

SOUTHERN METHODIST UNIVERSITY
Faculty Senate Meeting
Wednesday, November 6, 2019 – 3:10 p.m. – 5:00 p.m.
Indoor Performance Center: Banquet Room

Present: Khaled Abdelghany; Adriana Aceves; David Bertrand; Elena Borzova; Greg Brownderville; Michael Chmielewski; James Coleman; Frank Coyle; Carlos Davila; Rajat Deb; Dennis Foster;; Kathleen Gallagher; Xin Lin Gao; *Michael Harris; Stacey Jacobsen; *James Lee; Steven Lindquist; *Luigi Manzetti; Rebekah Miles; *Brian Molanphy; Lourdes Molina; Sid Muralidharan; Anna Offit; Omer Ozak; John Potter; Meredith Richards; Luke Robinson; *Tim Rosendale, presiding; Susanne Scholz; *Susana Solera Adoboe; Elizabeth Stringer; *Tom Tan; *Aurelie Thiele; Herve Tchumkam; Candace Walkington; Kathleen Wellman; Yunkai Zhou

Absent: Sabri Ates; Neil Bhattacharya; Jing Cao; Michael Connolly; Rob Frank; Amar Gande; Susanne Johnson; Robert Kehoe; *Grant Hayden (on leave); Susanne Johnson; Robert Kehoe; Saltuk Ozerturk; Abby Pruitt; Canan Savaskan-Ebert; Pia Vogel; John Wise; Steve Woods;

Ex Officio: Peter Moore

Visitors: V.P. Christine Regis; Doug Reinelt

1. The meeting was called to order by President Tim Rosendale at 3:12 p.m.
2. The agenda was approved.
3. The minutes of the Faculty Senate meeting on October 2, 2019 were approved.
4. The minutes of the Special Faculty Senate meeting on October 23, 2019 were approved.
5. The Faculty Senate went into executive session to discuss and vote on the recommendations of the Honorary Degrees Committee.
6. Vice President Christine (Chris) Regis, University's chief business and financial officer presented information about the financial sustainability of the University and overall budget:
 - a. Overall SMU operating budget
 - i. Revenue: 71% of the revenue is tuition from undergraduate and graduate students; much of the remainder is from Endowment support, Gifts, and in the future if all goes well, SMUGO.
 - ii. Expenses: Salary and benefits, debt service, athletics
 - iii. Overall projection
 - iv. Cash Flow
 - v. Rating :Moody, Fitch, S&P
 - b. The budget model and model assumptions
 - c. Capital campaign
 - d. Endowments
 - e. Summary of Financial Status

- i. Under current assumptions, we have sufficient net revenue to support operations thru 2023
 - ii. Cash balances remain adequate to fund operations, grant activity and capital projects
 - iii. Rating agency metrics support SMU maintaining current ratings
- f. Areas of Cost sensitivity:
 - i. Future tuition
 - ii. Success of SMUGO
 - iii. Endowment growth will be necessary
 - iv. Funding for financial aid
 - v. Compensation Expense growth
- g. Options to address Serious Financial Stress:
 - i. Increase enrollment
 - ii. Decrease financial aid
 - iii. Reduce compensation cost.

Vice President Regis answered questions regarding:

- a) Academic support and staff allocation
- b) Support to the success of Law School and Business School
- c) Endowment size

7. Interim Provost Peter Moore, presented information concerning:

- a. Staff allocation and budget process
- b. Support to Law School and Business School
 - i. Merit Aid: SMU needs to increase aid for professional students to help achieve the top 50.
 - ii. Reports from a consulting firm are being finalized
- c. The endowment needs to increase
- d. SMUGO:
- e. The Upcoming capital campaign
- f. Salary raises: 3% is not likely to come back
- g. Merit aid and Pell students: SMU needs to do a better job serving Pell students

Provost Moore addressed questions regarding:

- a. SMUGO
- b. Assessment
- c. The Grid
- d. Campaign priorities
- e. Provost search

8. President Rosendale presented updates to the Faculty Senate regarding some improvements to the parking situation.

9. The Faculty Senate meeting was adjourned at 5:03 pm.

Respectfully submitted,

Susana Solera Adoboe