longer term appointments for highly valued employees that currently have annual contracts, ensuring that titles reflect the value of the job of the employee, and ensuring that there are good opportunities for advancement.

Thank you for your patience in reading this letter. I am always open to feedback.

Eric