**MOE program update:** majority of Wave 1 has launched; we are moving into Wave 2

<table>
<thead>
<tr>
<th>Wave 1</th>
<th>Wave 2</th>
<th>Wave 3</th>
<th>Future Waves</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>67% of value</td>
<td>14% of value</td>
<td>16% of value</td>
</tr>
<tr>
<td>Organizational redesign</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic reinvention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsored programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergrad yield</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alumni &amp; corporate giving</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget model (phase 1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process initiatives</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Revenue & cost initiatives**
  - Undergrad yield
  - Alumni & corporate giving
  - Travel
  - Budget model (phase 1)

- **Process initiatives**
  - Graduate admissions
  - Hiring
  - Facilities processes

- **Launch status**
  - **Launched**
  - **Pre-launch prep**
  - **Not yet launched**

Note: Value assumes high-end of diagnostic ranges

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This information is confidential and was prepared by Bain & Company solely for the use of our client; it is not to be relied on by any 3rd party without Bain's prior written consent.
Ways of Working: change occurs as a process, not as an event

- Status Quo
  - People will start the transition process at different points

- Transition
  - Individuals take different amounts of time to move through the process

- Aspirational
  - We are in a transition state as we move from a status quo of “doing more with less” and moving towards our aspirational state “Doing Better”
Ways of Working: fostering engagement – resistance is normal and can help to identify what support is needed

You may hear...

“I feel overloaded.”
“I’m not sure what our priorities are”
“I don’t know how to do this.”

How Human Resources can help...

Management Toolkit
• Activities for individual contributors
• Leader-led activities for supervisors
• Workshops facilitated by Human Resources

Consultations
• Plan to support schools and colleges
• Individual meetings to discuss additional tools and resources
Position management: Guiding principles for personnel management

• Each division, college or school will receive a set budget for unrestricted and designated funds at the start of the FY that the unit leader is responsible for managing.

• As there is no process at this time to increase unit budgets midyear, all new spending for unrestricted and designated funding requests should be addressed during the budget planning process each spring.
  - Request decided to be unique are subject to presidential approval.

• Unit leaders are accountable for managing to their budgets and should not put forward personnel spending requests that increase actual personnel spend beyond their allocated fiscal year budget.
  - Student Worker budgets must be actively monitored by someone in the department to ensure actual spending does not exceed budgeted spend.

• If a unit’s actual spending exceeds the fiscal year budget, the unit may forego merit allocation in the following fiscal year.
Position management: Both position reclassifications and new position requests will be handled in a structured manner

<table>
<thead>
<tr>
<th>NEW POSITION REQUESTS</th>
<th>POSITION RECLASSIFICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the change requires funds in excess of the allocated budget...</td>
<td>If there are deemed to be unique circumstances, the request may be approved by the President.</td>
</tr>
<tr>
<td>...the request will be reviewed as part of the budgeting process in the spring regardless of soft/hard funding</td>
<td>...the request will be reviewed as part of the budgeting process in the spring</td>
</tr>
<tr>
<td>If the change is fundable within the allocated budget...</td>
<td>...and is due to an increase in an employee’s responsibilities or promotion then it must be submitted by Dec 31 for HR review and will take effect the next fiscal year</td>
</tr>
<tr>
<td>...then the leader may request the new position</td>
<td>...and is due to personnel changes that provide the opportunity to restructure positions for efficiency and effectiveness then it will be reviewed by HR</td>
</tr>
</tbody>
</table>

Approach subject to revision by budget model redesign team for FY19 implementation
FY18 Approved Capital Projects
Project Administration

• Is this a Facilities project?
  https://www.slu.edu/facilities-services-home/departments/construction-services/service-listing#projrequest

• If yes, follow Facilities procedures.

• If no, submit a project request. All capital project funding must be spent from a “7” fund.
**STEP I**

- **CONTACT PERSON**: ____________________________
- **PHONE**: ____________________________
- **DEPARTMENT**: ____________________________
- **BUILDING**: ____________________________

**DESCRIPTION OF REQUEST:**

**STEP II**

**ESTIMATED COST OF PROJECT**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$_________</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>$_________</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$_________</td>
<td></td>
</tr>
</tbody>
</table>

**APPROVAL**

**DATE** ____________

**STEP III**

**AUTHORIZATION TO PROCEED**

<table>
<thead>
<tr>
<th>Department Head</th>
<th>Date</th>
<th>Account Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>College/Division</th>
<th>Date</th>
<th>Account Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vice President</th>
<th>Date</th>
<th>Account Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**STEP IV**

**CREDIT ACCOUNT**

<table>
<thead>
<tr>
<th>Approval</th>
<th>Date</th>
<th>Account Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Include on Project Request

• Fund administrator with Banner user name and contact information
• Detailed description of project with quote if possible
• Appropriate approvals
• List “FY18 Capital” as funding source
• Include fund number of Departmental fund to charge if Department is responsible for any funding.
• When complete, submit directly to Accounting wamhoffk@slu.edu
Accounting Tasks

• Create new “7” project fund. Note: All projects operate on a fund balance basis.

