One year ago, President Hemesath and I stood before you and introduced the process that would unfold for the development of SD2020.

We emphasized our commitment to a collaborative and transparent strategic planning process. Today, as we stand before you, I am pleased to say that we did, in fact, implement the process we described and the outcome is before you on your tables.

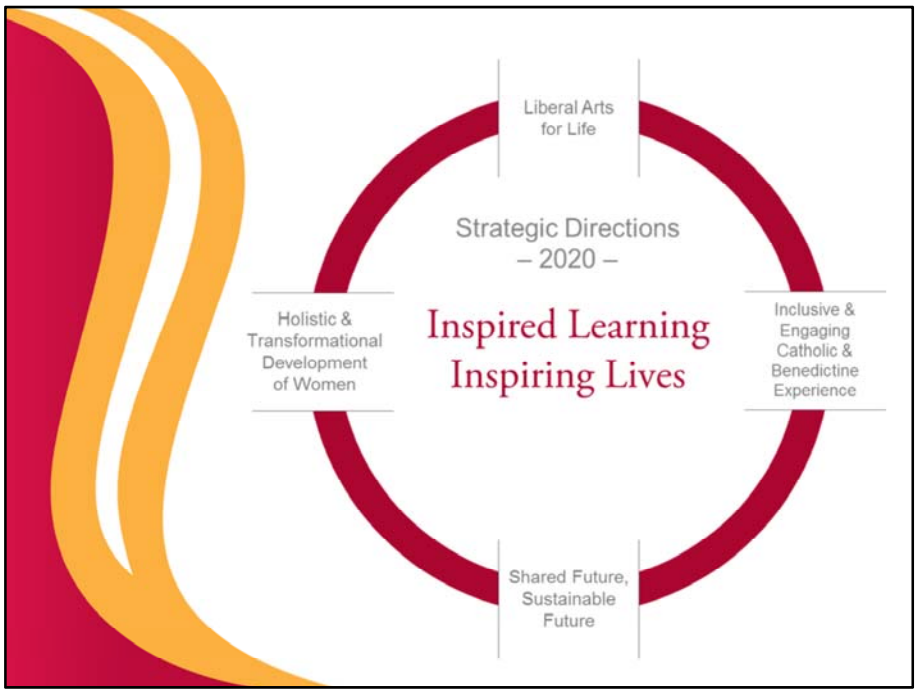
A few points about the planning process. Beginning with conversations with trustees in spring 2014, nearly 1,000 people participated in the process that culminated with the development and approval of *Strategic Directions 2020*. As mentioned, the community-wide planning process formally kicked off at last year's Community Forum with more than 400 faculty and staff in attendance.

Throughout the fall, the entire campus community was invited to participate in a series of more focused conversations. Approximately 125 faculty and staff attended at least one of the campus conversation sessions.

We also engaged students in the planning process, meeting with the CSB Senate and with the Institute for Women's Leadership. Subsequent conversations with student leaders about particular planning priorities were held through the Student Development divisions.

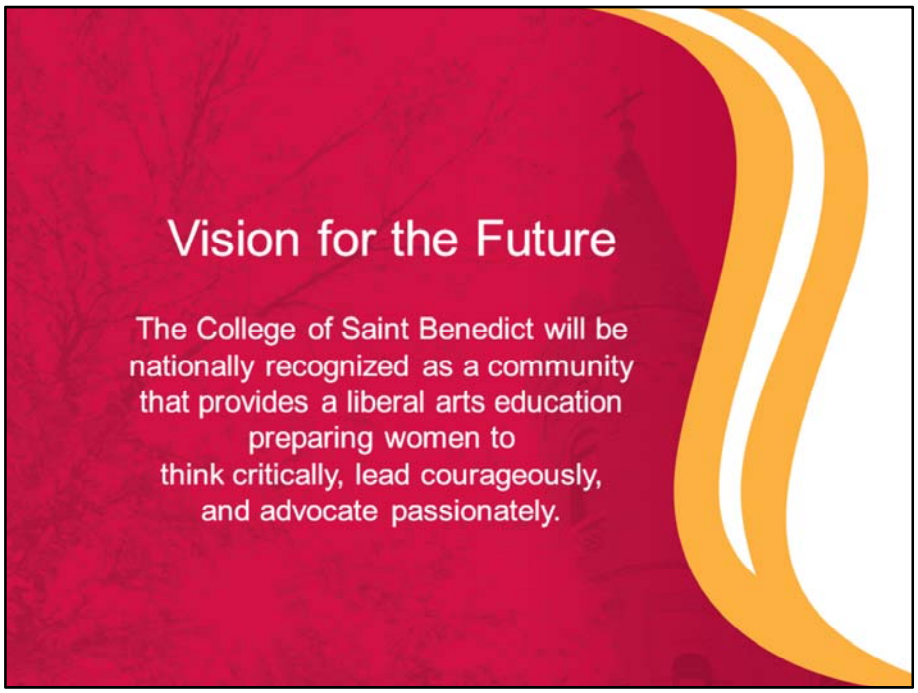
We sought the input of our monastic community, leading a conversation about distinction and priorities with Saint Benedict's Monastery. Strategic Directions 2020 was also included on the agenda of every board meeting in AY 2014-2015.

