



UNIVERSITY OF ST. THOMAS

The Call Toward Tomorrow Restructuring Process Introduction and Summary

On August 8, 2019, the University of St. Thomas' Board of Directors approved a process to develop and implement a comprehensive restructuring of the University by Fall 2020. The process' overall objectives are to strengthen the University by accelerating The Call Toward Tomorrow's integrated, growth plan and to ensure fiscal, long-term sustainability of the institution and its mission. Both objectives have received strong support from the UST community.

As we look back at the first year of The Call Toward Tomorrow, we have taken some great steps forward together. New and innovative academic programming and athletics have paved the way for even more positive change. As we enter year two of the integrated plan, it's now time to take a giant leap toward the future that we collectively envisioned.

The plan approved by the board directs the Administration to review all academic, co-curricular and administrative aspects of the University, with all programs, positions and operations subject to termination, modification or adjustment.

The Administration will propose structural changes that support the ambitious targets of The Call Toward Tomorrow and address our financial needs. These changes will naturally include improved efficiency, reduced costs vis-à-vis revenue, and effective delivery of high-quality student experiences consistent with St. Thomas' mission as a Catholic university.

The University of St. Thomas is dedicated to its mission of educating students in the Catholic intellectual tradition and experiencing the dialogue between faith and reason. The actions we are taking are in furtherance of this mission and assure the long-term sustainability of the institution.

The following is a summary of the restructuring plan and its goals. Additionally, we include a section that answers some anticipated questions from various University constituencies.

I. General

A. *What is the purpose of the Restructuring Process?*

To assure the University of St. Thomas' future success and sustainability and to execute its core mission of educating students to think critically, communicate effectively, succeed professionally and lead ethically through an education that is steeped in the Catholic intellectual tradition.

To achieve our mission, the University must be financially sustainable and be prepared to answer the challenge that a rapidly changing world poses for our students and community. This process enables UST to move proactively to overcome that challenge and to move nimbly to outpace the specific challenges of contemporary higher education.

We must be able to respond to our students' and community's needs in a fiscally sustainable and agile manner. "Business as usual" is not adequate to meet those challenges and many unforeseen ones to come. We will change how we operate and diversify how we teach. We must become more flexible, embrace new educational models and be fiscally sound. Achieving this objective is what our Call Toward Tomorrow promises.

B. *What are the challenges in higher education that we are addressing?*

Higher education is undergoing major changes today. The cost of providing higher education is increasing, while net tuition rates (after university provided scholarships) are declining or staying flat. Student demographics are changing with increasing numbers of first generation and non-traditional students attending college. The number of graduating high school students also is declining in many regions in the country and is expected to begin a rapid decline across the country by 2025. Finally, as the financial needs of students have continued to increase, governmental and other financial aid for students has become more challenging.

The nature of education also is changing. With increasing costs, many students and their families have challenged the value of a college degree in general and a liberal arts humanities-based education in particular. While the University of St. Thomas strongly believes in the importance of a humanities steeped education as part of the UST experience, students increasingly are seeking degrees and courses in science, technology, engineering and mathematics (STEM) that will prepare them for success in our rapidly changing technology-based world. That shift has resulted in resource misalignments in various traditional departments and has forced institutions to rethink their curricula and how they teach and weave the humanities into a broader range of courses

geared for this new world.

Colleges without endowments sufficient to insulate them from increasing financial pressures or that fail to react to the current dynamic and do not change to overcome the challenges in higher education have closed or face closing in the coming years. According to the *Chronicle of Higher Education*, 129 private non-profit colleges have closed in the past five years. Many more, including many Catholic and faith-based universities, are near closure.

It is in this context that the University of St. Thomas is taking action to restructure its operations. We are acting while we still have the ability to control our agenda and outcome and to not just “survive” as so many institutions of higher education are currently seeking to do. Ours is a proactive move to “thrive” with The Call Toward Tomorrow.

