Call to Order and Reflection: Cyn Wise

Reflection: “Life is not measured by the number of breaths we take, but by the moments that take our breath away.” – Maya Angelou

Minutes: Motion to approve the meeting minutes from February 21, 2019 was made and seconded, minutes approved.

Monthly Spotlight: Fred Pestello, Ph. D., President of Saint Louis University

Guests: David Heimburger, VP and Chief Financial Officer
        Michael Lucido, VP - Facilities
        Jonathan Smith, VP - Diversity and Community Engagement
        Kathleen Davis, Int. VP – Enrollment & Retention Management
        David Hakanson, VP and Chief Information Officer

Dr. Pestello opened by thanking the leaders of SAC for their time and effort. He reflected that five years ago, on this day March 21st, in this very room, the Sinquefield Stateroom, he was elected President by the SLU Board of Trustees and accepted the position. He gave gratitude for the SLU community, a sacred place where good work is done.

Dr. Pestello continued his opening remarks, before giving the podium to his Vice Presidents to answer the pre-submitted staff questions. He opened with a thank to the entire university staff, who are those who pick up the pieces and keep our university running. He is thankful that the staff cares about the students, patients and the mission.

He spoke about the Men’s Basketball Billiken team who won four games in four days with grit, guts and heart. He was so excited, upon his return to St. Louis, to get a call from Dr. Chaifetz donating $50,000 for travel grants for students to attend the NCAA tournament with the Billiken team this weekend. But it was the staff who made it happen. They worked hard and fearlessly to put together events to welcome the team home as well as a rally to see them off again and select student winners who would be able to travel to see the next game. All above and beyond their regular scheduled duties.

Dr. Pestello moved on to speak of the SLU community of workers. Mission focused research driven, student centered grounded in Jesuit values. He said, “moving forward as a community we must change and keep up with Generation Z. We can no longer be slow to respond especially with our competitors being more aggressive”.

With enrollments trending down each year, how do we continue to cut programs in some areas, while adding programs most in demand like STEM and health sciences programs...
continue to grow? We must invest in mental health challenges. We must invest in a core curriculum.

Dr. Pestello explained that had hoped to give a 2% merit increase for FY20. The Vice Presidents and Deans, however, felt strongly that we should forgo the proposed salary increases because it would not be possible to give the increase without involuntary position reductions on the academic side. Dr. Pestello agreed that he too would prefer to forgo the merit raise to do all we can to avoid another reduction in force on the academic side.

He stated for FY20 SLUCare must generate small positive surplus after this years projected $10m dollar deficit, which will result in some staff reductions. We are all eager to move past these financial challenges that have plagued higher education, to transform St. Louis, and to be more responsive to patient and student needs, and he believes we can to this.

To close he gave a quote from a recent article in *The Chronicle of Higher Education Review* titled: “Is This Higher Education’s Golden Age?” Sociologist Steve Brint, argues that while pessimism reigns both inside and outside of the academy, “the statistical evidence suggests that American universities have never been stronger or more prominent in public life . . . . “

Brint cites a number of measures to make his case and concludes that “As I have pored over the evidence, I have come to the conclusion very different than the one suggested by pessimistic professors and an alarmist press: Beyond the din of the latest protests about sexual violence on campus or controversial speakers causing and uproar, some remarkably positive trends have left American universities bigger, stronger, and in more influential position than ever before.” Dr. Pestello agreed that he too is an optimist for our future.

**Staff questions addressed:**

*Answered by: Dr. Jonathan Smith, VP – Diversity and Community Engagement*

What is the status of the art work that was part of the Accords? Perhaps, the University could do something in memory of Dr. Norm White.

Many have the impression the that the Accords specially think the status is literally a piece of art, however, it is not. It is a mutually agreed upon program to host a resident artist each year. Last year there were not enough applicants so next fall there will be a Resident Artist on Campus. We must also continue to work on grants and funding to insure the programs developed to honor Dr. White continue forever. The true meaning of honoring Dr. White is by doing the work.

*Answered by: Mickey Luna, VP – Human Resources*

Please more fully explain why one level (Tenured Faculty) was targeted for the VERP but others were excluded (non-tenured and staff)? To the respect of staff knowledge being lost by this, could you explain why a phasing staff VERP could not be offered instead (knowing that tenured faculty could be asked to stay up to 1 year)?
Please illuminate us as to why we have been told in several forums that a VERP would not be offered again due to the results of last time and how this is different?

How many faculty were offered the VERP?

What happens if not enough faculty take the VERP?

Do we expect layoffs if enough Tenure Professors do not take the voluntary retirement and if so will there be another staff voluntary retirement

The VERP for tenured faculty was focused on removing positions that will not be refilled. Approximately 175 faculty were offered the VERP and we still do not know how many will take the package. We anticipate about 15%. This VERP is one of the many tools for reducing expense to deal with the budget challenges.

There is no plan to offer another VERP at this time but we would not rule out any potential options for addressing the current budget concerns. Personnel reductions are being reviewed within our medical practice to due to the significant budget deficit however, no decisions have been made regarding those cuts at this time.

Would the University consider going to a 4-day work week?

If salary increases are not in the budget, would the University consider increasing the number of holidays or increase vacation hours?

At this time, we are not considering a four day work week and it does not make sense for our industry. In market comparisons, our benefits are very competitive and our paid time off for holidays and vacation is among the best in the St. Louis area. We will continue to work hard to keep work and time off balance very competitive.