Off-campus, the College of Saint Benedict hosted planning sessions with alumnae and friends in Rochester, Washington D.C., New York City and in Minneapolis with approximately 150 alumnae and friends attending those events. Beyond alumnae, CSB also hosted a listening session for 60 St. Cloud community and business leaders.



In spring 2015, we received 161 unique contributions from faculty and staff in all divisions, nearly half from the faculty alone, regarding specific goals and strategies proposed for SD2020. In April 2015, the Strategic Directions Council held a one day retreat to finalize the plan. Strategic Directions 2020 was approved by both Boards of Trustees in May 2015.

This process matters because it means we have a truly collaborative plan. To be clear, when I look at it, I don't see my entire reflection. Likewise, when you look at the plan you may not see your full reflection, either. But if you look closely, if you look at the values articulated; the strategies indicated; and, the ways in which we will measure ourselves, I feel confident that we see one another in this plan. That this plan reflects a community of people committed to a single cause: the education of young women and young men at the College of Saint Benedict and Saint John's University.

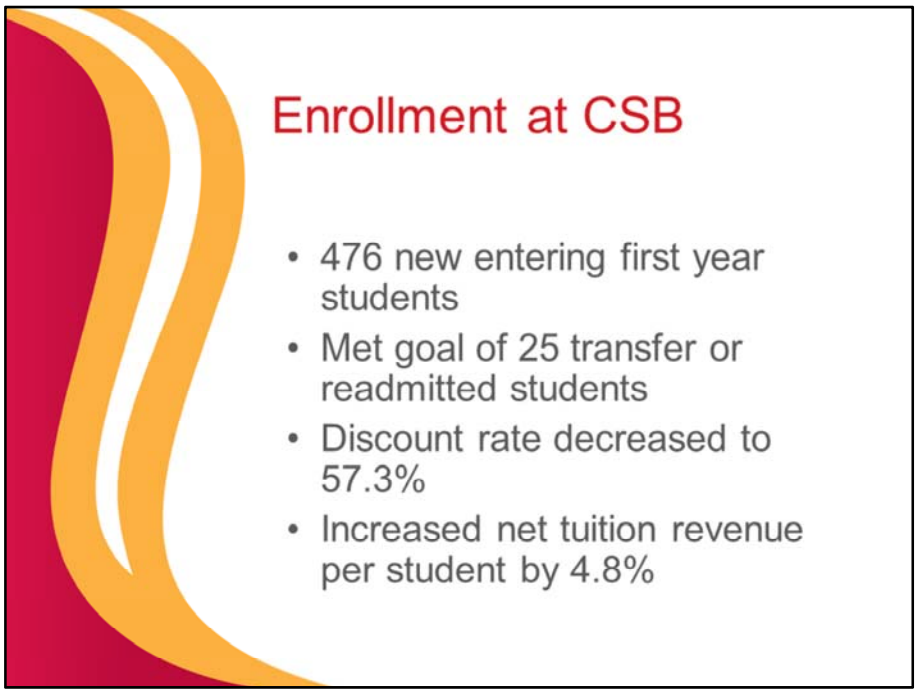


For CSB, the plan demonstrates our commitment to helping young women think critically, lead courageously, and advocate passionately.

