REPORT OF THE
President
to the
Slippery Rock University
Council of Trustees
Friday
September 8, 2006
The beginning of the 2006-07 year could not have been more spectacular: record-breaking enrollment on the first day of classes, opening a new academic building for three of our departments, and the move-in of 714 students in the first completed phase of our $110 million residential housing complex. What an extraordinary start for the year. We have expectations of even more pivotal events to come.

The Advanced Technology and Science Hall, new home to Chemistry; Computer Science; and the Department of Geography, Geology, and Environmental Studies, completes the final footprint for the academic quad on the lower campus.

The new building is a 76,000-square-foot structure. Uniquely located at the southern entrance to campus, the building in effect has two fronts – one facing Kiester Road, the other the campus quad. The building includes twenty science teaching and research laboratories, a 120-unit computer science laboratory, study lounges and faculty offices. The entire building is equipped for multimedia display as well as wired for the Internet and other “smart classroom” technologies.

A $250,000 commitment from the Snyder Charitable Foundation based in Kittanning provided for the lobby outside the main, showcase auditorium. The foundation manages the charitable resources of Snyder Associated Companies, which includes Allegheny Mineral Corp., operating in Slippery Rock and nearby Harrisville.

Rather than a trite ribbon cutting ceremony to open the building, each of the resident departments has planned showcase lectures and demonstrations throughout the week of September 11-14. This reminds us that it is not the bricks and mortar that are important but the intellectual stimulation that occurs within those walls.

Enrollment
Our first day of tracking enrollment began with a record-breaking number. By the official reporting day (September 11), we expect enrollment to stabilize at 8225, an increase of 1.5% which is slightly higher than our goal. For the third year, we decreased the size of the freshman class to approximately 1,440 and increased the academic quality for the group. In the last year, we increased the percent of students from the top quarter of their high school class by 14%. We also attracted a slightly larger share of those from the top ten percent of their high school class. Our acceptance rate of 70% of applicants was the most rigorous in our recent history and speaks to achieving our goal of seizing more market share while holding to higher standards of admission. Our increases are attributable to transfer students.

An important note about our enrollment is to look to the future. We do not intend to increase
enrollment beyond an average of one percent per year. We are entering the period of time when
the pool of available college-age students will decline sharply and remain down for eight years.
We believe we have positioned the reputation of the university to hold our own through our
careful management of our reputation and continuing to increase the proportion we take from the
market. In addition, we will continue to seek out-of-state students from places not facing
declining numbers of college-age students and international students. We have in place the
necessary policies and strategies to achieve our goal.

With the beginning of the year, I want to give you updated reports on our three strategic goals:

Goal One: To raise the value of the SRU degree
We are pursuing a number of strategies that will continue to enhance the quality of the Slippery
Rock University degree. Primary among our strategies is to enhance the reputation of our
academic majors by:

1. Assuring that we know and can articulate what learning takes place and at what level of
   accomplishment. We must continue to improve our ability to assess learning at the level
   of the academic major. Provost Williams is leading a concerted effort to have every
department finalize efforts to assess student learning.

2. Tracking the success of our graduates. We can only anecdotally tell prospective students
   and their parents how successful our graduates are in the marketplace. We struggle to get
our departments to report how many of our students attend post-baccalaureate programs
such as graduate and professional schools. We do not have adequate data on how many
are employed and at what level. We even lack great stories about our graduates’
   successes.

3. Certifying through successful accreditation that we meet the highest standards set by our
   national professional organizations. We have been successful in acquiring accreditations
of our academic programs. As of the end of the previous year, 73% of our programs were
accredited. Of those remaining programs, the most difficult to achieve will be the School
of Business where the standards are very challenging. To meet those standards will
require some very specific and controversial actions within the university and we are
committed to take those steps.

