Kevin Wm. Wildes, S.J.

President’s Report to the Board

19 November 2012

As in the past, this Report is written for the Trustees as an overview of the current work of the University and, I hope, serves as an introduction to the work of the different committee materials in the Board book.

1. Academic and Student Affairs

I have asked Marc Manganaro to work with Cissy Petty and Sal Liberto to develop strategies that will increase our retention and student success. They will bring in other members of the faculty and staff as needed. They will look at all aspects of how we support our students, including academic aspects/programs such as First Year Experience and the Academic Resource Center, as well as other areas such as the residence policy and tuition pricing.

Enrollment

We are working hard on recruiting our fall 2013 undergraduate class. The current goal is 875 new first year students and 130 new transfers.

At this early stage in the cycle, admissions activity is even with last year when we had record applications for the third year in a row. We expect to be able to build on our strong foundation that we have created over time, where undergraduate applications have been up 115% over the last four years. We hosted an open house on Saturday, November 10. As we have said large demand will allow us to shape our classes into more retainable cohorts and, in time, allow us to drive down discount rate and grow net revenue. We are now entering an era where our goals will be relatively constant and this will create favorable conditions for us in our efforts to achieve several things at the same time – preserve academic profile and quality of students, improve retention, grow revenue, reduce discount, and improve our rankings.

We’re working on some new initiatives in retention. These include a program called First in the Pack, which is a collaboration of Enrollment Management, Academic Affairs, and Student Affairs. This series is kicking off several initiatives this year, including a staff mentoring program geared toward first generation college students. Our retention office in Enrollment Management has been very intentional about increasing campus-wide support for best-practice programs like academic early warning in an effort to guide students toward success and encourage more faculty and staff interaction with all students. We continue to use data as a means of guiding action and, thanks to Liz Rainey, director of retention and student success, our operation has been able to inform the campus of the core reasons why students leave and why
they stay. Educating the community has created real leverage in our efforts and we expect this to increase, in a very direct way, student success.

We are encouraged by the numbers at early registration this month and we see real opportunities to grow student success, along with persistence rates in all classes and cohorts; ultimately, we believe this will lead us to higher graduation rates. We expect to have a good fall to spring transition rate, although we won’t have a full sense until January.

In all programs, levels, and delivery methods, we are looking at tuition pricing and crafting a long term strategy to position Loyola successfully now and in the years to come. As we have said, the external economic environment is something we have to pay attention to, along with the debates on price in the public square; and we must make sure that our efforts fit comfortably within the realities and expectations of the marketplace.

**Financial Aid**

We have also begun a search for a Director of Financial Aid. As you know this is a very crucial area for both the University budget and student success. Sal Liberto is leading the search and we are using the search firm of Spellman and Johnson.

We’ve been working with everyone on the discount rate issue and are making progress on what merit awards to trim and how to modify the award process to be more efficient and grow net tuition revenue. We should have more on this as we move toward winter when the awards for new students are made.

2. Finance

**2012-13 Financial Projection**

The University’s operations for the fiscal year 2012-13 are projected to result in a balanced budget with a surplus of $100,000.

**2013-14 Budget - Action Items**

Our practice at Loyola is to present the Budget recommendations in two phases. The first phase is presented to the Trustees at the December Board meeting and includes the recommendation of Tuition and Fee rates, Room and Board rates, and Salary pool increases. The second phase will be presented at the May, 2013 meeting and include the remaining parts of the budget, accompanied by a fine-tuning of revenue and expense projections.

**Endowment**

We are rebalancing the portfolio with revised asset allocations and considering new managers per LCG’s recommendations. On another note related to endowment, the committee recently met to choose a new manager within Equities. Derby Gisclair asked the committee to meet again before the December Board meeting to select another manager per LCG’s recommended Asset
Allocation model. The committee plans to meet on Thursday morning, December 6, before the Board meeting to discuss the next selection.

**Capital Projects Update**
Work continues on all current capital projects, Monroe Hall, Cabra Hall, and Buddig Hall. The architects are finishing work on a design for a new facility for the Benson Center. (See Report of the Facilities sub-committee of Finance for a more complete report.)

**3. Mission and Ministry**

The new [Ignatian Faculty Fellow program](#) has accepted nine faculty members to start its spring semester pilot program, involving these faculty members in a semester-long developmental program in Jesuit mission and identity. Faculty member John Sebastian is heading this new initiative.

**Loyola Week** was held in November, which highlighted the Jesuit mission of the university. Included were concerts by liturgical music group, St. Louis Jesuits, and inspirational handicapped guitarist Tony Melendez as well as a talk by Jesuit Fred Kammer on race and poverty in Post-Katrina New Orleans.

**Elections & ‘Faithful Citizenship**
The One Loyola room was turned into an ‘elections’ info center to bring attention to the ‘Faithful Citizenship’ campaign of the Catholic bishops. The main concern was to highlight the role of faith and conscience in the electoral process beyond any particular candidates or platforms, specifically from a Catholic/Christian perspective. This was followed by an Archbishop Aymond LIM webinar on the Faithful Citizenship topic.

**Retreat & Immersion Programs**
We had a record numbers of students apply to our retreats and immersion programs. Both the freshmen retreat and the Awakening retreat filled to capacity early and there were over 100 applicants to the Ignacio Volunteers Summer 2013 programs, over a 30% increase from last year.

**Holy Name of Jesus Church**
A dialogue has begun with Holy Name of Jesus Church parish community to explore a closer working relationship and collaboration between the two Jesuit ministries on the Loyola campus.

