

# Update on Academic Finances

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## *Presentation to the University Faculty Senate*

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**Interim Provost**

*December 8, 2020*



# Our Shared Challenges

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## 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

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## 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

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- 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.

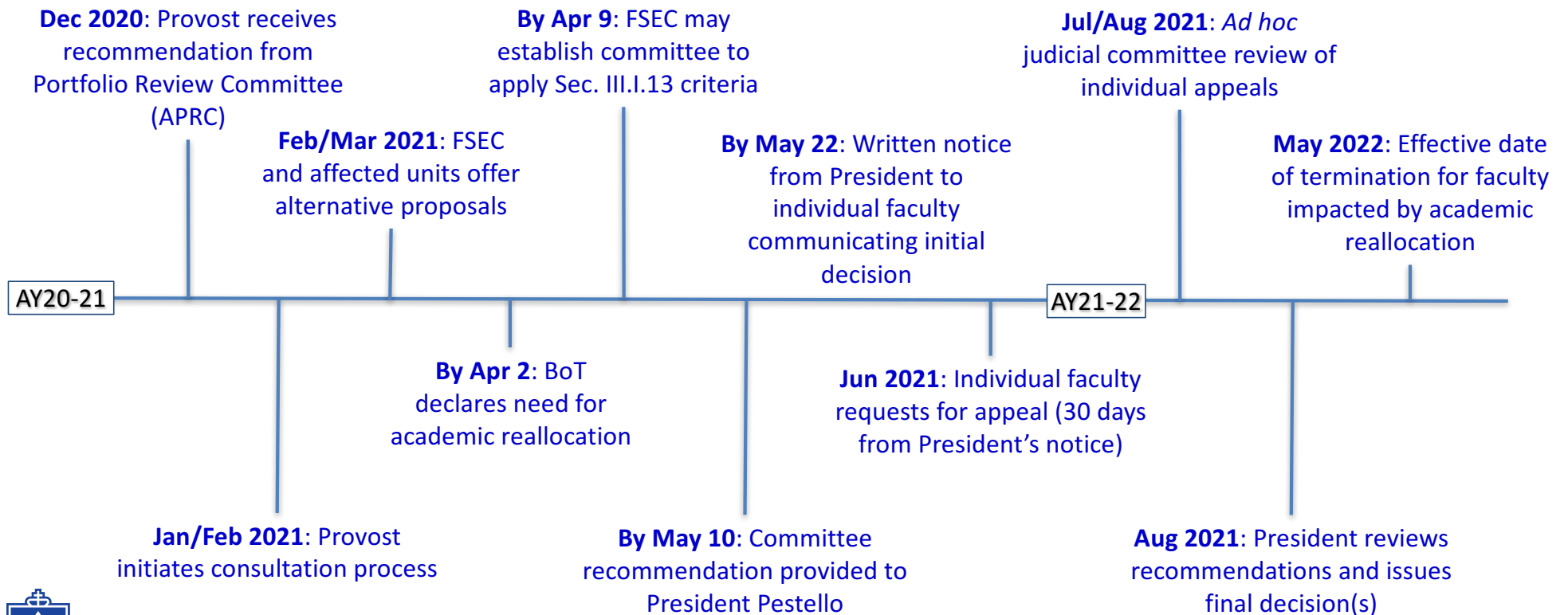
# Academic Portfolio Review Update

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- **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



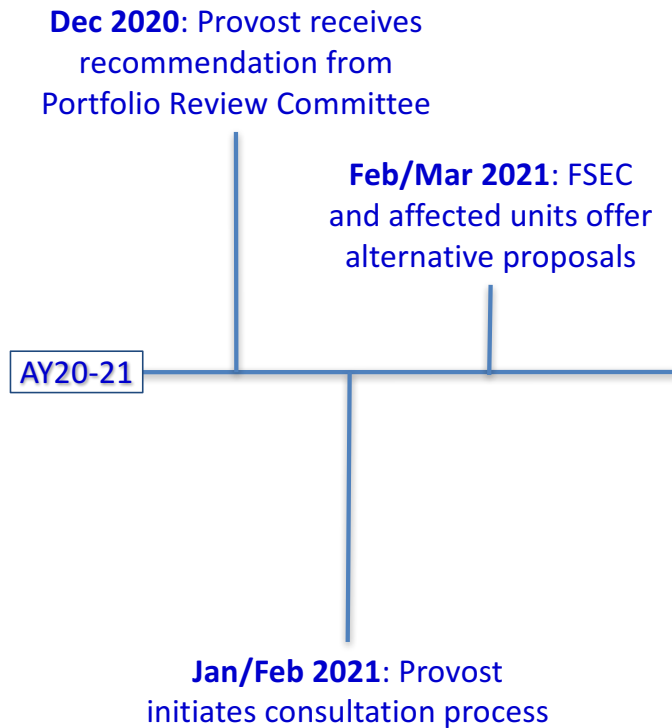
# APRC: Timeline for Academic Reallocation



All dates are subject to change and may be adjusted to meet notice requirements contained in *The Faculty Manual*.