I should caution you that the plan is deceptive in appearance as it looks to be a continuation of what we've long done. Yet our strategic plan is bold. While it absolutely surfaces what we value, its implementation, the part of a strategic plan that matters most, will challenge how we practice our values. For us to implement the strategies the plan calls for will demand bold, efficient and visionary action from each and every one of us. We can hold fast to our values, but we must explore how we've done our work and look at new practices that enable us to be faithful to those values. And, we have to carry out this work in an efficient time frame. We no longer have the luxury – that many of us in higher ed valued – of taking our time and being overly deliberative. Unfortunately, the pace of change, even in higher education, is too rapid to allow us to take multiple years to do our work. The competition is too steep and we can easily be left behind.

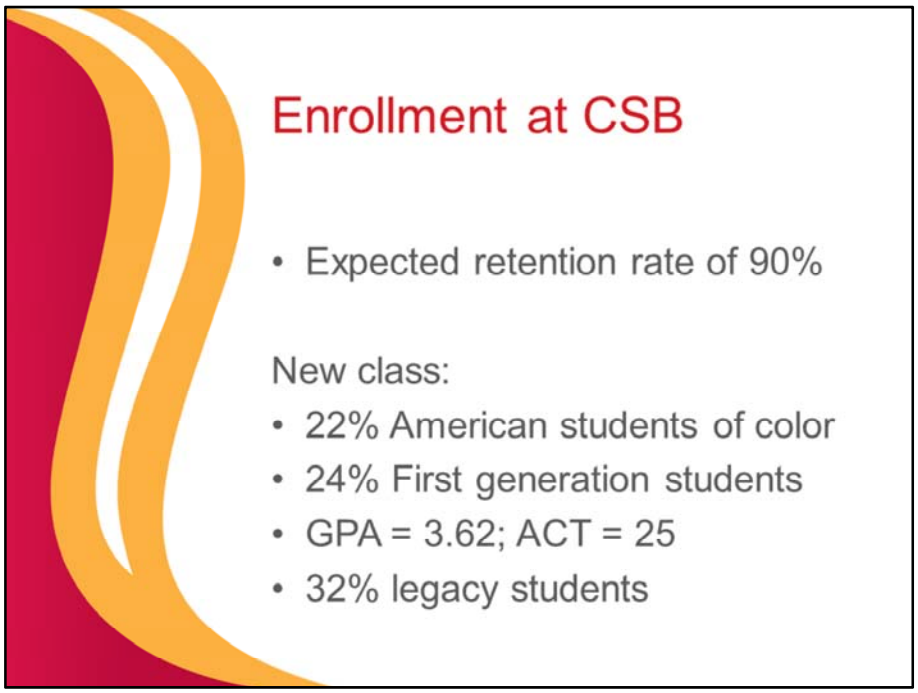
President Hemesath and I have charged the Strategic Directions Council, a group of administrators and faculty leaders, accordingly and we recognize that in order for them to do that work we are asking that they engage many members of the community and to press harder than ever before. We cannot rush greatness, but we cannot allow it to pass us by.

I believe it is important to share the pace of the plan with you because we must put the necessary structures in place rapidly enough to benefit from what the plan proposes. This is what will enable us to hold fast to what we value. CSB and SJU are currently in a good position. But, if we are not eager within the plan, we will lose our leverage moving forward. In fact, as we implement our plan, we know that doing what we've always done will not be sufficient for the future. I say this because the challenges we face are real. But within every challenge is an opportunity, and within every opportunity a challenge. Let's review three of critical importance: enrollment, endowment, and public perception of the liberal arts.



What is likely top of mind for many of us is enrollment and retention: This year's entering first year class at CSB is 476 against a goal of 525. At the same time, we have reduced our discount rate by 0.5%, to 57.3% on a goal of freezing that rate at 57.8%. And, per student, we are seeing the highest net tuition revenue in the history of the college. The latter two items reflect a very intentional strategy successfully undertaken this year. But, of course, we also need to be diligent in addressing the enrollment gap.