When will the murky process of hiring become more transparent?

Position control went into effect 11/18/2018 to address the current budget challenges and hopefully minimize position reductions. The VP who leads the unit seeking to fill a position must support the position. If that VP makes the decision not to advance the position at the current time in light of the current budgetary constraints, the position is not moved on. If the VP approves the position, it then goes to the President’s Cabinet for approval. If you are still unclear, reach out to your HR representative or myself.

Answered by: Kathleen Davis, Interim VP – Enrollment & Retention Management

Kathleen began by saying the first thing that hit her desk when she arrived at SLU was an article on Gen Z. The group is the most diverse generation of students SLU has ever had and they view their technology as an extension of themselves. This group wants to discover schools the way they want to which is via technology and the days of guidance counselors leading them to a college are a thing of the past. They involve their parents early on and want to see outcomes from Career Services. They are seeking change and sparking program revisions, additions and better core curriculum. Her direction from Dr. Pestello is 1600 freshmen for this fall. New students
born around 9/11 and coming of age during the 2008 recession, they are focused on value, outcomes in career services, academic programs and support services

With the University facing a deficit, and student enrollment on the decline, what is the University doing to increase student enrollment? As someone who has recently graduated, I can state that the number one reason why enrollment is down is from rising tuition costs and additional costs surrounding higher education. What is SLU doing to reduce costs for students? Is lowering tuition rates even being considered.

We have initiated a pricing study with other private institutions that we view as competition including Loyola, Chicago; Creighton, Marquette. From this study we have increased scholarships and revised our grant offerings. From these actions our admits are up, deposits are up and we are fielding questions from our competitors wanting to know what we are doing, which we view as a positive.

We move forward with cautious optimism as we revise programs to be those most desired and to adjust our curriculum to entice the transfer student while not losing focus on adult education and graduate education.

Answered by: Micharel Lucido VP – Facilities

Can we use the Diablito's site for the Food Truck days? Maybe put some trees and picnic tables there with umbrella's for a park like feel?

Absolutely, once the final building is down and the grass is firmly in place we can make that a picnic area.

Answered by: David Heimburger VP and Chief Financial Officer

Also, see slides attached, as we were not able to view due to technical difficulties with the media.

David reported that net tuition has been flat since 2012 and that compensation expense has been exceeding tuition revenue. The student discount rate has increased 1% each year while enrollment has steadily had a 1.5 per year decline for the past eight years. With flat rate enrollment, higher discount rates to get those students and higher employee compensation have caused the budget deficit issues.

Given the current financial status of the University, what growth rate for enrollment will the University need in order to return to a more financially solid?

Flat right now would be a good place to start.

Do we know the percentage or number of majors that may be cut and how many programs might be eliminated?

That is a better question for Dr. Gillis and Dr. Pestello but I don’t think we have begun the program review process yet so that is to be determined.
What is the most challenging part of budgeting for you?

The fixed cost structure of higher ed especially during low enrollment periods. The university’s highest cost is instructional costs or faculty which are difficult areas to make quick economic changes. And sometimes you can’t make changes at all.

How will the money from the Grand and Chouteau real estate sale be used?

We are in negotiation to enter into an agreement on that 14 acres for a 300m project of 800,000 square feet of office, mixed use housing and retail. Nothing has been signed yet. We are also excited about the Foundry project that will bring many more enmities closer to our campus including a grocery store Fresh Tyme. The sale of the Grand and Chateau property will not be seen until FY20 and the proceeds will be used to replenish our cash reserves which we have been using during this deficit period.

What is the status of fundraising with the Capital Campaign & can funds be directed to the 20Y budget shortfall?

Capital campaigns have gone very well. We have collected more than $100 million which is a new fund raising high for us.

I’ve heard that, in theory, the Jesuits could completely separate themselves from Saint Louis University. Could you expound on what this means and the likelihood of it actually becoming a reality?

Dr. Pestello stated, “Can the Jesuits Pull out of SLU? Yes technically. Will they? No.” At the request of the Jesuit University Presidents, each University was visited to clarify their institutions Jesuit mission values. There are competitions to get Jesuits and Dr. Pestello pointed out SLU has more Jesuits than any other Jesuit institution with 25 active and 25 retired non-active. Jesuits want to be here and it’s a sore spot with other institutions because some are down to a single Jesuit.

Final closing remarks:

- We had a record number of nominees 55 for SAC board officers. 14 were eligible and 7 willing to go on the ballot.
- Ballots for 2019/20 Executive Board will go out 03/22/19
- Nominations called for the 2019 Joyce Huelsmann Award for Outstanding Sac Member. Established in 2011 to honor SAC founding member Joyce Huelsmann. Ballot will go out 4/1
- New location for the SAC spring BBQ which will be The Center for Global Citizenship. We hope this will encourage you to stay and visit with other SAC members and please bring a non-SAC member to encourage them to join the group.
- Drawing for Participation in SAC Executive Board Nominations was won by Ian XXX and Missy.
- Anyone need a parking pass please see Cyn.
Adjournment

Chair Cyn Wise adjourned the meeting at 1:15 P.M.

Next Meeting

Thursday, April 18, 2019
Allied Health Multi-Purpose Room
12:00 – 1:15 PM