• Process journal entry to transfer fund balance to project.

• Process budget revision if Department’s ledger “1” fund is supplying any funding.

• Notify fund administrator of project fund number.
Close Project

• Notify Accounting when project is complete, and we will close the project. Any unused funding from a Department’s Designated funds will be returned.

• If the project was to purchase equipment, you will receive an Equipment Information Form to be completed.
Questions?

Contact:
Karen Wamhoff
Wamhoffk@slu.edu
Wool Center 3rd floor
977-3727
Export Controls

Michael Reeves
Export Control Officer
Export Controls

Federal Export Control regulations restrict the following exports:

- Tangible goods: technology, letters, software, or packages
- Communication: email and phone conversations
  - “Deemed Export”
- International travel
- Foreign Visitors/Vendors
Regulated by 3 federal agencies:

- Department of Commerce (EAR)
  - Dual-use items
  - Commerce Control List
- Department of State (ITAR)
  - Military specific items
  - Munitions List
- Department of the Treasury (OFAC)
  - Sanctioned entities
Export restricted and embargoed countries

- Comprehensive Sanctioned Countries T-5 (Cuba, Iran, N. Korea, and Syria)
- All countries have commodity or information exchange specially restricted (i.e. China, Russia)
Exclusions

- Fundamental Research (15 CFR 734.8)
  - Shared broadly in the scientific community
- Public Domain (15 CFR 734.7 and 734.10)
  - Generally accessible to the public
- Educational (15 CFR 734.9)
  - Generally taught across the country
- Bona Fide Employee (15 CFR 125.4.b.10)
  - Non T-5 citizen, must sign NDA
Licenses

Current process requires us to seek license for highest level of restriction;

- ITAR
- EAR
- OFAC-Travel to all T-5 and most D-1 countries
Policy
OUC-021

- International Travel
  - TMP
  - Clean Computers
- Research Agreements
- CDA/NDA
- Foreign Visitors/Vendors
  - Honorariums
SLU Travel

- Clean Loaner Rules
  - Mainly impacts travel to China
- VPN/Authentic8
- Laptop ban in Cabin
  - “effective control”
Areas of Concern for SLU

- Downloading software on a restricted computer
- Providing technology/technical data via email, fax or during a phone conversation or a meeting to a foreign national
- Google Drive
- Re-export
- Shadowing into restricted spaces
Penalties for Violations

• ITAR: Civil Penalties-Up to $1,094,010 fine
• ITAR: Criminal Penalties-Up to $1 million fine, up to 10 years in prison

• EAR: Civil Penalties-Up to $250,000 fine
• EAR: Criminal Penalties-Up to $1 million fine, 20 years in prison.

• OFAC: Civil Penalties-Up to $250,000 fine
• OFAC: Criminal Violations-Up to $1 million fine, 10 years in prison.
Examples of Violations

• Professor J. Reece Roth, University of Tennessee
  • Sentenced to 48 months
• UM-Lowell- Failed to screen company- $100,000 penalty.
• ITT-leading producer of night vision goggles - $100 million fine
• ZTE-$1.19 Billion penalty DOC violations
• American University-$700,000 settlement-violation of OFAC
Contact information

- Michael Reeves, University Export Control Officer
  mreeves8@slu.edu, 977-5880
Saint Louis University
Business Manager Meeting
June 8, 2017

2017 Estimate and
2018 Budget
FY17 Estimate
## FY17 Estimate Versus Budget

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>FY17E</th>
<th>FY17B</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$791.1</td>
<td>$803.7</td>
<td>$(12.6)</td>
<td>(1.6)</td>
</tr>
<tr>
<td><strong>Compensation Exp.</strong></td>
<td>568.1</td>
<td>572.8</td>
<td>4.7</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Severance Costs</strong></td>
<td>2.4</td>
<td>-</td>
<td>(2.4)</td>
<td>-</td>
</tr>
<tr>
<td><strong>General Expense</strong></td>
<td>236.6</td>
<td>244.9</td>
<td>8.3</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Operating (Loss)</strong></td>
<td>$(16.0)</td>
<td>$(14.0)</td>
<td>$(2.0)</td>
<td>(14.0)</td>
</tr>
</tbody>
</table>
Operating Loss Vs. FY17 Budget ($ in millions)

$(16.0) Loss estimated - $(2.0) unfavorable Vs. FY17 Budget

Key Drivers - Favorable/(Unfavorable):

- $2.7 Higher Net Tuition Revenue- $4.7 Enrollment flat vs. (1.9)% in Budget, $(2.0) higher discount rate of .6%
- $(1.8) Room and Board growth assumed in budget not achieved
- $(2.4) Severance and Benefit cost for staff layoffs
- $(0.7) Additional Bain study costs
FY18 Budget
# Key Budget Assumptions

