REPORT OF THE
President
to the
Slippery Rock University
Council of Trustees
Friday
March 11, 2005
Quarterly Report
To the Slippery Rock University Council of Trustees
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By President Robert M. Smith

With apologies to Garrison Keillor, "it has been a quiet quarter in our university where all the children are above average." As we come to the end of spring break this week, it appears quiet but that disguises the energy that has moved us forward in the past three months.

As a note to our students' absence from campus: They are anything but absent from learning and expanding their life-experiences. We have 137 students studying abroad this week in England, Italy, Spain, France, Bahamas, and the Dominican Republic. We have another 80 students spending their break in service to others through our very successful "Spring Break Care Break Program." Those students are helping to build better communities in San Diego, Pensacola, Baton Rouge, Atlanta, Denver, East St. Louis, and Baltimore. Since this program began in 1994, more than 800 students have participated and contributed more than $1 million in service during their Spring Break.

Our baseball team has also left campus for spring games in Florida. As of this writing, they are undefeated through their first five games. Other students are off-campus on department field trips, varsity athletic events, and organized recreational trips. All in all, our students and faculty are fully engaged this week.

The last quarter has seen our students engaged in a number of other significant events. February was a full month of celebrations and education in honor of Black History Month. Our Black Action Society does a great job of creating interesting, informative, and motivating programs that bring the campus together to learn about and celebrate the value of our diversity. The previous month saw over 400 students involved in some aspect of the Martin Luther King Day of Service. Rapidly growing into a major event on campus, the day was a celebration of educational programs, service-learning, and motivational speakers and performers. Over 250 students participated in eight community projects organized by the Office of Intercultural Programs.

The past quarter also showcased the university as host for the second year of the National Women's Wheelchair Basketball Tournament with participants from across the United States. Hundreds of university volunteers and supporters demonstrated to our visitors the warm (albeit snowy and cold weather) hospitality and enthusiasm we had for the extraordinary play of these athletes.

Enrollment, Retention, and Academic Quality:
The final data were reported for the Spring 2005 term. Headcount enrollment increased by 3.4% and credit hours generated increased by 4.5%. Undergraduate enrollment continues to break all previous records while graduate enrollment continues a slow decline. In addition, enrollment of international students fell by 13%, a trend that must end through more aggressive efforts. In contrast, the new nonresident tuition policy is making a difference. Out-of-state enrollment
increased by almost 17%. Enrollment by African-Americans increased by 12.6% and Hispanic enrollment increased by 18.5%.

The Fall 2005 class is beginning to take shape and direction. As planned, the university is increasing quality by controlling the size and composition of the freshman class and replacing headcount with transfers, graduate students, and increases in retention rates. Therefore, freshmen enrollment is down but the average SAT is up 30 points and holding over 1000 points (1025). The mean grade point average is up to 3.34 and the admission acceptance rate is down to 73% of applicants. As planned, graduate enrollment is reversing a trend with applications up 38%, led by physical therapy with a 54% increase in applications. For the first time in four years, we anticipate a PT class back to 50 students.

Key to our appeal to the brighter and more talented students is quality faculty and facilities. Faculty recruitment is going well with expectations of nearly 100% hires with terminal degrees. We continue to hire a more diverse faculty and staff.

Our facilities also are rapidly improving. We will dedicate the Women’s Athletic facility this month. The new science and technology facility is still on schedule to open in Spring 2006. Renovation of Vincent Science has been approved and will begin immediately following the opening of the new building. We also plan to dedicate the equestrian center in August, concurrent with the beginning of the Fall 2005 term. For those with a touch of nostalgia, in a very short time, you will find that the orange coalbunker that has been a blight on campus for decades will disappear. No formal ceremony is scheduled to mark its passing. Overall, the campus continues to take on a fresh and exciting look.

The most exciting change will begin to be seen in May when the first shovel turns the ground on construction of an estimated $110 million replacement and renovation of our entire student housing complex. Arguably the largest single construction project in Butler County history, this project will forever change the way the campus looks and the way it develops our students as leaders.

The housing project fully complements how Student Life helps develop the social and leadership skills of our students in harmony with our academic development. Our living learning communities have been well received. Applications for entering the communities are up 90% from last year. The living learning communities are expanding to include more campus activities, contact time with faculty and staff, and opportunities for field trips that further solidify out-of-class learning. Current reapplication for living in residence halls for next year is up 20% as a result of the excellent services and programs provided by our staff.

We are looking at other ways to service our students’ needs. Finance and Administration has coordinated our efforts to allow electronic payment of bills through the web site. We are still working to use our student ID as a smart card with debit capabilities to allow use in area stores and restaurants (now that we have some!) and the outlet center.

Slippery Rock University is still about people and many of our students and faculty have enjoyed notoriety in the past several months. International Aquatics magazine named physical education faculty Robert Ogoreuc one of “the 25 most powerful people in aquatics,” saying he built SRU’s
aquatics minor into "one of the most vibrant in the nation." The February cover story describes Ogoreuc as a hands-on professor who teaches "everything from water chemistry to facility management."

Dr. Stephen Hawk was recognized as part of the Grammy winning album by jazz legend Nancy Wilson. Dr. Hawk played trumpet on Ms. Wilson's "R.S.V.P." album awarded as the Best Jazz Vocal Album of the year. Dr. Hawk has played with Nancy Wilson’s group for a number of years and was featured on the Oprah Winfrey show just a couple of years back.

Susan Kushner, Associate Professor in Physical Therapy was the recipient of the "Volunteer of the Year" award through the National Multiple Sclerosis Society. She was inducted into the national "Volunteer Hall of Fame" at the NMSS Leadership Conference in Denver, Colorado in November 2004. Ms. Kushner has been involved in the National Multiple Sclerosis Society for 16 years and is currently a member of the NMSS Client Education Committee at the national level.