You can expect that accreditation in general will become more of a challenge and more of a
political battlefield now that the Spellings report (U.S. Department of Education) is reaching
final form. The early drafts of the report were unkind to the existing accreditation agencies and
implied that they were not up to the challenge of raising the academic quality of higher education
in the United States. The report has put accreditation agencies on notice "to be more transparent,
to focus more on outcomes, to do more to encourage innovation, and to strengthen baseline
quality expectations...." We have already seen some implications of how the regional
accreditation agencies have taken this stinging criticism. In our midterm review by Middle
States this summer, we were taken to task on a range of issues that emerged more as a reaction to
the Spellings report than our actions. We have, of course, responded to the report by our visitors
and are confident that we meet Middle States’ highest standards. In five more years, we will be
formally reviewed and we anticipate the standards will change significantly between now and
then. We are taking steps now to assure our compliance.
One additional strategy to enhance the value of our academic degrees is to assure the highest qualifications of our faculty as demonstrated by the percent who hold the highest degree within their profession. Our goal is to be at 90% or higher. As of now, we are at 87.81% and the range within our colleges is from a high of 93.5% in Humanities, Fine and Performing Arts to 82.9% in Education. You will see us enforce a higher expectation of hiring only those with completed degrees except where a special case might warrant an exception (i.e., accounting, finance).

We want students to have an enriched education through a range of experiences beyond simply acquiring 120 credit hours. We believe that these add considerable value to our students' education. Among the key experiences we provide are service-learning, internships, international experiences, joint student-faculty research, leadership development, and respect for diversity.

Two of our programs provided exceptional examples of these experiences on the international stage. Our Jazz Ambassadors (student jazz group) performed at the Montreux Jazz Festival in Switzerland as well as the North Sea Jazz Festival in Rotterdam, Holland. The Montreux Festival is the oldest and most respected in the world and our jazz group is the first college band from Pennsylvania to ever have been chosen to perform. Dr. Steve Hawk led the group and reports in glowing terms how well our students performed and represented Slippery Rock University.

In addition, Ms. Laura Smiley and seven of her theater students performed to “five-star” reviews at the 60th Edinburgh Festival Fringe in Scotland, the largest international arts festival in the world. Their production was a play, "Dark North," authored by our own Dr. David Skeel.

Respect for diversity is an important value we want our students to have along with their degree. Our expectations are that we attract a diverse community, assist our campus learn about other cultures and lifestyles, and develop skills that help our students engage successfully in a diverse world.

As part of our university performance measures, we track thirty-two indicators related to diversity. As of the most recent report, we have met or exceeded the targets on all but three of these (Second year retention percentage of African Americans, the number and percent of professional staff who are women).

In spite of significant gains, we have real challenges to meet. We have not yet achieved a successful strategy to increase significantly the percent of enrolled students who are African American and the percent of enrolled students who are Hispanic. In the next few years, we have to develop bold new initiatives if we are to meet the System goals by 2009.

An additional measure of the quality of our degree is how well we retain and successfully graduate students. The State System performance indicators reveal that we are meeting our goals. However, we notice that for the past three years our retention percentages have been relatively flat. Our goal is to reach more than 80% retention of our freshman cohort and we have hovered around 78%. We are on a similar plateau for both the four year and six year graduation rates. Data related specifically to students of color reveal a flat rate and well below our goals.
Our answer to these retention and graduation data is to examine the satisfaction students have with their SRU experience. We use the National Survey of Student Satisfaction, a comprehensive survey widely praised for its validity and its comparative data. For most of the items on the survey, SRU performs above our peer average, above our Carnegie Classification average, and above the average for all institutions using the NSSE. Nevertheless, we believe we can still improve and the NSSE gives us specific targeted areas that help us be a better institution.

We are coupling NSSE results with our participation in the Foundations of Excellence (FOE) program. SRU has been selected to participate in a year long evaluation to improve our first year of college. SRU is fortunate to be selected to participate in this approach to institutional improvement. We are the only PASSHE institution to ever be selected to participate in the Foundations of Excellence project and the only AASCU institution in Pennsylvania to be selected. The FOE will involve more than 100 campus participants investigating nine different qualitative elements of our campus performance.

**Goal Two: To be a premier public residential university**

Our second goal is to be the premier public residential university in the Northeast United States. Strategies for achieving this goal include the ways we integrate academic life with student life to create enhanced intellectual experiences, to provide for leadership development that fosters civic responsibility and skills in civil discourse, and to create respect for diversity.

We want to give particular emphasis to creating respect for diversity on our campus. The entire faculty and staff will be engaged on October 17, for Professional Development Day, set aside last spring for training and development programs on diversity, campus community, and advocacy for equality.

