The Slippery Rock University community welcomes Eric Holmes to his first official meeting as a member of the Council of Trustees. Eric has a long and distinguished record of service to the university including serving as president of the SRU Alumni Association. We are excited about Eric’s contributions in this new role as a trustee.

We also want to commend Trustee Jessica Cosme for her selection as a Woman of Distinction. This annual award is bestowed by the President’s Commission on the Status of Women and celebrates those that have made a significant contribution to the women’s community at SRU. Jessica and Tina Moser, who has also been selected as a Woman of Distinction, will be recognized at the Twenty-Second Annual Leadership/Mentoring Dinner on October 13.

For more than a decade we have embraced one compelling vision that “Slippery Rock University will excel as a caring community of lifelong learners connecting with the world.” We believe fulfillment of this single vision is to be the premier residential public university for this region. Seven years ago, we acknowledged what we do best is serve students who are part of a residential experience within the intellectual community made possible by capable, committed faculty and staff members. We recognize the work of all of us contributes to the development of our students whether they are in formal classroom instruction or engaged in their co- and extra curricular activities such as the *Compass Leadership* program or an athletic championship.

When we assert we are the “premier” university, we claim by definition to be “first in position, rank, or importance” The evidence for our claim comes from the recognition by others. Since our last meeting we have been awarded:

- **Our 8th** consecutive year listing in The Princeton Review as one of the best Northeastern Colleges. Selection is based on student surveys and narrowed to those with excellent academic programs. Students reported the University had a “wonderful business school,” notable programs in music and physical therapy, residence halls “like palaces” and “excellent education students.”

- One of only 150 colleges selected as a “Great College to Work For” This designation was based on survey responses of faculty, staff, and administration. The “Great Colleges to Work For” program, now in its second year, recognizes groups of colleges based on enrollment for specific best practices and policies, such as compensation and benefits, work environment and institutional practices. There were 26 recognition categories for four-year institutions. SRU placed in the top 10 in five of the 26 categories for medium-size colleges and universities (3,000 to 9,999 student enrollments).

- Named as one of the select “military friendly” universities in the United States for our work with returning veterans to campus. Only 15 percent of colleges, universities and trade schools nationwide made the list.
• Ranked one of the safest university campuses in the nation by *The Daily Beast*. SRU was listed at No. 14. Tina Brown, former editor of The New Yorker magazine, heads the popular, current issues Web site. In preparing the list, editors considered 4,000 colleges and universities. To be considered, the school must have had an enrollment of at least 6,000 students and offer on-campus residence halls.

• Included in the 2009 edition of *Beyond the Books, Guide to Service Learning at Colleges and Universities*, which profiles the nation’s top institutions for service learning. SRU is among those featured in a section of the book detailing schools that teach students to use academic skills and knowledge for community projects in education, homelessness, inequality, and the environment.

One aspect of our claim as a premier university is our recent focus on developing people capable of making positive differences in the lives of others. We believe that we are unique in shaping our strategic plan based on the student we are developing, rather than an institution we are preserving. Our strategic planning efforts focus on five global imperatives that we believe our students should be educated to address in their lives. In early September, the planning committees working on each trend reported on their progress and the Council had an opportunity to hear reports from two of the committees.

Concurrently, the University’s Middle States Steering Committee, chaired by Dr. Neil Cosgrove and Ms. Cindi Dillon continues their diligent work. The self-study draft will be completed by this Spring. The Council will continue to receive updates on this important project.

A third component of our initiatives to develop capable people who make a positive difference in the lives of others is our special work on making SRU a place recognized as a place where diversity and inclusion are core values. We began this year with a goal to use our diversity as a vehicle for being an accepting, caring, inclusive place evident in our teaching, research, student development, and institutional functioning. Recently, I named Dr. Jessamine Montero, director of Slippery Rock University’s Act 101 program and an assistant professor, as the Special Assistant to the President and Senior Officer for Diversity and Inclusion. This key leadership position will help the University successfully integrate diversity, international and intercultural plans and goals into the mainstream of operational activity throughout the campus. The University is very fortunate to have someone as qualified as Dr. Montero to lead us in this effort. It was very important to me that the person selected brought faculty experience and a thorough understanding of the issues we are facing.

