

FSEC Meeting with President Nadauld, 11/4/09

I wanted to counsel with you a bit; take a couple minutes to talk about 3-4 things going on as means of getting to my main topic.

Budget: We're getting lots of comment from legislature that this is going to be the worst year in the history of Utah; they are probably saying that to lower our expectations, but also because the range of forecasts right now about revenues is so wide, there is no consensus about where we're going. Revenue projections are uniformly bad from the point of view of higher education, but it's the range that is spooking everyone. We're looking at numbers from -17 to -25; I suspect it won't be THAT bad (-25), but there's a possibility it could be, and those saying it are making us a bit nervous. For us in this room, even at -25, because of our enrollment strength and the revenue it has generated, we'll be able to carry through. We can do that by taking some enrollment money from this year and putting it in our rainy day fund, but it's hard to work out how to carry it over to the next year without it being taken away. But as far as I can tell, it's "steady as she goes." One reason I wanted to meet with all faculty/staff on Nov. 12th is to invite everyone on campus to be involved in the thing that will make the greatest difference to us going forward: retention. If we can retain our largest-ever freshman class, it will go a long way for us financially. But our ability to absorb more enrollment growth is getting problematic due to the number of faculty, classrooms, etc., so retaining current enrollment will be critical – not only getting freshman to come back as sophomores, but also to enroll in majors. So I want to solicit everyone's help with that. I also want to bring them up to speed on the budget. Also, we will celebrate our success in that meeting – we don't give ourselves credit for what we've achieved, so we'll have a big sheet cake and music to celebrate what our faculty have done. We're still poster child for the state in terms of enrollment growth!

Building Update: You may have seen that we are #4 on the Building Board's list now (we're #1 for Board of Regents). #1 = a mental health facility; #2 = UVU, #3 = corrections building. We have two things going forward for us: (1) the UVU building and ours already received programming/design money, so we've been busy spending that over last six months, so we'll put out an RFP for an architect in 3 weeks. Then we can go to the board and say "here's our design; we're ready to go when we get the money." The tricky part is getting the board to pass a bond for the building – to approve one that would include ours + the UVU building + \$10-15 million to total \$100 million. The other two building projects may not be at this stage in time. (2) We're the only one with private money (\$10 million) in place. On that score -- and I won't say this to a larger audience – \$10 million is still very much in place. But we had a meeting with another group of donors two Mondays ago and got them to agree to provide \$10 million of backup money if the first donor can't perform, and I think they'll come through for us. This way, we go to the legislature with Plans A & B. The estate providing the \$10 million has not yet been settled, but a key event happened three weeks ago, and we think it'll get settled before we need it, but we have the backup in place in case we need it. This will say to the State "We're able to perform, so please do your part."

University Status: We're working on a document with the Board of Regents that puts in place benchmarks that would allow us to be called a university when those benchmarks are met. The strategy/idea here is one you'll understand:

RESEARCH INSTITUTION -- bird
(different business models than us; less emphasis on teaching)

REGIONAL STATE UNIVERSITY -- animal
(fulfill 3 func: Comm Coll., 4-year degree, + MS/MA degrees)

LIBERAL ARTS COLLEGE
(e.g., Westminster Coll.)

COMMUNITY COLLEGE-- fish

Our growth, and the growth of this community, necessitates us having a university – no big community lacks one. We're rapidly evolving toward becoming a Regional State University – our community will need some MA/MS degrees, and we'll have more and better four year degrees, plus we'll keep our Community College mission. It's useful to think about this because SUU very much wants to be the Liberal Arts College model for the state of UT, with a math & science emphasis, prepping students for grad school but not growing particularly. They recognize their limitations for community growth and that we're going to grow faster, and they're willing to have a complementary mission. Incidentally, some people ask what a Regional State University model is, and who it is patterned after. Weber is a Regional State University type institution; so is UVU, but Weber is a "zebra" while UVU is a "giraffe" – they are different "animals" from one another. We would be a different animal altogether – it is important that we craft an institution to meet the needs of our, but not other, communities. The document we're working on will set some parameters that when we reach X programs, Y faculty/student ratios, etc., we will become the university expected of us in our environment. I would hope that the document would allow that to be a 4-7 year adventure, but that will be very dependent on the resources we get from the State. So we're talking with the Board of Regents about moving in this direction and showing that our niche will be different from UVU's and therefore we're not redundant.

Centennial Celebration: We will try to get in place a centennial celebration beginning in 2010 (the official 100 year anniversary of the college is Sept. 19, 2011). What we have in mind is something that opens with the 2010 commencement; we'll have a notable commencement speaker. We'll have lots of events and activities up to that date (Sept. 19, 2011) to celebrate. Our proposal is to start with the 2010

commencement, then party for 16 months, but mostly in 2010, ending with the 100th commencement in 2011, then a big, last party on the anniversary date. We're in the process of putting that together, getting committees in place, etc. The City has an overlap of their 150th anniversary celebration, so the Mayor & I have been looking at joint events, concerts, lectures, etc. to celebrate both.

