Update on Academic Finances

Presentation to the University Faculty Senate

Mike Lewis, Ph.D.
Interim Provost

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Our Shared Challenges

1. To ensure fidelity to our institutional academic identity
   - We are a Jesuit research university
   - We are grounded in, and fully committed to, the liberal arts educational tradition
   - We are fundamentally committed to teaching, and to the faculty-student relationships necessary for transformative educational experiences
   - We are committed to even greater demonstrable impact of, and recognition for, faculty research, scholarship, and creative activity (*in the aggregate*)

2. To ensure responsible stewardship of limited institutional resources in support of our Mission.
   - It is neither intellectually viable nor financially feasible to pursue every worthy academic endeavor
   - There is no shortage of other outstanding institutions that offer what SLU cannot and should not.
   - We operate in a very competitive environment for faculty, students, and research funding - competing successfully requires us to be strategic
Our Shared Challenges

Together, we can successfully address these challenges if we:

- are transparent about our financial status -- and respect the reality of it
- recognize that some of the COVID pandemic’s negative impact is likely to be permanent
- reconcile ourselves to the reality of the problematic, long-term demographic shifts on the horizon – and that we have been apprised of for years
- are honest with ourselves about the quantity, quality, and impact of our teaching, our academic programs, and faculty scholarship
- continually understand SLU in the context of the hundreds of other U.S. research universities, and in the context of our sister Jesuit institutions
- strategically review and re-balance our portfolio of academic programs, eliminating and investing in selected programs as needed
- strategically review and re-balance our faculty’s workloads to meet our mission-driven commitments to teaching, research, health care, and service
Our Shared Challenges

- We will try to meet these challenges WITHOUT significant cuts to current faculty and staff.

- BUT we will have to *accelerate* selected organizational, curriculum, and workload changes.

- My philosophy: We must make strategic, meaningful changes to the work we do – *while still ensuring fidelity to our mission and Jesuit educational identity* – to avoid significant faculty and staff layoffs in the near future.
Academic Portfolio Review Update

- **Academic reallocation vs. academic reorganization**
  - Primary distinction is that academic reallocation involves program closure *that results in the termination of full-time faculty*
  - Academic reallocation requires a more extensive review/decision-making process

- **Anticipated impact on faculty headcount**
  - Most of the program closures from APRC will constitute academic reorganization -- *not* reallocation
  - Accordingly, the impact on full-time faculty headcount is likely to be minimal

- **Role of shared governance in reallocation**
  - Consultation to occur between Provost and the impacted unit
  - Faculty Senate Executive Committee, respective deans and faculty members may present alternatives to the Board of Trustees before Trustees make their determination of need for academic reallocation
APRC: Timeline for Academic Reallocation

Dec 2020: Provost receives recommendation from Portfolio Review Committee (APRC)

Jan/Feb 2021: Provost initiates consultation process

Feb/Mar 2021: FSEC and affected units offer alternative proposals

By Apr 2: BoT declares need for academic reallocation

By Apr 9: FSEC may establish committee to apply Sec. III.I.13 criteria

By Apr 23: FSEC and affected units submit alternative proposals

By May 2: BoT declares need for academic reallocation

By May 9: FSEC may establish committee to apply Sec. III.I.13 criteria

By May 10: Committee recommendation provided to President Pestello

By May 22: Written notice from President to individual faculty communicating initial decision

Jun 2021: Individual faculty requests for appeal (30 days from President’s notice)

By May 22: Written notice from President to individual faculty communicating initial decision

Aug 2021: President reviews recommendations and issues final decision(s)

Jul/Aug 2021: Ad hoc judicial committee review of individual appeals

May 2022: Effective date of termination for faculty impacted by academic reallocation

All dates are subject to change and may be adjusted to meet notice requirements contained in The Faculty Manual.
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- The APRC is completing their work, and I am beginning to receive recommendations.

- I will organize the recommendations by whether they will proceed through reorganization or reallocation.

- Both reorganization and reallocation require the Provost to initiate the consultation process.

- Both reorganization and reallocation allow for alternative proposals.
APRC: Timeline for Academic Reallocation

- Reorganization alternatives may be offered to the Provost, and do not involve the Board.

- The Board is involved in reallocation.

  - **By Apr 2:** BoT declares need for academic reallocation
  - **By Apr 9:** FSEC may establish committee to apply Sec. III.I.13 criteria
  - **By May 10:** Committee recommendation provided to President Pestello
  - **By May 22:** Written notice from President to individual faculty communicating initial decision

- If the Board decides reallocation is required, the FSEC can establish a committee to recommend the fate of affected faculty to the President; criteria established by Faculty Manual.
APRC: Timeline for Academic Reallocation

- President’s initial decision may be appealed to ad hoc judicial committee comprised of 4 faculty members appointed by the FSEC and 3 individuals appointed by Provost.

- The ad hoc committee determines if the proper process was followed, and makes recommendations to President.

- The President makes the final decision.

- The faculty member can be terminated at the end of the academic year that follows the President’s initial decision.