**Heartland Delta Faculty Conversations**
Loyola University will host the Heartland Delta Faculty Conversations meeting on February 22-24, 2013. Over 50 faculty members from the various Jesuit universities will converge on our campus around the theme of “Eloquentia Perfecta.”
4. Institutional Advancement

As of 12 October $22,233,333 has been committed to the campaign. We currently have $39.5M in proposals under consideration. I have asked the Institutional Advancement committee of the Board to monitor our progress, with Bill Bishop, and make a recommendation to me, when they think it is appropriate about the public launch of the campaign, the announced goal of the campaign, and the anticipated completion date of the campaign.

The Wynton Marsalis Quintet performed at Loyola’s Roussel Hall to a sellout crowd in late October. This was the second event in the President’s Centennial Guest Series. More than 600 attended the concert.

The first Centennial on the Road event was held in Washington, DC. More than 100 were in attendance. Thanks to our trustees and their spouses who served on the Honorary Host Committee. There will be another Centennial on the Road event in Chicago in November. Our New York City Centennial, postponed because of the Hurricane Sandy, will be rescheduled.

One of my goals for this year is to focus my time and work on institutional advancement and this work is getting a lot of my time and attention.

5. Trusteeship

The committee and university counsel are reviewing and updating the university’s by-laws. Also, the March meeting of the Board this year will be a Board Retreat. It will examine the fundamentals of trusteeship as appropriate to Loyola. Ted Long, from AGB will facilitate the meeting. Archbishop Gregory Aymond will join us on Thursday afternoon for a general discussion about mission and identity.

6. Government Relations

Federal Action
As you may recall, Congress departed Washington on September 22nd so that members could return home to campaign. With that in mind, there has been zero Congressional activity since that time. It is expected that Congress will return to Washington soon after the election, likely Nov. 13, to begin work on numerous tax issues and seeking a deal to avoid the sequestration cuts that are scheduled to take place on January 3, 2013 if no deal is reached.

Loan Default Rates
One development of note that may be of interest to the board is that the Department of Education released their loan default rates for student borrowers in October. I am proud to say that Loyola’s default rate was only 3.8%, which was nearly 5% points lower than the national average. This is a positive number for us and we can use this figure in our advocacy on Capitol Hill to show that our borrowers are responsible and the federal loans our students receive are a good investment by the federal government.
Impact of the President’s Re-Election on Higher Ed Issues

During the campaign, President Obama promised to continue to fight for increases in Pell Grant funding and other financial aid programs. However, most believe that over the next couple of years during these tight budget times the President and his allies in Congress will have done well if they can keep funding at its current levels and fend off any cuts to financial aid programs.

In addition to the annual fight to fund federal aid programs there are a handful of unique issues that will likely be addressed in the next 12-18 months:

**Financial Aid Issues** -
- *Pell Grant Shortfall* – due to an increase in funding and more and more students receiving Pell Grants there will be a $7B shortfall in FY 2014. Many believe that in addition to increased funding award eligibility will be restricted so that fewer students will be eligible.
- *Student Loan Interest Rates* – Interest Rates were kept at 3.4% in the summer of 2012, but they are scheduled to double to 6.8% on July 1, 2013. A last minute deal averted an increase last summer – will such a deal be possible in a non-election year?

**Expiring Tax Benefits**
- There are four education tax benefits that expire at the end of the year that the President has indicated he wants to renew:
  - American Opportunity Tax Credit
  - Student Loan Interest Deduction
  - Coverdell Education Savings Accounts
  - Employer Provided Educational Assistance

**HEA Reauthorization**
- The Higher Education Act, which is the law that governs higher education, is set to expire at the end of 2013. It is expected that Congress will begin to hold hearings early in 2013 on a number of issues, including college cost and affordability, student loan debt and many others in preparation for the drafting of this new legislation.

Finally, in addition to many of his administration’s increase in regulatory activity on issues such as gainful employment, accreditation, credit hour issues and for-profit oversight, the President has stated that one of his main education goals is to reduce in half the rate of tuition increases over the next 10 years. Listening to the President and Secretary of Education Arne Duncan, it sounds as if they will try to tie financial aid to the rate of tuition increases through regulatory action. This will allow them to bypass Congressional approval and any potential gridlock that may present itself.
State

Endowed Professorship Program
On October 24, the Board of Regents lifted the moratorium on the Endowed Professorship program and re-instated the program with additional recommendations to strengthen the program.

In short, the Board heard from many stakeholders across the state, including private college advocates who argued against any limitations that would be placed on institutions like Loyola. At the end of the day, the reinstatement of the program will guarantee two professorship matches annually to Loyola provided that we have our funding in place and adopt the internal standard the Board is now requiring for institutions to take part in the program.

7. Evaluations

As I have reported to the Board in the past, each year I evaluate my direct reports. This practice allows a formal, ongoing process of goal setting and performance review.

Three years ago I instituted a cycle of 360 degree evaluations of my direct reports. These evaluations gather input from a number of sources and they are done every three years. This year Tommy Screen, Director of Government Relations, and Gita Bolt, University Counsel, will be evaluated.

8. Planning

We are in the fourth year of implementing our current strategic plan Loyola 2012. The plan was designed as a five year plan and we are well underway in implementing this plan. (This is one of my goals for this year and has been since the adoption of the plan.) At the end of next year we will evaluate what has been accomplished and begin the process of creating a new plan which will involve every segment of the University as we did in creating Loyola 2012.

While we remain focused on implementing our current plan I have begun conversations with the Strategic Planning Team of the University about national trends of which we need to be mindful as we look to the future. I will discuss some of these trends at the plenary session of the Board.

9. Professional Development

I am looking at several different professional development programs. You may recall this is another of my goals for this year.

10. Civic

Like other higher education institutions in the city, Loyola is a member in the New Orleans Business Alliance. Dean Bill Locander represents the university.
I continue my service as Chair of the Civil Service Commission. Again, one of my goals for this year is to remain involved civically.