Please hear me clearly when I say that our admissions office did all they could to meet the goal this year. Yet we faced a shift in demand and applicant behavior that was unprecedented. We now presume that such a shift is ongoing and do not, in any way, take for granted that making next year's class will be easy nor that we will automatically bounce back. In fact, the Pew Foundation has reported that the liberal arts college market share decreased from 4% to 2% of all college students. While we can debate their figures, admissions is implementing a number of strategies to reflect what we've learned; to increase our nimbleness in the marketplace; and to help us yield the class of 525 we need going forward.



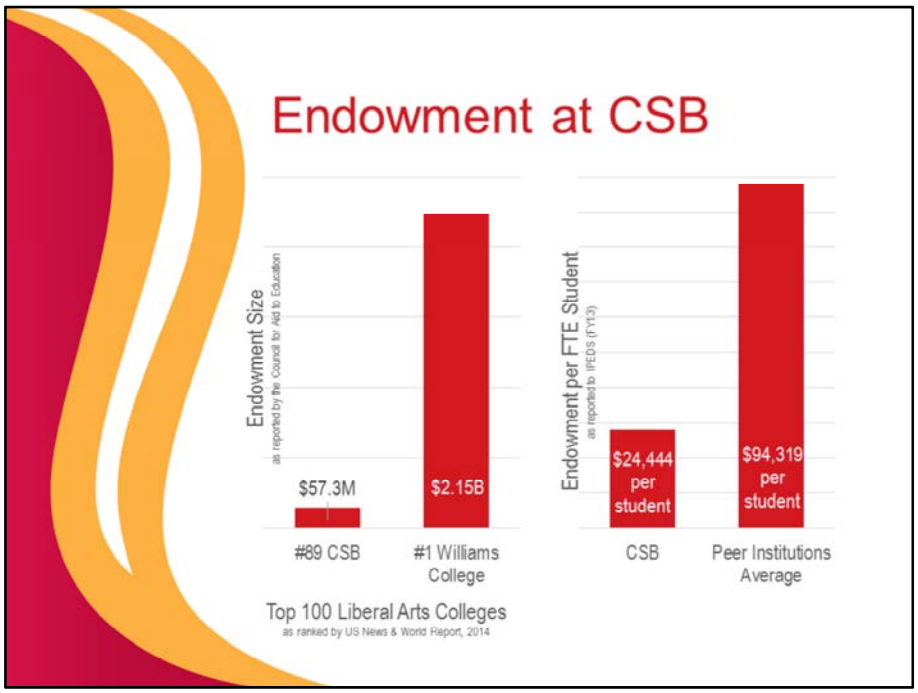
While our enrollment challenge is real and will continue, we also have to be equally – and some could argue more – focused on the retention of our students. We expect the retention for 1st year students this year to be approximately 90%, an outstanding accomplishment by our entire community. We cannot relax in our efforts, however. The demographics of this year's entering class reflects: 22.3% American students of color, a record high; 24% first generation college students; average GPA of 3.62; and, slightly more legacy students than last year. I share these figures because it means our students may need, and deserve, more attention than ever if we are to retain them and we are putting structures in place to enable this entering class to excel. This includes having successfully obtained a grant from the Mellon Foundation to enable us to support student success, both inside and outside the classroom.

As we anticipate enrollment and retention to be ongoing challenges, every one of us has the opportunity to recruit and retain students. All of us are called, and we consistently respond, to the demands of the admissions cycle. We reach out to students; we attend events; we welcome them to campus. This year, our alumnae relations office and admissions are working very closely together to maximize our

national outreach. Our entire community has to view ourselves as admissions ambassadors. For retention, we must consistently ask how do we best engage and support students to make them want to be here and, importantly, encourage their friends to be here? We have, daily, the opportunity to help inform those choices.

Second, at the College of Saint Benedict, we have to focus on rigorous fundraising and fiscal management so that we can invest in our endowment. First, a word about what the endowment represents at CSB. The endowment is both an investment in the college's future, and an annual source of revenue for the college and scholarship support for our students. As we attract an increasingly geographically, economically and ethnically diverse student body, the endowment is an important strategy for supporting all students' educational and financial needs.

As you know, US News and World Report ranked us number two for operating efficiency.



