Resolution 1

Ms. Gail Jock, vice chair of the academic and student affairs committee, reported the committee recommends Board approval of the Grants Authority Resolution included in the October 2012 Board Book under Tab 9 which gives Dr. Marc K. Manganaro and Dr. Heidi Davis authority to submit grant proposals, to accept funded grants, and to sign contracts as stipulated in current Loyola policy.

It was so moved and unanimously approved by the Board.

Resolution 2

In light of the successful completion of the Five Year SACS Accreditation, Ms. Jock reported the academic and student affairs committee would like to present the following resolution for Board approval:

The Board of Trustees thanks Senior Vice-Provost Lydia Voigt, her staff and all the members of Loyola University's SACS Accreditation team for the tremendous work they performed preparing the Five Year review report. Given the outstanding results of their efforts, SACS officials had one minor critique; the energy spent producing the document was time well spent. And we wish the LUNO accreditation team continued success.

It was so moved and unanimously approved by the Board.

Resolution 3

Dr. Virginia Angelico-Tatum, vice chair of the trusteeship committee, reported the committee approved placing the following individuals on the Board Approved List:

Joseph E. “Joe” Mahoney
Carol G. Waguespack

It was so moved and unanimously approved by the Board.
MINUTES
of the
Board of Trustees
Loyola University New Orleans
October 5, 2012


1. Opening of Quarterly Meeting

Mr. Kevin Poorman, Board chair, called the business meeting to order at 9 a.m. on Friday, October 5, 2012.

Mr. Poorman introduced the new Trustees in attendance: Dr. Rachel Kent, Ms. Rita Benson LeBlanc, Ms. Ileana Suquet, and Fr. Michael Braden, S.J.

Mr. Poorman asked the Trustees to review and sign the Trustee Committee Statement found in the Board folders. He said each year Trustees are asked to reaffirm their commitment to serving as a Trustee of Loyola.

Approval of Minutes

The minutes of the May 18, 2012 Board Meeting were approved.

The minutes of the September 4, 2012 Executive Committee Meeting were approved.
2. President’s Report

In his update on enrollment, Fr. Wildes said that although the first year class of 870 is one of the largest in the university’s history, it came in under the budgeted goal 900. Also, enrollment in graduate programs is down by approximately 20%. Falling short of the enrollment goals clearly has budget implications and the cabinet is working on holding down expenses to achieve a balanced budget. Long term remedies include hiring a full time director of financial aid and the establishment of a working group that will look at the university’s overall enrollment and retention strategies. In formulating a long term enrollment strategy, Fr. Wildes would like to identify what is the right size for the incoming class given Loyola’s facilities and budget.

From the area of academic affairs, Fr. Wildes announced Loyola successfully completed its SACS five-year review. He noted the SACS accreditation is a very rigorous accreditation review. In addition to SACS accreditation, the College of Business recently underwent a site visit from the AACSB, the governing body for business school accreditation. The business school received an overall positive report. The search for the Dean of Humanities and Natural Sciences is underway. Implementation of the common curriculum continues. On the student affairs front, refurbishment of Cabra Hall and Buddig Hall continues. Also, there has been ongoing campus dialogue about the athletic consultant’s report.

Mission and Ministry recently set-up the Center for Community Engagement which gives the university a way to better coordinate and audit the service work conducted throughout the community by our students. After Hurricane Isaac, many of our students, particularly those in LUCAP, responded to the needs of people in the community. A pilot program for faculty modeled after the national Ignatian Fellows Program will soon begin on campus.

Fr. Wildes reported that work on Monroe Hall continues and that he made the decision to add the 6th floor. The College of Business Stock Trading Room which was made possible through a gift has been completed.

The quiet phase of the capital campaign is underway. Fr. Wildes reported to date over $22 million has been committed and $42 million in proposals is currently under consideration.

Fr. Wildes reported the university purchased for $350,000 at “auction” one block of Loyola Avenue, the part between Calhoun and campus, which was needed for the construction of Monroe.

Fr. Wildes announced the federal government increased Pell Grants. He commented that if there is sequestration, it will impact Loyola’s federal financial aid. He asked Mr. Tommy Screen, director of governmental relations, to elaborate. Mr. Screen explained that if nothing happens by January 3, 2013, and the fiscal cliff takes effect, there will be an 8% cut in discretionary spending in the federal budget. For Loyola, this means our federal aid programs would be cut 8% which would affect nearly 700 students. (The Pell Grant Program is exempt from these cuts.) It would cost the university approximately $250,000 to bridge the gap if the cuts take place. He said that most likely something will take place before January 3 that will prevent the cuts from going into effect.
3. **Board Discussion**

Ted Long, Ph.D., AGB consultant, presented “Getting Governance Right: Roles and Responsibilities of University Trustees.” He presented the challenges facing good governance and highlighted the recent governance fiascoes at Penn State and UVA. In discussing effective governance and what is expected of trustees, he outlined the major board responsibilities as defined by AGB. Major board responsibilities include defining the character of the institution, providing effective institutional leadership by selecting, supporting, and assessing the president; and charting a course for the future through the development of strategic planning. In addition, Boards serve to strengthen institutional capacity in terms of educational quality and fiscal soundness and ensure best practices, ethical action and legal compliance. In addition, he discussed the integration of leadership between the president and board as well as managing the boundaries of governance and management. Lastly, he outlined the hallmarks of effective boards.

4. **Committee Reports**

   **Academic and Student Affairs**

Ms. Gail Jock, vice chair of academic and student affairs, reported the committee was given the following updates: SACS accreditation, facilities, Student Government Association (SGA) report, and a dashboard on key performance indicators. Also, Marc Manganaro, Ph.D., gave a “new provost report.”