Fifteen Slippery Rock University singers performed in January at Hines Hall as part of the All-Star College Chorus when Principal Pops Conductor Marvin Hamlisch and the Pittsburgh Symphony Orchestra performed a tribute to composer Irving Berlin.

Three communication students received Honorable Mention in the Student Interactive Media Competition of the Broadcast Education Association Festival of Media Arts. The Department of Theater was chosen to present a production at the American College Theatre Festival. Five theater students presented audition pieces in competition and four students submitted design projects.

**University Communication:**

The university hired a new special events coordinator, Ms. Deborah Baker, formerly with Allegheny College, whose work is already making a difference in our ability to showcase dimensions of the university to selected constituents. Special events are a new initiative in the University's public relations and marketing strategy. The goal is to connect with opinion leaders and inform them about SRU so they will become advocates for the university and assist in developing new revenue.

Following a Pittsburgh POPS performance mentioned previously, we hosted a Meet Marvin Hamlisch reception at Heinz Hall for our performers and alumni. In conjunction with our student performance of *The Tempest*, we hosted area business leaders with whom we hope to develop mutually beneficial enterprises such as the showing of the Warner Film Institute Film Festival winners at the grand opening of New Castle's Cascade Center at the River Plex. The next events will be in conjunction with April's Kaleidoscope Arts Festival on campus.

You will hear more about our special events. We are planning a very aggressive program to acquaint more opinion leaders with the good things happening at Slippery Rock University. Some will be on campus and some will be in Pittsburgh, Philadelphia, New Castle, and just about anyplace where three or more are gathered. We know that we have a great story to tell and now is an important time to be telling it.
Controlling Our Destiny:
One of our goals has been to create our own options and insulate us from the financial vagaries of the political process. As you know from my previous correspondence, we will face serious financial challenges in 2005-2006 with the concurrent mandated increases in labor costs and the unrelenting increases in health care expenses.

Chancellor Hample told the Pennsylvania House and Senate Appropriations Committee, “In Fiscal Year 2005-2006, we are facing significant obligations in the area of personnel compensation, due to mandated increases in salary and health care benefits. For example, health care costs alone are projected to increase by 15%, or $20 million. Utility costs, technology, instructional equipment, and library materials are all expected to increase at rates higher than inflation. In total, our Universities need $76.5 million new dollars next year to meet these increasing basic costs and maintain quality learning environments.

“Our operating budget has only two main sources of revenue: State appropriations and student tuition/fees. Approximately one-third of our budget is funded from the State’s appropriation; the other two-thirds are funded from student tuition and fees. Consequently, whenever we discuss our budget planning for the next fiscal year, we must take into account both revenue sources of appropriations and tuition/fees. The PASSHE appropriations request before you seeks additional State funding in the amount of $31.2 million for FY 2005-2006. This request assumes a tuition increase to support the other two-thirds of our budget.

“In January 2003, I noted that if we are to meet the needs of the students we want to attract to SRU and be the quality institution those students expect, we will have to continue an aggressive plan of transformation.”

Slippery Rock University began its own transformation in 2003. We can be well protected if we are able to hold to our plan. Our work depends on the continued success of two initiatives: The RLA as an alternative income stream, and the Foundation as the building block for financial security and enhancement of our aspirations.

Over the next year we will give considerable attention to alternative funding methods and you should expect similar transformations such as those we have experienced in enrollment management. We must be aggressive and we must establish bold audacious goals if we are to be successful in the face of declining legislative appropriations.

Regional Learning Alliance
The Regional Learning Alliance is a key element in our non-traditional plan. Both a site for adult education and a revenue source, the RLA is an emerging national model for innovative workforce development. This week, Governor Edward Rendell toured the building and announced funding of $2 million for the construction of the building. I appreciated the presence of Council members at this event to show the Governor your support for this project.
In the last two months, Senator Arlen Spector announced a third $200,000 grant to support development of the Regional Learning Alliance. We are working with Senator Spector to secure a major demonstration grant to showcase our unique approach to workforce development.

We also brought the Pittsburgh Business Times' latest Corridors of Opportunity event to the Regional Learning Alliance, which drew 288 developers and business leaders to the RLA. In April, SRU will be a sponsor of the Pittsburgh 100 luncheon, also organized by the Business Times.

The Campaign for Slippery Rock University
Slippery Rock University's $33 million capital campaign continues to reach its intermediary goals. The total gifts received since the first of the fiscal year are $2.5 million. As of now, the campaign is at $18.2 million, representing 55.14% of the goal. The value of our endowment now stands at $16.1 million.

On the horizon are two special events where our Trustees have a special role:

Academic Honors Convocation
The Academic Honors Convocation will be held on Sunday, April 3, 2005 at 2 PM in Morrow Field House. Presidential awards will be presented to distinguished individuals including the President's Awards for Teaching Excellence and Outstanding Service, and the Distinguished Alumni Award. Over 2,000 of our students will be recognized for exceptional academic achievements this past year.

A Dr. Robert Marcus, a 1961 graduate of Slippery Rock University, will receive the Distinguished Alumni Award and serve as our keynote speaker. Dr. Marcus is familiar to some of you here and we are very proud to have him as our special honored speaker.

Commencement
Commencement is scheduled for May 7, 2005, at 11:00 a.m. at N. Kerr Thompson Stadium. We anticipate awarding almost 1,000 degrees in beautiful weather. Our Commencement speaker will be another distinguished alum, Dr. Francis V. Barnes, Pennsylvania Secretary of Education.

Now, as Garrison Keillor would traditionally close, "Well, that is the news from [Slippery Rock University], that time has [not] forgotten."