



SAINT MARY'S UNIVERSITY OF MINNESOTA
BOARD OF TRUSTEES

Board of Trustees
2/25/2022
Resolution

Whereas, the Board of Trustees ("Board") of Saint Mary's University of Minnesota ("the university") retains the ultimate responsibility for the university, and cannot delegate its fiduciary responsibility for the academic integrity or financial health of the university; and

Whereas, the Board of Trustees seeks to position the university to make greater strides as it builds a future full of hope and to be ever better stewards of its many gifts; and

Whereas, the Board of Trustees seeks to be more intentional and offer better resourced programs for our students and for their futures

Whereas, the Board has reviewed the university's multi-year history of declining enrollment and unsustainable budget deficits; and

Whereas, between fiscal years 2017 and 2022, the full-time number of students enrolled at the College on the 10th day of the fall term has decreased from 1,054 to 936; and

Whereas, the full-time number of students enrolled at the College on the 10th day of the spring term for 2022 is 876; and

Whereas, net revenue generated by the Schools of Graduate and Professional Programs has subsidized fiscal operating deficits at the College for the past 20 years and is no longer sufficient to cover the growing deficits there; and

Whereas, the University took multiple steps prior to the COVID-19 pandemic to address budget issues at the College, but the pandemic and demographic trends complicated and delayed these efforts; and

Whereas, the university has distributed additional amounts from its unrestricted endowment totaling \$4.7 million between fiscal years 2019 and 2021 to cover fiscal operating deficits; and

Whereas, the university's unrestricted endowment is being significantly depleted by additional endowment draws to cover operating deficits; and

Whereas, the anticipated fiscal operating deficit for the current fiscal year, fiscal year 2022, is \$5.6 million, covered by \$3.1 million in one-time federal grants related to the COVID-19 pandemic and an additional distribution from the unrestricted endowment of \$2.5 million; and

Whereas, the university is facing a projected budget deficit for fiscal year 2023 of \$7.4 million for which there is no federal grant relief related to COVID-19 pandemic; and

Whereas, the Board of Trustees has directed administration to work toward a goal of a fiscal year 2023 balanced budget; and

Whereas, the university completed administrative reductions related to the 4Rs process and has implemented other administrative and staff reallocations and reductions as recently as 2021; and

Whereas, the Board has considered the data-driven implications of the employment and financial information presented by the administration of the university and the challenging current and future landscape of American higher education; and

Whereas, the Board of Trustees is taking action now to address unsustainable budget deficits so that the university can invest in the future, supporting new and existing programs aligned with student interest and workforce needs, all benefiting our students and their futures; and

Whereas, the Board of Trustees understands that resizing the university will afford opportunities to improve the overall student experience through curricular and co-curricular programming optimization; and

Whereas, the University plans to embark on its BRAVE initiative: Budgeting and Redesign for Academic Vitality and Enrollments; and,

Whereas, the University needs to restructure its curricula, educational programs, staff, faculty, and related matters as part of its BRAVE initiative; and,

Whereas, the Board of Trustees takes these measures for the long-term stability of the university and its continued presence in Lasallian Catholic higher education; and

Whereas, the Board of Trustees is pursuing these measures outlined herein now so that the university can be better stewards of God's gifts and of benefactor philanthropy; and

Whereas, the Board of Trustees is acting now to help the university live into what it can excel at and do so within a faith-based Lasallian Catholic identity, offering more because of new streamlined processes, structures, and programs, all with a trust in God's providence

Whereas, the university has been in this position in its early history, and with faith, determination, thoughtful action and courage on the part of leadership, faculty, staff and students saw the university through, and the university became stronger;

Now, Therefore, Be It Resolved,

1. The Board of Trustees hereby authorizes the President of Saint Mary's University of Minnesota to finalize and submit to the Board of Trustees budget reduction strategies that respond to the fiscal impact created by the enrollment decline exacerbated by the COVID-19 pandemic; and
2. The Board of Trustees directs the President to form an ad hoc committee (Budgeting and Redesign for Academic Vitality and Enrollments - BRAVE) with representation from the faculty, appointed by the President, to make recommendations to the President, on the budget deficit and related issues, no later than April 22, 2022, which will, in turn, be presented to the Board of Trustees at its meeting in May 2022; and
3. The Board of Trustees hereby authorizes the Executive Committee to act, as requested by the President, to implement strategies to address the budget deficit and enrollment declines, consistent with the Faculty Handbook then in effect.
4. The Board of Trustees hereby authorizes the delay of issuance of faculty contracts to May 31, 2022 as needed.
5. The Board of Trustees supports the President's decision to continue to freeze new tenure-track appointments.
6. This resolution shall take effect immediately and remain in effect until terminated by the Board of Trustees.