C. *Why now?*

The University of St. Thomas is just starting the second year of The Call Toward Tomorrow and has enjoyed a series of great successes with new programs and initiatives. These items include (i) a large increase in our undergraduate student population, (ii) our expansion of the Bachelor of Science in Nursing program, (iii) our addition of online associate degree programs, (iv) the addition of a new Accelerated Bachelor of Science in Nursing program, (v) our admission into the NCAA Division III, (vi) our expansion into Conroe, TX with a new campus, and (vii) the creation of the St. Maximilian Kolbe Innovation Network.

We also have had great success with our CELT Innovation program, which brings new ideas in teaching and academic programs to the fore-front quickly as well as a renewed focus on innovation and academic excellence.

Even with our recent successes, we find resource misalignments within the University related to current and projected demand for some legacy, undergraduate programs. In our graduate schools, like many similar strong academic institutions, some graduate programs that once thrived have cycled to a decline, while others are growing. Those trends are reflective of both changing demand and greater competition for students.

The University enjoys an endowment of over \$100 million and an incredible location and campus worth multiples of our endowment. We also have a growing undergraduate enrollment and very loyal donors who have consistently supported our mission. Even with these resources, the University’s budget has been in deficit for the past several years. This situation is not sustainable and we cannot continue to operate in that manner.

The bottom line is the University's current structure is not sustainable from a student demand perspective, from a resource alignment perspective or from a cost or operational standpoint. The Call Toward Tomorrow provides a prosperous path forward, but we must act now to realign our operations to today's reality and tomorrow's needs. We must focus on student need, properly align resources and reach equilibrium in budgetary outcomes. This focus will sustain our trajectory of success and ensure that The Call Toward Tomorrow is fully realized, enabling the University to become more flexible, cost efficient and student-oriented.

The time is now to act with confidence and position the University for a bright, sustainable future.

D. What are the goals?

The ultimate goal is simple. We will create a sustainable operational model that provides high-quality teaching, scholarship, and service and an experience that instills in our students the core values of our Basilian founders of goodness, discipline, knowledge and community.

In working toward this goal, all schools, departments and groups within the University must be appropriately resourced to reflect today's environment and market realities. We also must take this opportunity to build in flexibility to quickly address market changes.

Specific financial goals and structural changes within schools, departments and groups have not been determined, but will be set with the community through a collaborative process. We do, however, expect to reduce our ongoing costs for University instructional and administrative functions by at least \$4 million annually (or approximately 10% of current cash operating expenditures) by the beginning of Fall 2020.

E. What will be the process?

The Board of Directors has approved and directed that the plan be completed before the end of Fall 2020.

The Administration will engage with all faculty and staff through their respective schools and departments to identify the optimal changes, operational and structural, that may occur. Input from faculty and staff will be taken through the various Deans, Department Chairs, Directors, Vice Presidents and other representatives.

The Board currently expects to receive for review the Administration's proposed,

detailed recommendation for restructuring no later than December 2019. Implementation of the plan will follow that approval, with the expectation that all material changes contemplated by the plan will be in place before the Fall 2020 semester.

II. Anticipated Questions:

A. *Is our future in question?*

No. The University is growing in new and exciting ways. It has an endowment of more than \$100 million, a campus and other assets valued at several times that amount, dedicated and generous donors, and a large and increasing undergraduate student body. The University's operational structure, however, is inefficient and not designed for the future needs of the University. Accordingly, changes must occur to realize our plan for the future and for operational sustainability.

B. *What will be the effect on students?*

The restructuring is intended to strengthen the University and improve the educational programs and opportunities available to our students. It is possible that some course offerings, classes and programs will change, but changes will be made in a manner intended to limit the inconvenience to students.

Our objective is to make the already exceptional Celt experience even better. We will continue to enhance the educational and co-curricular experiences of our students through increased focus, flexibility and efficiency.

