

China has sent three faculty, including one currently, to teach, and we hosted a SWUST faculty member. Twenty students from SWUST are anticipated for studies in August. This fall, NSU will send its third student scholarship winner to Swansea University in Wales via an initiative funded by the Governor Brad Henry Scholar Program. In the last year we have initiated reciprocal exchange agreements with the Bangkok School of Management in Thailand, the International Human Resources and Training Center in Vietnam, the ETOS Corporation in South Korea, the Edwise Foundation of Nepal, WSharar Consulting of China and Taiwan, Wenzao Ursuline College of Languages in Taiwan, StudyWiz in Thailand, NCN in Japan - renewal agreement), and more recently, a summer research and joint MBA programs with several universities in India.



IMPACT OF FURTHER BUDGET CUTS AND RE-ALLOCATIONS

At NSU, we pride ourselves on being creative, enterprising and realistic. We fully appreciate the budget difficulties confronting Oklahoma. Attributed in significant part to the volatility of the state's oil and gas industry cluster, we are aggressively partnering with state and regional economic development organizations, including the Greater Tulsa Metropolitan Chamber, as well as the Broken Arrow, Tahlequah and Muskogee chambers, to identify those industry clusters that are ripe for expansion and which offer high paying, high tech employment. State funding constraints are problematic. With reductions in state funding, we will be forced to retrench some campus activities to support our strategic planning initiatives that focus on inputs, outputs and outcomes: recruitment, graduation, and regional economic growth.

Depending on the depth of the reductions, we will be limited in our expansion of degree programs and delivery of those programs to the Broken Arrow campus because of the need to hire more faculty and support staff lines, which we can't do to the extent needed with current recurring resources. Additionally, budget cuts impede the university's ability to raise faculty and staff compensation, thus further reducing those salaries to applicable market rates. This will make it difficult to attract faculty or staff to fill vacant positions or add positions necessary based upon student growth. Although we are pursuing extramural funding through Congress, through federal grants, and through fundraising and gifts, these are "soft money" resources and for the most part cannot be relied upon to sustain our ongoing operations or assist us in long-term expansion. It will be necessary to make extensive use of university reserves in order to preserve core services until budgets are restored by the State. If the budget reductions continue longer than expected, or are deeper than projected, our institutional reserves may be further depleted. Our situation is not the most dire and distressed in the state, but protracted shortfalls will erode important progress that has been hard won.

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We believe with strategic use of our resources over the next four to five years we will be able to budget through the recession without significant budget cuts.