Also among our strategies is to continue to transform the entire campus to be an intentional learning laboratory with areas that teach people about our environment, provide opportunities for meditation and reflection, remind us of our heritage and culture, and, through art, provoke observations and contemplation. A survey of prospective students conducted by an outside firm in May 2006 found that one of the negative reasons for considering Slippery Rock University was the perception that we had run down facilities and grounds. Although some of that reaction is based on hearsay rather than first-hand experience, we still want our space to be well cared for and representative of a purposeful academy.

As part of the continuing development of our campus, we will aggressively pursue completion of phase II of the residential housing project, the dining services renovation plan, development of the recreational athletic complex, and construction of the student union and performing arts center. These projects are vital to the living-learning environment we are building for our students.

**Goal Three: To control our own financial destiny**

The third goal we have set is to control our own financial destiny. Our ability to determine our own financial fate gives us the power to decide for ourselves what our university can become.
We are concentrating on three strategies to achieve our goal: careful and prudent management of our existing resources, establishment of independent revenue streams to the campus, and attraction of private gifts and bequests.

We have always demonstrated careful and conservative management of our resources and we have invested our reserves in ways that serve our long term interests. This year's budget process was particularly challenging. However, by the end of the budget determination period the PASSHE had secured a 4.5% increase in the legislative appropriation and the Board of Governors had approved a 3% tuition increase that effectively balanced the budgetary needs of our institutions. What made all of this work, however, was another deep budget cut from each institution's recurring budget prior to the negotiated legislative settlement. Our obligation was to cut our budget by $2 million in order to make the final budget allocations balance out.

The one element of the budget process that gives us any promise for developing our programs is the performance funds. Last year we earned approximately $2.5 million in performance. Now that the pool represents eight percent of the PASSHE budgets, excellent performance results are mandatory to recover funds needed to invest in our programs. Through hard work, SRU has moved from a “contributor” to a “recipient” of performance money. In other words, we are earning more than the amount we give up from our base in the performance funding formula.

Our performance outcome achievements are extraordinary. The 2005-2006 report from the PASSHE shows Slippery Rock University second only to West Chester in achievement of those indicators tracking our target goals. We are ranked fifth for those goals compared to external benchmarks and eighth on progress to meeting the 2009 System goals. We will not know the final results for the performance money allocation until later but we anticipate a very sizeable award.

Overall, we are better served by developing our own independent revenue streams. The Regional Learning Alliance was established to provide that stream while also providing us a venue to deliver workforce development training to the region’s economic development. As the RLA passes its second year anniversary, we are happy to report that since August 2004, more than 75,000 people have received training and educational development amounting to more than 420,000 hours not including the General Motors programs and those credit courses offered by our fourteen partners. The educational partners have offered more than 300 classes during this time period. Over 270 different companies have used the building for workforce development including well-known names such as Medrad, Eaton, Traco, Verizon, Rockwell, and MSA.

The other planned revenue stream is the business incubator to be built on SRU Foundation property adjacent to the campus. Stimulated by Governor Rendell’s grant of $1.5 million, this project is expected to be both a stimulus to entrepreneurial activity in the Slippery Rock area as well as a practical laboratory for student in the School of Business program. Engineering studies of the land have been completed and design for the property will begin soon.

**Strategic Planning**
Sustaining the energy and urgency for achieving these goals requires a highly coordinated and
developed strategic plan. The university has at least nine different planning processes either in development or recently completed. We have engaged hundreds of people in these specific planning initiatives.

Although we have a common vision and sense of our overall goals, we do not have a comprehensive document built from a campus-wide collaboration that coordinates and prioritizes our plans. Consequently, I've asked Dr. George Force to research and assemble from the existing planning initiatives a comprehensive overarching plan. His work is to be completed in late November, 2006. Using this as a draft document, we will bring the university-wide strategic planning group together to review, debate, and revise Dr. Force's compilation of our planning into a single unified process. The intent is to have this group's final work completed by the end of the academic year.

We begin this year with a great deal of optimism and enthusiasm. There was an unmistakable spirit among our students as we welcomed the new ones during Week of Welcome and greeted the returning students the first week of classes. I believe we are at an exciting intersection for SRU and that this year will be one distinguished by several pivotal events. These are the reasons we continue to believe this is a great time to be at Slippery Rock University.