**Timeline:***

- **Jun 2021:** Individual faculty requests for appeal (30 days from President’s notice)
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Academic Financial Update

- Initial FY21 (AY 2020-21) budget approved by BOT was (-$4.5M)

- After first quarter, updated FY21 budget projection is (-$8.5M)
  - We are performing better than budgeted on tuition revenue [+5.5M] and salary variance [+3.5M]; however...
  - Housing is running behind budget expected (-$3.7M)
  - Arena events are running behind budget at (-$2.0M)
  - Parking and other revenues are running behind budget at (-$2.2M)
  - Contributions are running behind budget at (-$5.0M)
  - In the aggregate, we are running too far behind budget to meet projections

- Given the pandemic-driven cuts at the beginning of this fiscal year, FY21 budget is best be understood as (-$47.5M)
  - TIAA-CREF: $26.9M; 3% Compensation Increase Pool: $7.8M; Travel: $3.5M; Senior Leadership Salary Reductions: $0.8M

- Restoring any part of the cuts is highly unlikely in FY21
  - Even restoring some portion of the cuts in the 2021/2022 academic year (FY22) will require significant – and accelerated – changes to how we operate
Strategically Investing in Scholarly Excellence

What is “scholarly excellence”? How can our faculty’s scholarship (research, publication, creative activity) be deemed impactful?

- It *demonstrably* influences our academic disciplines and the scholarly work of discipline-leading peers

- It *demonstrably* influences lives – locally, nationally, or internationally – in a manner consistent with our Mission

- It generates *demonstrable* recognition for SLU that might reasonably result in increased enrollment/NTR, increased philanthropic/alumni giving, increased grant funding
  - *Does it help establish – or maintain – SLU’s standing or eminence as a national or world leader in the field?*

We must invest more aggressively in scholarship that achieves these standards of “excellence.”
Targeting Our Investments in Scholarship and Teaching

All faculty should contribute to SLU’s mission according to their strengths, and research and teaching are equally valuable contributions. Not all faculty should be responsible for scholarly excellence.

- The work of the faculty **collectively** must ensure this level of scholarly excellence -- but **not** at the *individual* faculty level across the entire University.

- Many faculty are more committed to – and truly excel at – teaching; for many, teaching is their primary academic interest and vocation. Others prefer more balance between teaching and scholarship, and scholarship-informed teaching. All are necessary and valued.

- Service and administrative effort also need to be accounted for, and valued. Some faculty commit significant effort to service.

- We must modify our promotion/tenure criteria, and our merit reward structures, to acknowledge these faculty and workload realities.

- In some areas with high student demand, we must hire for teaching interest and excellence in addition to targeted hiring for scholarly excellence.
  - We must recognize that in some areas/disciplines faculty perform research with students *primarily for students’ educational benefit*.

- We must increase support for teaching excellence for all faculty, and across all teaching modalities, and increase our expectations that faculty avail themselves of that support.
Targeting Our Investments in Scholarship and Teaching

**We must strategically target our investments in excellent scholarship**

- Most faculty whose scholarship is highly impactful need a 2:2 teaching load to sustain that level of work; a few national/international scholarly “stars” might even teach 2:1 or 1:1. Those are investments in scholarship excellence we can afford and must make.

- But we cannot afford to allow all faculty with tenure – irrespective of the quantity/quality/impact of their scholarship – to be assigned a 2:2 teaching load. Teaching loads of 4:4, 4:3, 3:3, and 3:2 must also be established in many units and at the individual faculty level as appropriate.

- Increased teaching assignments for full-time, tenured faculty will allow us to decrease spending on adjuncts, limit the need for certain non-tenure track positions, and allow us to strategically rehire for – or reallocate faculty resources from – open positions.

- In some areas we need to tie compensation to productivity and impact of research/scholarship/creative activity.

- The scholarship of teaching should be actively recognized, prioritized, and rewarded.

- Hiring for all forms of scholarship needs to be aligned with our University- and College/School-defined areas of scholarly excellence.
Determining the Scope of Investments in Scholarship

We cannot afford to invest in scholarship that is not significantly impactful. And we cannot afford to de-emphasize the educational importance of our full-time faculty teaching to their full capacity.

We need faculty to help determine how much, and what kind, of investments in scholarship we can we afford.

- Determining our ideal workforce: How many faculty, and which ones, should be heavily engaged in research/scholarship? How many, and which ones, should be primarily engaged in teaching?
  - Based on our current student demand, and tuition revenue generation, how many research-active faculty can we afford? How many teaching faculty do we need?
  - Ensure service and administrative effort are accounted for; these are also investments the institution makes.
  - This should be re-determined periodically – perhaps once every three years.
Creative Approaches to New Revenue

We need to be much more creative, and less risk-averse, in opening new revenue streams.

- We need more willingness to increase enrollments in revenue generating, professional master’s degree programs.

- We need to engage in partnerships with other institutions, and with organizations that leverage SLU’s programmatic excellence and extend our reach.
  - B.A. in Medical Laboratory Sciences partnership with Orbis
  - Master of Social Work partnerships with Xavier, Avila, and others.
  - New partnership with Fontbonne University.
  - Extensive faculty involvement is needed in any such partnership development.

- We need to leverage our current reputation in the City to expand our job training enrollments in the Center for Workforce Development.

- We need other ideas from the faculty, who best know their disciplines and related professions.
As we address critical financial concerns, we must also advance the pace other key initiatives:

- Diversifying our faculty: hiring, mentoring, retention
- Addressing gender equity issues: compensation, workload, promotion/tenure, leadership, etc.
- Addressing equity issues more broadly: workload, service, promotion/tenure, leadership development, etc.
- Diversifying our curricula: academic majors, new University Core
- Improving student success: achievement gaps, DFW distributions, mentoring, cura personalis
Questions?

Comments?