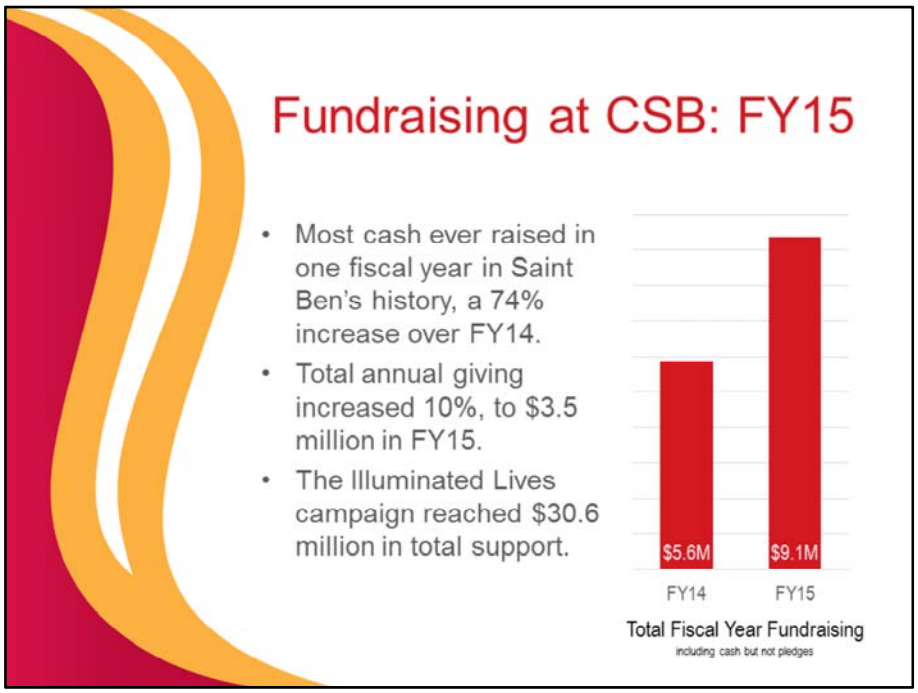
Along those same lines, among the top 100 national liberal arts schools CSB has the second smallest endowment. And, while those are interesting talking points that speak to the care we exercise in managing our finances, a talking point is not sufficient to carry us into the future. We project that our upcoming audit will reflect an endowment of $58.9M for the end of FY15. By way of contextualizing those numbers, at the end of FY13, the most recent year for which comparison data is available, our endowment was $24,444 per student. This compares to our peer average of $94,319 per student.

In fact, because we are already so careful and lean in our financial management, we do not have a great deal of additional room to make tweaks around the margins. As such, we will continue to make significant reallocations and have already begun to do so. We will continue to seek such savings, not just on an annual basis but also to see where we can reasonably cut costs long term while not compromising educational quality.

Our budget shortfall due to the overall enrollment decline will likely be considerable. Closing that gap, in addition to other higher than anticipated

expenses, will require great effort. Without a doubt we have significant financial decisions that must be made this year. Decisions that demand our best thinking about our mission, our value proposition, our short-term and long-term financial needs. Pacing is once again going to become important, though in a slightly different way. Please be assured that we are not rushing through those decisions. As we reallocated $910,480 dollars last year at CSB, the timing took longer than we hoped. However, I think it far better that we carefully made those decisions as opposed to using a bludgeon across the board. We are once again working to be efficient in our timing while being thoughtful in our process. Also, we have to consider not just how to close the gap this year, but how to prepare for a long-term future wherein cost management and revenue generation are ever present challenges.

But as we face these challenges, please know we have also had successes.



Under Heather Pieper-Olson's leadership last year, our advancement office raised the most cash gifts in the history of the college. Our new VPIA, Kathy Hansen, brings decades of experience in this area to CSB and we are excited about her leadership and what lies ahead.

I am pleased to announce that since July 1st we have raised $2.3M and on Friday we received a verbal commitment of a $5,000,000 gift from a donor. What enables such giving is people believe in and are committed to the mission of the college and it is our job to share our story with those who have both the will and the capacity to support us. As we approach the need to raise unprecedented dollars for CSB,

I am excited to tell the Saint Ben's story to donors and friends of the college in new ways. To that end, on September 2, from 8 a.m. to noon I invite you to stop by my office and share your story. Come let me know what you want friends and donors to know about CSB.