I mention all of this to you as background: the Board of Regents wants to do a leadership assessment at DSC, and they propose to come down (with the Chairman of the Board & the Commissioner) to visit people on campus to see how folks feel about leadership here. When I came, the interim position was open-ended, lacking a set end date, and I suspect you recognize that I haven't been the caretaker kind of president, just doing things that need to get done. I'm guessing the Board of Regents is thinking two things: (1) that there is the possibility that the faculty might say "We want Steve to stay on longer"; I'm comfortable doing that because I'm uncomfortable leaving in midst of the budget issues we have – it's a less useful time for an institution to do a search, but that's up to the Board of Regents, and they want our feedback/input. They sense that the relationship with our faculty is not the one they wanted and they want to fix it and have a relationship that everyone concerned feels good about. I think we've done a good job about letting them know where we're coming from. Nov. 19th is the day they will come down – they will be meeting with FSEC and other faculty, the Board of Trustees, alumni, students, community, etc. as needed – all people interested in leadership. So you can be pondering on that. They don't want to do anything unreasonable, and they want our input to avoid that. As far as I know, it'll be Commissioner Sederberg, Chairman Pitcher; maybe other regents, but I don't know. They just want to assess the situation to see what's best for our institution. I've tried to help them understand that my plan is not to be here in 5-10 years, but I could stay on 'til we get on track – if we can do a transition at the right time and get fresh, enthusiastic leadership here...that would be a good thing. We'll put in place enough vision and forward momentum that someone else can step in and make the right decisions at the right time. Questions?

Tom McNeelis: Are there any plans to raise tuition?

Pres. Nadauld: The plan across the State is to raise tuition – I don't make that decision. I would guess 8-10%. Also: we are looking at other kinds of taxes (cigarettes, food), maybe. One of best solutions I can think of is to put a 10 cent/gallon gas tax and pay that money into the highway funds, then take the current highway funds and put them back into the general fund – make people that use highways pay for them. We're clearly going to have to use rainy-day fund money; along with tuition increases, this could get us enough of an uptick to limit budget cuts to -17 rather than closer to -25. I don't think raising tuition is going to discourage students from enrolling much.

Over the last few weeks, we've been looking into getting more international students for two reasons: (1) Create a diverse student body to prepare students for heterogenous workplace diversities. We ought to be proactive in putting that kind of environment into place for our students. Currently, we are recruiting international students – this has an interesting economic benefit: they have in-state tuition + stuff from legislature = 3.5x in-state tuition. So we could get \$1 million in revenue from 350

regular students, or only 100 international students, and we can fit 100 students into our classes more easily than 350. So we are aggressively outsourcing our recruiting by having consultants in various countries. We had one last week (David Chin) from Hong Kong; he places lots of students in US schools every year and is excited about what we're doing here. Also, we will be having the president of a Chinese institution on our campus in January or February, and he may be interested in sending ~200 students to us.

Our Raging Red performing group wants to do an International tour that they will pay for themselves after school is out. They want to go to China; we now have an arrangement for them to go in May to be the US representatives at the World Expo in Shanghai! They will take a day out to go to the city where this president is coming from. Furthermore, there are places open on this tour for anyone that wants to go: \$2000 for 10 days in China, all expenses paid.

Anyway, we are thinking of ways to help ourselves economically. We haven't even tapped the Good Neighbor policy much – we don't have many kids from the Las Vegas market, so that's also a possibility of something to ramp up. Raging Red went to Taterville High School a couple weeks ago, met with 400 kids, split them into 40 groups of 10, and had 12 minutes to teach them a dance. Then they brought them back here, and all 400 kids put on performance here and wanted to know how they can come to school here. That's why we have largest enrollment ever: we figured out how to recruit these kinds of kids; now we need to figure out how to slow down!

Chizu Jaret: If we increase the number of international students, are we ready?

Pres. Nadauld: No, we're not: we need ESL, to find housing, and we would have some cultural issues – we're doing this on faith that we'll figure out how to be good hosts for them. So not all of the \$1 million we'd get in revenue from their enrollment would be free to address other faculty issues – especially in the beginning, much of it would have to be used to create an environment that they would want to return to.

Chizu Jaret: I would volunteer; ESL is my background!

Pres. Nadauld: We'd probably enlist you! It's a fair challenge to get the culture right.

Dianne Hirning: In San Diego, there was United States International University, whose primary student base was international students, so there are models out there that have good information on how to serve such a population.

