



Saint Martin's UNIVERSITY

February 2, 2024

Dr. Ian Werrett, Faculty President
Saint Martin's University Faculty Senate

Subject: Request for Input on Budget Options - Letter to Faculty Senate

Dear Dr. Werrett,

Last Fall semester we informed you of a financial crisis of a significant magnitude comprised of both lower enrollment and unfunded budget decisions. Certain budget changes were made to help balance this year's budget; all non-compensation budgets are now at a minimum amount and realistically cannot be further reduced. This Spring semester we continue to experience lower retention of continuing students (Fall to Spring) than experienced in recent memory. The outlook for next year's budget (2024-25) will likely require severe additional measures to be balanced. Even with new retention efforts and a stable entering new student class, this year's lower retention will cause a multi-year enrollment issue. This situation fully meets the definition of a "bona fide financial crisis" for the University as referenced in the faculty handbook.

We are forecasting next year's budget will be short by as much as \$3.5 million. The anticipated shortfall is the result of the combination of a carryover of this year's proposed salary cuts (\$500,000) and actual retirement contribution cuts (\$800,000), an enrollment decline primarily due to the compounding impacts of lower enrollment this year with the forecasted decline being up to 150 students (\$2.2 million), and other fixed cost increases for which we have no choice (\$500,000) with little new net tuition revenue (\$500,000). While we hope and pray the shortfall is less than this forecast, we must face the fact that decisions need to be made to balance next year's revenue streams with expenditures.

Each of you is part of the fabric that makes up the university community, helping us fulfill our sacred mission. Today, we are asking for the input of you and the faculty on these weighty decisions. The University budget committee will meet multiple times in February to help in this deliberation. Staff will be asked similar questions in a separate process.

So that we have time to consider all options, please respond in writing by Thursday, February 29, to the following measures. Please provide your preferences and order of decisions for each of the items identified below. The University Board of Trustees will ultimately make the decisions, as they are required to approve a balanced budget.

- Reduction in compensation
 - Salary cuts
 - Across the board salary cuts to faculty and staff
 - Roll back of this year's faculty salary increases
 - Benefit reductions
 - Reduce the University contributions to the 403(b) Retirement Plan (Note: the above projection of \$3.5 million includes restoring the university contributions back to 8%)
 - Other

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- Reduction in faculty lines
 - Voluntary leaves
 - Incentivized retirements
 - Terminal contracts
- Reduction in use of adjunct faculty
 - Reduce/eliminate co-teaching
 - Reduce cross-listing of courses
 - Reduce electives taught by adjunct faculty
 - Reduce course reductions if applicable

While we must plan for a budget shortfall in fiscal year 2025, it is important to remember that faculty are an essential component of the retention of our students. We recognize and deeply appreciate the care and compassion you give to each one of our students. To maximize student success and mitigate potential budgetary challenges, we need all faculty to connect with students, track attendance, and report academic progress in real time. Program assessments are an essential part of retention as the process strengthens the curricula. The Center for Student Success is a resource for students, and its staff has offered to support you in the classroom. The Center for Scholarship and Teaching is also a resource for you. More robust conversation on retention efforts, including new initiatives, with the community will help retain our current students and may help alleviate next year's enrollment issues. Please watch for invitations for faculty to partner with the Office of Admissions to support recruitment this Spring (e.g. representing your department at a Discovery Day and Admitted Saints Day).

This is your opportunity to provide input on these decisions. While we are hopeful next year's actual enrollment is higher and the budget shortfall may be less than currently forecasted, it is prudent to begin with this early projection, especially given the calendar identified in the faculty handbook and bylaws. St. Augustine said some 1,500 years ago that "Catholic" means to be open to the truth, wherever it can be found. We are open to your truth as it balances the conviction that Faith and Reason are mutually illuminating for all of us and for our Catholic, Benedictine mission, and in moving our university forward.

Your help during this difficult time is appreciated. We understand the angst and impact of the above decisions, even just going through this process, will generate. These efforts are critical to ensure a sustainable University moving forward.

Sincerely,



Roy F. Heynderickx, Ph.D.
Interim Co-President



Fr. Kilian Malvey, O.S.B.
Interim Co-President