She reported the committee recommends Board approval of the Grants Authority Resolution included in the October 2012 Board Book under Tab 9 which gives Dr. Marc K. Manganaro and Dr. Heidi Davis authority to submit grant proposals, to accept funded grants, and to sign contracts as stipulated in current Loyola policy.

It was so moved and unanimously approved by the Board.

In light of the successful completion of the Five Year SACS Accreditation, Ms. Jock reported the committee would like to present the following resolution for Board approval:

The Board of Trustees thanks Senior Vice-Provost Lydia Voigt, her staff and all the members of Loyola University's SACS Accreditation team for the tremendous work they performed preparing the Five Year review report. Given the outstanding results of their efforts, SACS officials had one minor critique; the energy spent producing the document was time well spent. And we wish the LUNO accreditation team continued success.

It was so moved and unanimously approved by the Board.
Finance

Mr. David Ferris, chair of the finance committee, reported the major issue discussed at the committee meeting was the shortfall in revenue of approximately $4 million. He explained in a large part, the shortfall is a result of the first year class having 30 less students than budgeted, however, the bulk of the revenue shortfall is a result of less students (approximately 90) matriculating into the junior and senior years. Follow-up committee discussion focused on the proactive steps the administration is taking in terms of targeting additional transfer students to make up for the loss revenue and the action steps the enrollment and financial aid offices will take to address this moving forward. Mr. Jay Calamia, vice president for finance and administration, noted the decline in Loyola’s graduate enrollment also contributed to the revenue shortfall. He pointed to an article from the New York Times included in the Board folders about the nationwide trend of declining graduate enrollment. Specifically, Loyola’s nursing and LIM graduate programs enrollment did not meet this year’s budget assumptions. Mr. Calamia said the issues effecting the budget assumptions for 2012-13 will be reviewed and revised in the future five year budget models. He reminded the Trustees, that in past years, adjustments within the budget have been made in order to bring in a balanced budget and again this year we will keep our commitment to producing a balanced budget. Mr. Ferris noted that prior to this meeting; Loyola’s five year budget models used an aggressive retention figure which did not truly reflect Loyola’s historical retention. As we move forward that number will be adjusted down to better reflect the more recent experience.

Mr. Derby Gisclair, vice chair of the sub-committee on endowment, updated the Trustees on the endowment’s performance for fiscal year ending July 31, 2012. He reported the LCG made several recommendations to the university’s Investment Policy Statement that were eventually adopted by the endowment sub-committee and brought forth to the finance committee. Most significantly the liquidity constraints were modified so that Loyola’s policy reflects what the credit agencies are looking for and this will give them a higher measure of confidence in how the oversight of the university’s endowment is handled. In addition, the committee reviewed and discussed asset allocation and selecting and conducting the remaining investment manager searches.

Institutional Advancement

Mr. Derby Gisclair, chair of the institutional advancement committee, gave an update on the activities of the advancement office including the annual fund, the capital campaign, and the Centennial. Two major points highlighted were: the commitment to unrestricted giving and the annual fund alumni participation goals. He explained it is a challenge to achieve the aggressive goals set forth for unrestricted giving and solutions to this challenge were discussed at the meeting. Increasing alumni participation in the annual fund continues to be a goal for the advancement office and he noted alumni participation is increasing. Mr. Gisclair also highlighted the importance of Trustee participation in annual giving since both alumni and Trustee participation factors into the college rankings such as the U.S. News and World Report’s Best Colleges.
**Trusteeship**

Dr. Virginia Angelico-Tatum, vice chair of the trusteeship committee, reported the committee held a conference call with Tom Longin, Ph.D., AGB consultant, to discuss the results of the 2011-12 Trustee Self-Evaluation. For the last three years, Dr. Longin has tabulated and analyzed the results of the annual Trustee Self-Evaluation for the Board. Overall, the survey results are very positive. Dr. Longin noted the results indicated that Trustee development has improved over the last few years. Moving forward, he recommended the Board focus on the strategic responsibilities, specifically, fiscal integrity and educational quality.

Fr. Wildes added that he asked Ms. Gita Bolt, general counsel, along with the trusteeship committee, to review the bylaws. The bylaws have not been reviewed in some time and do not reflect how business is conducted in today’s “electronic age.” Any revisions and recommendation will go to the full board for approval either later this year or early next year.

Dr. Tatum reported the committee approved placing the following individuals on the Board Approved List:

Joseph E. “Joe” Mahoney
Carol G. Waguespack

It was so moved and unanimously approved by the Board.

**Audit**

Mr. John Simmons, Jr., chair of the audit committee, reported the committee met with the university’s external auditor, Deloitte & Touche, and that the external audit is near completion. The draft of the year-end financial statements will be mailed to the Board prior to the December meeting. He explained over the years the audit committee has assumed oversight of the risk management process at the university and as such the committee reviewed a comprehensive list of risks to the university. At yesterday’s meeting, the committee specifically discussed the university’s whistleblower policy. In addition, the committee reviewed the internal audit plan for next year in which the internal auditor looks at compliance in some of the higher risk areas.

**Mission and Identity**

Fr. Bentley Anderson, S.J., chair of the mission and identity committee, reported Mr. Sal Liberto, vice president of enrollment management, gave a presentation on how the university’s mission and identity is promoted in the recruiting and admissions process. The committee was also given updates on the Tom Benson Jesuit Center, the AJCU Board Survey, and the development of Christian Life Communities among the student body.
5. Executive Session

The Trustees met in Executive Session from 11:25 a.m. until noon.

6. Adjournment

The meeting adjourned at noon.

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PRESIDENT        SECRETARY

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DATE