C. *Will there be layoffs?*

We expect that contract terms of some faculty will not be renewed for Fall 2020 and that there may be reductions of staff in some departments. The specific changes will be determined through a comprehensive review process of all positions, departments and programs aligned with the current and projected needs for those positions, departments and programs.

D. *Will the restructuring affect the University's Catholic identity?*

No. The restructuring will further our mission by increasing the sustainability of the University. We will continue to be guided by the principles of *Ex Corde Ecclesiae* and continue to educate through the dialogue between faith and reason in the Catholic intellectual tradition.

UST's core values will remain unchanged. The University of St. Thomas will

continue to focus on high-quality teaching, scholarship and service, and providing our students with an experience that instills the core values of our Basilian founders of goodness, discipline, knowledge and community.

As St. John Paul II so eloquently proclaimed in his encyclical *Fides et Ratio*: Faith and reason are like two wings on which the human spirit rises to the contemplation of truth; and God has placed in the human heart a desire to know the truth—in a word, to know himself—so that, by knowing and loving God, men and women may also come to the fullness of truth about themselves (cf. *Ex 33:18; Ps 27:8-9; 63:2-3; Jn 14:8; 1 Jn 3:2*).

Ours is a constant and unrelenting exploration of truth in the context of human dignity. With the Apostolic Constitution *Ex Corde Ecclesiae* and subsequent Papal proclamations and writings on higher education as our inspirations and guides, we endeavor to be sound stewards of that which the Holy Spirit entrusted to us to share in the great and harmonious enterprise of lifting the human person in a quest for education that combines excellence in humanistic and cultural development with specialized professional training. (*Ex Corde Ecclesiae 23*)

This process is undertaken in furtherance of the University of St. Thomas' fidelity to the Magisterial guidance for all Catholic universities that we "are called to a continuous renewal, both as 'Universities' and as 'Catholic' ". (*Ex Corde Ecclesiae 7*)

E. Will programs be closed?

No specific programs have been identified for closure and we expect that all current programs integral to the University will continue. There may, however, be changes to some programs in light of demand and available resources.

F. Will the changes affect accreditation?

We do not intend to take any action that would adversely affect the accreditation of any of our continuing programs. Any changes to an academic program will be carried out in consultation with the applicable accrediting body. Accordingly, we do not expect any issues with accreditation.

G. How will the restructuring affect our new programs?

All of our new programs and initiatives (including athletics) have been implemented with detailed cost analyses for the program or initiative. We also have sought outside financial and other support to cover some or all of the initial start-up costs of new programs and initiatives. Additionally, there is a process for ongoing review of new programs to assure that the programs are delivering the anticipated benefits. Where those benefits are not realized, changes will be

made.

Notwithstanding the foregoing, we will review our new initiatives as part of the restructuring plan to assure our community that they are efficient, cost effective and delivering the results that were intended when they were approved.

H. *Will the core change?*

A review of the core curriculum will be taken as part of this process and changes may be made. The process will be collaborative, and any changes will involve the Vice President of Academic Affairs, the Deans and appropriate Chairs and Directors. All decisions will follow the principles of *Ex Corde Ecclesiae* and be consistent with our mission and core principles.

I. *Will you be eliminating the humanities?*

No.

There may be reorganization or changes in some programs to reflect student demand and interests or other financial and operational considerations. We do not envision a scenario in which the humanities would not be a basic tenet of a UST education. Accordingly, we would expect that Philosophy, Theology, English, History, Political Science and the other social sciences will continue to be a fundamental and important part of the University and a UST education.

J. *Will you be eliminating tenure?*

There is no intention of eliminating the use of tenure at the University. Some tenured positions, however, likely will be eliminated as programs and departments are restructured to allow those programs and departments to be viable and financially sustainable.

K. *Will this Plan affect the Seminary?*

The graduate school of Theology, like all aspects of the University, is subject to the process. Any changes would continue to be part of a consultative process with the Archdiocese and its leadership.