Slippery Rock University began the academic year with 8,648 students. Sophomore retention was 80.04%, crossing the 80% line for the first time in the University’s history since such records have been kept. The 1,545 students comprising the freshman class consisted of an increase of 18% African-Americans and 9% increase of Hispanics. Overall, 42% of the class came from the top quarter of their high school class and 13% came from the top ten percent of their high school class.

We saw increases in both out-of-state enrollment (6.3%) and international enrollment (4.4%) as
well as a 2.2% increase in our full time equivalent enrollment. The latter statistic will help with our appropriation from the state.

With all of these positive indicators of the success of the University to achieve its vision, it is troublesome to face the consequences of the state’s political leadership chaotic and dismal failure to produce a budget. As of this meeting, Pennsylvania remains the only state without a budget and no clear prospect for resolving the political squabbling necessary to pass a budget.

Each month that passes, costs the University $3.2 million in the state revenues used to pay our obligations. As of this meeting, we are one-quarter of the way through the fiscal year and just short of $10 million due from the state. We are meeting our obligations to our employees, students, and vendors by using cash from tuition and fees paid by our students. To say the least, this is an untenable situation for much longer.

In addition, the SRU Foundation has suffered a significant loss in their assets and a sharp falloff in contributions such that the Finance Committee has recommended a reduction in their scholarship allocation for 2010-11 in the amount of $335,000. If this decision prevails, it will devastate our work to attract the highly qualified and most competitive students to next year’s freshman class. I am hopeful that the Advancement Division will be successful in attracting more dollars to the Foundation within the next eight months.

While addressing these immediate challenges, the University is looking ahead to the problems related to our budget for the next few years. I came here 10 years ago to help build a great university at a time when we were in a different crisis related to enrollment but no less threatening to the stability of the University. I do not intend that my second decade is dismantling what we have struggled to achieve. Those who were here a decade ago know from that experience that the collective will of this place can accomplish great things. They can testify to those who have joined us in this decade that, together, we are an amazing force. And it will take our collective will to be successful in the face of the challenges ahead.

We have begun a review of our budget at all levels with the expectation that we will need to reduce a gap of $8.9 million either through enhanced revenue or reduction of expenses. In the past week Dr. Charles Curry and I have conducted three budget workshops to educate the campus about our budget and provide participants a solid working relationship with the details of the budget. More than 100 students, faculty, and staff attended those sessions.

We have reinforced at these meetings that we remain guided by certain principles that are embedded in our strategic planning document:

- Students come first. Educating students is always the highest priority.
- Consultation with faculty, students, and administration on matters of the strategic plan and budget decisions are an inherent integral part of the shared governance of the University.
- Cuts and/or increases are not made “across-the-board.” Doing so violate the purpose of the strategic plan and is a formula for mediocrity.
• The University cannot be all things to all people. The budget reinforces the strategic priorities of the University to preserve the overall quality of the institution.

Specifically, we have added that we will:
• Invest in quality,
• Commit to a faculty that is full time and professionally credentialed,
• Commit to enhancing academic programs to assure accreditation and national recognitions,
• Commit to upgrading our teaching/learning environment, campus safety and security, and
• Commit to recruiting, educating, and graduating high quality engaged students.

We have set a calendar for reviewing and finalizing the budget through the coming eight months. This is our usual calendar for reviewing the budget with one special feature: Everyone in the University community will have a chance to suggest budget changes. By October 7, a web site will be open for anyone, students included, to offer suggestions. The suggestions will be published for all to see and comment. In addition, the web site will provide updates on the economy, state actions, and University decisions that impact the final 2010-11 budget. We encourage the Council members to follow along this process.

At the Council’s February 2010 meeting, an update will be presented. By April 16 the divisional vice presidents will make final proposals to the University Budget Committee (timed to be one week after the PASSHE Board of Governors meeting). By mid-May the final budget will be ready for presentation to the Council.

In uncertain times, great institutions move to the fore. Although we might not fully know what is ahead, it doesn’t diminish our ability or commitment to shape our own future. We are so close to reaching greatness that we cannot be defeated by these forces. We may need to do things differently and we may have to delay some of our goals but we will not lose sight of our course.

While we are on this path, one true setting of our morale compass will be what we do for our students. This is Our University. It is a place:
• Where we expect those who work here to be models of the values and civic responsibilities we wish for our students,
• Where everyone is a potential teacher,
• Where collegiality develops into lasting friendships, and
• Where community means “unity,”

I am confident we will come through this experience as a better institution and an even stronger competitor.