# APRC: Timeline for Academic Reallocation

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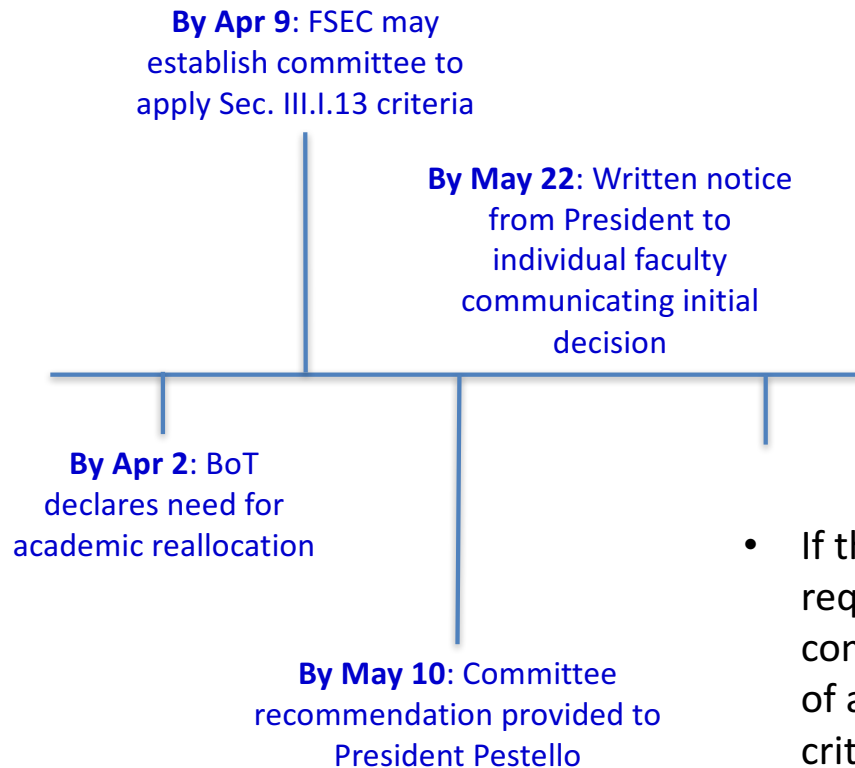
- The APRC is completing their work, and I am beginning to receive recommendations.
- I will organize the recommendations by whether they will proceed through reorganization or reallocation.
- Both reorganization and reallocation require the Provost to initiate the consultation process.
- Both reorganization and reallocation allow for alternative proposals.



# APRC: Timeline for Academic Reallocation

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- Reorganization alternatives may be offered to the Provost, and do not involve the Board.
- The Board is involved in reallocation.

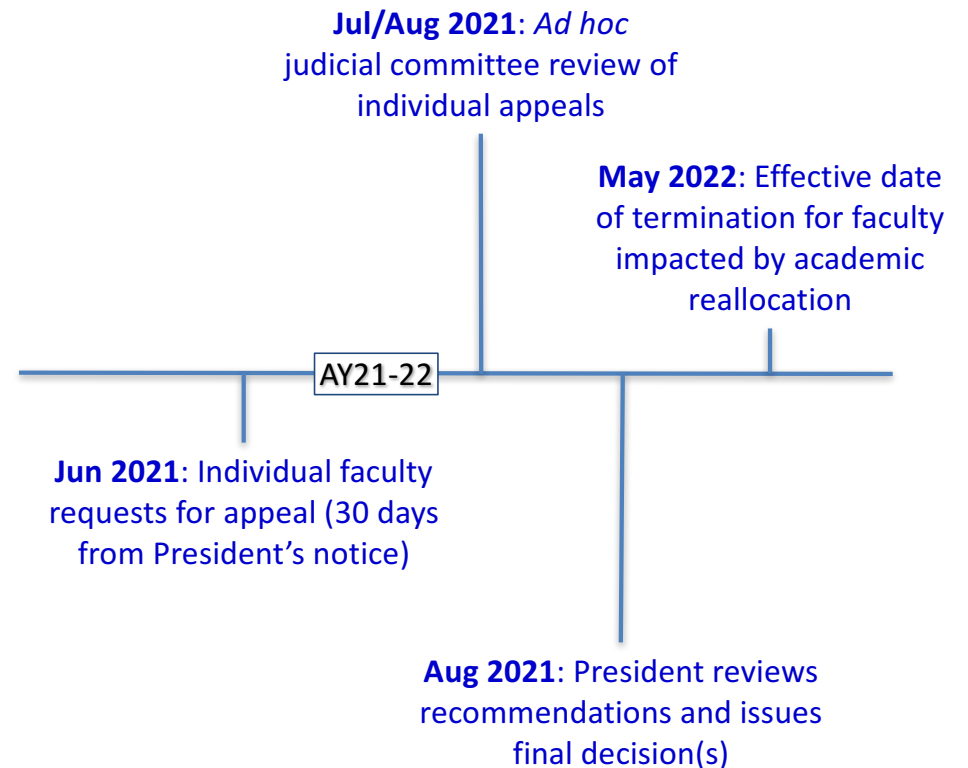


- If the Board decides reallocation is required, the FSEC can establish a committee to recommend the fate of affected faculty to the President; criteria established by Faculty Manual.



# 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.



# Academic Financial Update

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- **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

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**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

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**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

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## 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

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**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

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**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.



# Also on the “Front Burner”

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**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?**