Pres. Nadauld: Snow College also has 100 international students; CEU has some; the College of Southern Nevada has some. These are all two year institutions, and our recruiters have been going there to get these students to come to DSC for their next two years -- we're also looking for where international students are, not just in other countries! We think we're putting in place some initiatives that will bear good fruit.

Munir Mahmoud: When I go to Bangladesh next summer, I will take literature and work with private companies there to try and get a few students.

Pres. Nadauld: That'd be great; we could also use someone in that country to outsource our recruiting to and direct students to us.

Gary Cooper: How long do we expect the amount of money from the legislature to be down?

Pres. Nadauld: That's a great question; it depends almost entirely on the health of economy. Hopefully, we're coming out of recession and will see an uptick for the 2012 budget, but the budget we'll put together in Feb.-Mar. will go from July 1, 2010-June 30, 2011 – that's the one that will have – whatever number. After that, there will be an upturn; if not...well, there has GOT to be an upturn! At the State level, we're going to make such strong arguments that the legislature will have to choose between spending money on educating people for future job creation, creating a tax base, or on social services that never get returned – at some point, the tax-paying base has to be put in place, and if they're not willing to create that, then it's a downward spiral, so we're going to make that point very strongly. They may not be able to do anything about it this time around due to the sheer magnitude of the problem, but next time...

Dianne Hirning: How is Washington County responding to the college's growth?

Pres. Nadauld: They're starting to understand that economic development at the college does not just mean "research projects" – they're learning how an institution like ours can help build their economy. With the number of students up, all landlords are now my instant best friends! We're also talking with a group of people that have been in the student housing business for 25 years on how to develop on-campus housing beyond our 220 beds. I was very encouraged – they have huge projects at Arizona State and elsewhere, and people I know from other associations say these are respectable, dependable folks, so there's MORE economic development (on top of the construction of the Centennial Building) – they said they know we'd need zoning help for Student housing, parking, etc.; they can help us back away from big hook-up/impact fees for our buildings. The relationship I'm building with the Mayor is also helping with that.

Dennis Wignall: I'm thrilled that you've brought us into your company and shared this with us; this has helped demystify things for us, and I'm willing to help work in concert with you to make these things happen.

Pres. Nadauld: Thank you, that means a lot to me and I'm glad to hear it. I will let you know about the schedule on Nov. 19th, and those of you not in class might want to be there, so they can meet all the people they want to meet.

Dennis Wignall: I would like to take a couple minutes with my committee. (President Nadauld, Donna Dillingham-Evans leave.) This meeting was addressed a comment I made at the end of the last meeting vis-à-vis the temporary nature of President Nadauld. Based on what he said today, and given the visit on the 19th, I'm inclined to work to develop a vote of confidence in President Nadauld for his plans and outlook – we have jobs we wouldn't have without his expertise, and I can see more of that in the future from him. You all need to think about this individually; I'm just speaking for myself, but I'd like to pursue this in order to be able to present that letter to the Regents when they come on the 19th. This would

help cement our relationship with the Board of Regents. Of everyone I've talked to, no one has a problem with President Nadauld, just with the violation of regulations about not having proper search. We can talk about this more at tomorrow's meeting.

Tom McNeilis: Given that he said he only wants to be here another year or two, I think it would hurt if we didn't give him that vote.

Ed Reber: Given how long a search can take, even if the constituents say we want to initiate a search, I don't think that would go against President Nadauld's own wishes of staying for that short period of time.

Dennis Wignall: It would compromise the centennial celebration somewhat, but more importantly, we have nine programs on the Board of Regents' desk now, and if we say anything negative, it could grind those to a halt and create animosity; if we just wait a bit (1-1.5 years), things could unfold on their own. Think about these issues, and we can meet at end of tomorrow's meeting to see where everyone's at.

Georgine Bills: I worked with President Nadauld at Weber; I wasn't here when he came on board here, but what I liked about hearing he would be appointed here was that he was the one that shepherded Weber into university status – he came in on an uphill course.

Dianne Hirning: It seems like his relationship with the Board of Regents – he's come a long way to mending fences between them & DSC.

Dennis Wignall: When Sederberg was here on a student initiative 5-6 weeks ago, I was approached by a faculty member to demand of him that the Board of Regents follow proper procedure – so there is another agenda functioning in the background on campus. President Nadauld did share a bunch of things in confidence with us in this room, so until he speaks on the 12th, don't say anything to anyone.

Munir Mahmoud: Can President Nadauld stay for 3 years?

Dennis Wignall: From the Regent's perspective, his appointment is open-ended; the president serves at the pleasure of the Board of Regents.

Munir Mahmoud: To address Ed's comment: we have to give him time to do the things he wants.

Dennis Wignall: It's what is best for our institution – is it worth having a delay by instituting a search now?