Slippery Rock University continues to face the unprecedented financial challenges presented by the economic downturn, high unemployment, limited state tax resources.

What troubles our future is the constant strain of our budget issues. In late October, the state sorted out the budget allocation for 2009-2010 to PASSHE with the following mixed results: (1) PASSHE received a total of $503,355,000 from state and federal sources, including $27,068,000 in federal funds that was credited to the previous fiscal year. Those are "stimulus dollars" (ARRA); (2) The legislature eliminated the "Key 93" funds that are used for repair and maintenance, thereby cutting $13,893,000. When the elimination of the Key 93 funds is taken into account, PASSHE total funding was reduced by 6.5% for funds identified as FY2009-2010. This difference was patched with additional federal stimulus funds as funds received in FY2009-2010, resulting in an actual net increase of 3.8% to PASSHE.

Most significantly, the state base recurring appropriation was reduced from $477,322,000 to $444,470,000. We will need political will to replace those dollars just to get back to even with the 2008-09 budget.

How those decisions impacted Slippery Rock University is as follows: We received $32,644,467 (down $3,561,272 or 9.8%). Overall, money from all state and federal sources including performance was $39,907,301 (less retirement fund payment (AFRP)). In addition, our appropriation included $3,125,400 in stimulus money (ARRA) represented 8.7% of our allocation and which is nonrecurring.

The one bright spot was that we earned $4,396,829 through performance funding, which covered the remaining portion of the budget deficit that we had not previously covered when entering the 2009-10 fiscal year. The final result is that we are stable for this fiscal year.

The performance funding results were particularly satisfying. The key result areas were faculty productivity, employee diversity, degrees awarded, graduation rates, and second year retention. Overall, SRU earned the third highest amount in the System behind West Chester and California.

We remain very concerned about how we will balance the budget for 2010-11. We continue the plan described in the October report to the Council. We are increasing communication with our employees and students to not only keep them informed but engaged in ways we can seriously reduce expenses in light of the predicted reduction in revenue. The web site remains an active depository of ideas and suggestions by our staff (now more than a hundred entries) on how we might cope with our challenge. In addition, we added a fourth budget workshop targeted to Finance and Administration employees. We are adding at least five more sessions, one for each
college, one for APSCUF leadership, and additional sessions for each division of the University as well as for the Student Government Association.

In the face of these challenges, the University comes to the close of the Fall, 2009 semester in excellent shape and with a wonderful number of accomplishments. We continue to be an amazing place that is eager to be better in every way.

We are particularly proud of our Honors Program. This year’s program brought in an additional 100 qualified students, and now is a program 294 students enrolled. The program provides additional opportunities for qualified students to learn and grow through honors classes, student-faculty research and conference participation. The program promotes leadership and civic engagement and offers participants added credential opportunities for their job search upon graduation. One highlight for the honors students is participating in the National Collegiate Honors Council conference. This year’s conference took place Oct. 28-Nov. 1 in Washington, D.C. Six SRU students presented under the conference theme of “Honors in the Global City.” The Collegiate Honors Council typically accepts 50 to 60 percent of the proposals submitted for presentation and SRU submissions have achieved a 95 percent acceptance rate over the past two years.

On November 12, 2009, I signed the American College and University Presidents Climate Commitment stating that Slippery Rock University would help lead the region in reducing global emissions of greenhouse gases, starting with our own campus. Launched in 2007, the American College and University Presidents’ Climate Commitment is a network of signatory schools, representing all 50 states and the District of Columbia. More than 660 institutions have signed the ACUPCC. This high-visibility effort to address global warming garners institutional commitments to neutralize greenhouse gas emissions and accelerate the research and educational efforts of higher education in an effort to equip society to restabilize the earth’s climate.

Joining ACUPCC gives SRU a national stage to highlight the enormous commitment we have to sustainability and environmental stewardship. The University’s portfolio of ongoing projects as well as three strong academic programs in environmental studies programs provide an impressive presentation. In addition, the ACUPCC program fits well with the strategic planning theme related to environment and sustainability. All in all, this membership is a natural extension of the work of the University.

Another milestone this semester was the fifth anniversary of the Regional Learning Alliance. Opened in August of 2004, the RLA was created to help provide western Pennsylvania businesses with workforce training facilities and remains a unique operation and the largest such cooperative in the nation. Two new universities joined the alliance this year, Duquesne University and West Virginia University.

Operating as both a continuing education facility as well as corporate conference center, the RLA has served as the training facility for more than 500 different companies including the primary facility for Westinghouse Electric Corp., H.J. Heinz Co., MSA, McKesson Automation Corp.,
Verizon Wireless, PPG Industries, MEDRAD Inc. and Siemens Water Technologies.

Since its opening, more than 150,000 students have used the campus and more than one million people hours of workforce training have been completed. The RLA has offered 1,400 credit courses by its twelve academic partners with 1,500 students enrolled in degree programs.

Several of our faculty and staff received significant recognitions this past fall:
- Pam Arnhold, Slippery Rock University assistant professor of exercise and rehabilitative sciences, has been named the Adapted Physical Activity Professional of the year by the Pennsylvania State Association for Health, Physical Education, Recreation and Dance;
- Joanne Leight, associate professor of physical education and a double Slippery Rock University graduate, has been named “Teacher of the Year” for the college/university division of the Pennsylvania State Association for Health, Physical Education, Recreation and Dance; and
- Jessamine Jovelina Mozo Montero, special assistant to the president and senior officer for diversity and inclusion, was recognized with a Minority Achievement Award at the 35th Annual Minority Achiever’s reception sponsored by Talk/Minority Opinion Magazine.

In conclusion, we invite the Trustees to our fall Commencement on Saturday, December 19, 2009 in Morrow Field House at 11:00 a.m.