<table>
<thead>
<tr>
<th></th>
<th>FY18B</th>
<th>FY17E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment – Headcount (FTE’s)</td>
<td>12,820</td>
<td>12,949</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>36.5%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Endowment Spend Rate</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Merit Increase</td>
<td>1.0% merit and 1.0% targeted</td>
<td>$2.0M for market adj.</td>
</tr>
<tr>
<td>Tuition Rates</td>
<td>$41,540</td>
<td>$40,100</td>
</tr>
<tr>
<td>Tuition % Increase – Graduate</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Tuition % Increase – Undergraduate</td>
<td>3.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>
## FY18 Budget Versus FY17 Estimate

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>FY18B</th>
<th>FY17E</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$820.0</td>
<td>$791.1</td>
<td>$28.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Compensation Exp.</td>
<td>597.2</td>
<td>573.1</td>
<td>(24.1)</td>
<td>(4.2)</td>
</tr>
<tr>
<td>MOEP - Staff</td>
<td>(7.2)</td>
<td>(5.0)</td>
<td>2.2</td>
<td>44.0</td>
</tr>
<tr>
<td>MOEP-SOM</td>
<td>(2.5)</td>
<td>-</td>
<td>2.5</td>
<td>-</td>
</tr>
<tr>
<td>MOEP- Faculty</td>
<td>(2.1)</td>
<td>-</td>
<td>2.1</td>
<td>-</td>
</tr>
<tr>
<td>Severance Costs</td>
<td>-</td>
<td>2.4</td>
<td>2.4</td>
<td>100.0</td>
</tr>
<tr>
<td>General Expense</td>
<td>235.8</td>
<td>236.6</td>
<td>0.8</td>
<td>0.3</td>
</tr>
<tr>
<td>Operating (Loss)</td>
<td>$(1.2)</td>
<td>$(16.0)</td>
<td>$14.8</td>
<td>92.5</td>
</tr>
</tbody>
</table>
Operating Loss FY18B Vs. FY17E ($ in millions)

$(1.2) Loss estimated - $14.8 Favorable Vs. FY17E

Key Drivers – Favorable/(Unfavorable):

- $28.9 Revenue
  - SLUCare $13.5
  - Higher Contributions $5.0
  - Housing $2.4 from rate and upperclassmen occupancy
  - Net tuition revenue $2.2 (Price $7.9, Enrollment $(2.6) and Discount rate $(3.1))
  - Endowment $1.4
  - All Other, net $4.4

- $(24.1) Compensation Expense
  - SLUCare growth $(18.2)
  - Merit and Rank and Tenure $(6.0)
  - All Other, net $0.1
Key Drivers – Favorable/(Unfavorable) continued:

- $2.2 MOEP staff; salary savings from eliminated positions and additional contributions challenge
- $2.5 MOEP- SOM savings from eliminated positions
- $2.1 MOEP- Faculty; $1.4 in salary savings and additional revenue of $0.7
- $2.4 Severance Costs in FY 17
- $0.8 General Expense – Savings from SluCare chemo drugs and Bain unwinding partially offset by higher housing costs
MOEP - Staff Summary

- 103 staff employees terminated with an additional 170 open staff positions eliminated.

- Total severance cost of $2.4M recorded in FY17.

- Staff reduction and additional gift revenue $14M ($0.8M in 2019).

- Academic Reinvention program savings plans still being reviewed, but FY18 includes $0.7M in additional revenues and $1.4M in salary savings.
Minimum Wage – City and State

• $10 an hour – St. Louis city effective 5/5/17
• 5/12/17 bill passes MO house and senate preempting city minimum wage
• MO bill pending governor signature or lapse of time to become law
• $7.70 an hour – if MO bill becomes law - effective 8/28/17
SLU and Minimum Wage

• All employees below $10 an hour moved to $10 an hour on 5/5/17
• No change to student worker budget or FWS awards
• New hires in the summer $10 an hour; if continuing in fall could communicate lower rate for fall
• If MO bill becomes law, plan to adjust hourly rates
• Committee during the summer to look at student worker compensation practices
Questions?
Travel Policy Update
Recent Travel Policy Changes: Effective Feb, 1, 2017

• Receipts are not required for reimbursement for expenses under $50.00.

• Eliminate Transportation Calculator when justifying mileage reimbursement. Travelers are always encouraged to choose the lowest total cost transportation option available that meets their needs.

• Conference travelers may book hotels at or below the lowest published conference hotel rate, regardless of the availability of the conference hotel.

• Travelers have the option of claiming 75% of the allowable government meal per diem, in lieu of submitting meal receipts.
QUESTIONS?

UNIVTRAVEL@SLU.EDU

CARDPROGRAMS@SLU.EDU