to the
Slippery Rock University
Council of Trustees

Friday

December 2, 2005
Let me begin by welcoming two new trustees to our Council: Mr. Nick DeRosa of New Castle and Ms. Grace Hawkins of Cranberry. You both bring outstanding records of public service to our group and a long history of support for education in the Commonwealth. Thank you for accepting Governor Rendell’s invitation to be a member of the Slippery Rock University Council of Trustees.

I want to express the university’s grateful appreciation to Dr. Arlene Quinlan for her service to the Council since 1988. Dr. Quinlan served in every office of the Council and was a tireless advocate for quality education. We thank Ms. Martha King for her service since 1999. Ms. King always provided fresh ideas and enthusiasm to our Council and was a valued advisor to me when I first inherited this job. We wish both our of former Trustees our best and hope they will continue in their roles as public servants.

We note at the outset of this report that for the sixth straight year, the university has increased enrollment by recruiting talented students and providing them a place where they can move uninterrupted toward graduation. We now have 8,105 students on campus, an increase of 2.2%, the fourth largest increase among the State System of Higher Education institutions. Our enrollment management plan has consistently provided us measured growth through retention and transfer students. This year’s freshman class was actually smaller in numbers than the previous year but the highest quality in our recorded history with an average SAT over 1000.

We have already begun recruitment for the 2006-07 class. Our intention is to continue our focus on quality of the freshman class by admitting those who meet our more rigorous admission standards and increasing headcount through transfer and retention efforts. As of this report, applications are up 38% and our acceptance rate is approximately 55% as compared to 63% for this time last year. Some of the majors experiencing higher increases include exercise science, biology, chemistry, and most of the education specialities. We are delighted to see an increase in non-resident applicants (109%) and international students (40%). Graduate student applications, an area of special emphasis for us this year, are up 37%. Those increases have been primarily in physical therapy, counseling and development, and sport management.

We recognize that much of the enthusiasm for applying to Slippery Rock University has been generated by a combination of marketing strong academic programs and the much improved physical facilities. The showcase facility project is student housing. Four of the new buildings are well along in construction. Although only two are intended to be open for the fall, 2006 term, we can see the other two buildings appear to be ahead of construction plans.

The student housing project has generated a lot of public interest and economic spark because of its size. As of this report, the project has spent more than $13 million with Butler County
contractors and employed almost 500 workers. The payroll has generated $3,866 in local income taxes and $290,500 in federal and state income taxes. You can see workers on site almost seven days a week.

In contrast, we had hoped to present to you at this meeting our new science building, scheduled to be completed mid-November. A state-supervised project, the building is more than 140 days behind completion with limited workers on site in any given day and a backlog of architectural and construction problems that may take months if not a full year to resolve after the building is turned over to the university.

We were able to have a very successful dedication of the Storm Harbor Equestrian Center on October 16. This facility adds to the national reputation the university is building for helping people with disabilities. Made possible by the generous contributions of Carolyn and Paul Rizza, the center provides a place for therapeutic horseback riding opportunities and practical experience for students in the adapted physical activity minor. The facility is named after one of Carolyn Rizza's prized horses. The Center is under the guidance of a board of directors including Trustee Suzanne Vessella.

Looking forward, our students will vote next week on the fate of a new student union building. The current student union was built in 1968 for 3,000 students. With more than 8,100 students from a very different culture, the building simply does not meet their needs on any level. More than 1,500 students participated in an on-line survey of what they would want from a new or revised union. Topping the list of amenities were a movie theater, improved dining options, retail stores (similar to a mall), expanded meeting rooms, and space for campus clubs and organizations to meet and work.

Student will choose between two options: building a new union or major remodeling of the current union. Inherent in the decision is a substantial self-imposed increase in student fees to pay for the building. What is most impressive about this project is how the students have conducted their investigation, researched their options, and planned their future. The experience itself has been an important educational experience and a statement about the respect and confidence this campus has in the decision-making of its students.

While our students are looking at one aspect of our future, our collective eyes are on another critical part of our future: our budget. Last quarter's report provided an extensive description of how we were able to balance our budget to enter this fiscal year. We reported that we were already at work to meet the continued fiscal constraints for the coming year as a result of the continuing spiraling costs of health care coverage, contractual salary obligations, and skyrocketing energy costs. At the beginning of the year, we were forecasting a $3.5 million shortfall for the 2006-2007 fiscal year.

In the past three months, we have pursued our plan to carefully examine how we will balance our budget. We said we would take a careful look at low performing academic programs and the cost of athletics. We expect a report within the month from a joint faculty/student/administration committee on athletics. Vice President Watson and I have already begun meeting with concerned
coaches and athletes to hear their views. Although these conversations are taking place, I want to publicly state with absolute clarity that no decision has been made to cut any specific sport. When or if a decision is made, it will be after careful review of a variety of variable and based on the institution’s overall budget concerns. Our budget difficulties extend beyond just the athletic budget.

The one bright point among our budget circumstances was the results of the performance funding program of the State System of Higher Education. Because of the outstanding performance related to System goals, Slippery Rock University received $2.7 million. This is almost a million dollars more than we received last year and was the fourth highest amount awarded among all of the state universities. This achievement is the result of the collective will of our faculty, staff, and students. Without the combined commitment of our entire university community, we would not have been as successful. Among the highlights were $454,382 awarded for faculty productivity, $468,203 awarded for faculty diversity, $577,944 awarded for the high percent of faculty with terminal degrees, and $318,857 awarded for keeping undergraduate costs low.

One important initiative during the last three months is the work of the Advancement Division to implement a new structure and processes for their work. The highlight of these activities was the “Moves Management” workshop presented by Mr. William Sturtevant from the University of Illinois. More than fifty people attended the workshop including Council members and Foundation and Alumni Association board members. This was an excellent launch for our new system and represented the beginning of exciting opportunities for the university’s fund raising.

Concurrently, the Advancement Division has secured some notable successes including a pledge of $250,000 from the Snyder Charitable Trust, $210,000 settlement of the estate of Helen Thompson, a contribution of $50,000 from Mary Hulton Phillips, and a $24,500 gift from John and Kathryn Conway. As of the close of October, the division has acquired $402,477 this fiscal year.

Another highlight has been the continued growth of special events to bring guests to our campus. The signature piece for these efforts is the ING Performing Arts series. So far, every event has been a sellout with three more performances remaining this year.

Commencement is scheduled for December 17 at 1:30 p.m. Our featured speaker is Mrs. Anne Beiler, founder of Auntie Anne’s, Inc. Her nephew will graduate that day and will provide the introduction for his “Auntie Anne.” Mrs. Beiler will share with us her inspiring story of growing her business from one farmer’s market stand to a franchise operation of more than 850 locations. We will confer 402 undergraduate and 60 graduate degrees at the ceremony.