The final point I want to speak to today is the challenge around the public's perception of the value of the liberal arts. I believe this topic merits mention today because, as liberal arts institutions, that public perception impacts how we are able to attract and recruit students. The public does not always recognize or understand the importance of liberal arts education in educating women and men to be critical thinkers, courageous leaders, and passionate advocates. We want to change that.

As some of you know, last year U.S. Bank, thanks to our Board Chair Terry Dolan, provided CSB with a grant to enable us to develop a national conference on the value of the liberal arts. Thanks to that seed money, we have begun planning for the conference to be held in July 2016.

Illuminating the Liberal Arts has garnered the attention of leaders from across higher education and we convened a planning group in July to begin to sketch out the plan for the conference.

This conference is important for several reasons. First, it establishes Saint Ben's and Saint John's as thought leaders around the value of the liberal arts. Second, it explicitly states that despite the current public narrative there is permanent value in, and relevance for, the liberal arts. And, third, it places us on a national stage.

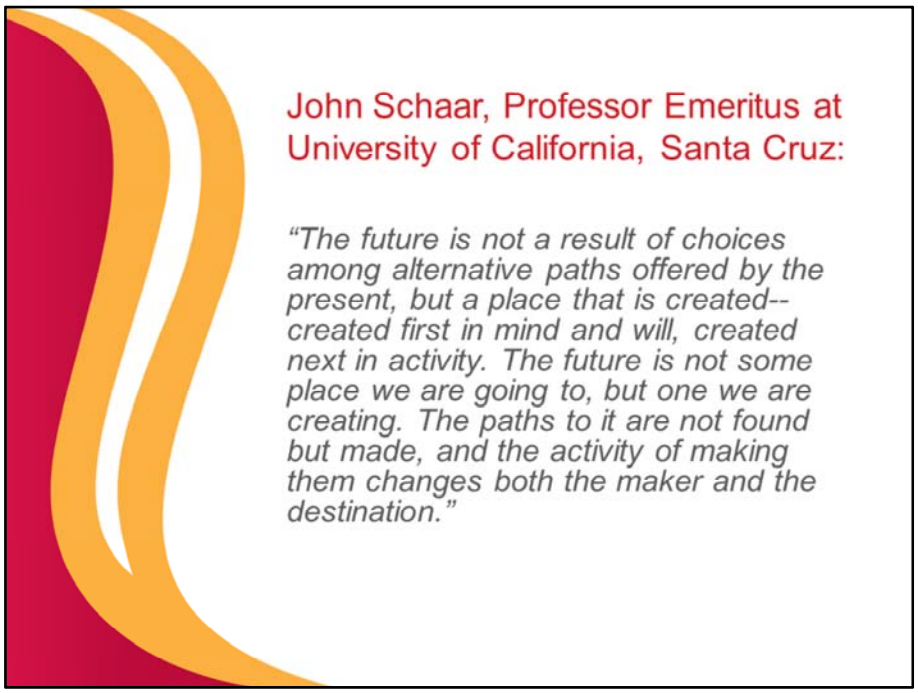
National positioning is critically important. It helps us position ourselves to engage in the national recruiting we need to do to continue to grow.

For example, this year, nearly 1 in 5 new CSB students come from outside of Minnesota. Our three biggest states for new students are Minnesota, California, and Texas.

Second, it helps us to continue to recruit top faculty, staff and administrators to CSB, all of whom are essential to our future.

Finally, national recognition can only enhance our fundraising efforts.

In order to not only address, but benefit from, these challenges and opportunities, we need to be bold. We cannot safely hide, hoping things magically improve and merely critique what is being done. As I said before, we have to be willing to challenge ourselves and our thinking.



John Schaar, Professor Emeritus at UC Santa Cruz wrote: *The future is not a result of choices among alternative paths offered by the present, but a place that is created-created first in mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths to it are not found but made, and the activity of making them changes both the maker and the destination.*

So, I invite you to make a decision. I invite you to decide to envision a bright and dynamic future for CSB and to be bold with us as we create that future. I invite you to decide to embrace your leadership in your area and to co-lead CSB into a bright future. To be changed as we change our future. I invite you to support the goals of Strategic Directions 2020 in ways large and small. I extend this invitation because, with your support, we have the capacity and the will to create a bright future for these places we so deeply love.

Thank you. May our academic year be richly blessed.