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President's Report

1 October 2013

As you know, this year began with some serious challenges with our undergraduate enrollment. And, of course, the enrollment shortfall reverberates throughout the University in terms of the budget implications. The central focus of my report will be on enrollment.

We are moving on two different fronts to deal with the situation. First, we have been at work to address the budget challenges created by this shortfall. I have been working with the Cabinet to develop plans which will control our expenses in the present and long term. We will present, at this meeting, recommendations through the Finance Committee to control our expenses and meet the current challenges. Second, for the longer term, we are doing a complete review of the Enrollment Office and its operations to be sure that this does not happen again.

The enrollment challenges we face raise the important question about what is the appropriate role of the Board. Indeed, individually and collectively, the Board has made a number of very good suggestions. In thinking about the question, after consulting members of the Executive Committee, I invited Tom Longin from the Association of Governing Boards (AGB) to join us for this meeting. Tom, as some of you may recall, helped us in reorganizing the Board and its committees a few years ago. (See Tab 18 for his bio.) Also, we have formed a sub-committee of Academic and Student Affairs which focuses on enrollment management. The Executive Committee reviewed and approved the new sub-committee and its review and approval will be a governance item for the full Board.

1. Academic, Student Affairs, and Enrollment

Enrollment

In reviewing our enrollment challenges this year and reflecting on the role of the Board, I suggested to the Executive Committee that we establish a sub-committee of the Academic and Student Affairs Committee which focuses on enrollment management. I have served on boards of other institutions that have such committees. I worked with Tom Longin from AGB to develop a description of the sub-committee. This sub-committee will provide an appropriate way for the Board to participate in enrollment policy and challenges that we must address.

Let me start by where we are for this year. Our first-year class is at 620 first-time, first-year students, 118 transfers and 21 readmits.

Now, how did we get here? Given that we admitted 4,201 students for fall 2013 and our average yield on admitted students has been 22%, we should have been on track to enroll a class of 900+ first-year students. Admissions counselors began recording changes in attitudes of admitted families by early March which coincided with the lowering of our typical merit awards.

In reviewing the data to better understand what happened last year, Ms. Kaskel has identified
several key signs. Campus visits up to March were the first sign, down about 3%. Campus visits for the class entering fall 2012 were at 1,742, compared to 1,689 for fall 2013. The President's Open House was the second sign: down almost 30% from 377 for the fall 2012 entering class to 262 for the fall 2013 entering class.

Regarding financial aid, it is best to compare total dollars at this point and await Scannell & Kurz’s (the firm we are using to examine our financial aid strategy) analysis of market segment wins and losses. To enroll the new class, (all first-years, transfer students and readmits) our total expenditure to date for the incoming class is $14,355,861. For the 2012-13 year, the same population with an entry term of fall 2012 had a total expenditure of $17,881,385. The comparison for overall institutional aid dollars between fall 2012 and fall 2013 is: 2012-13 overall aid expenditure, $52,395,784 to 2013-14 overall aid expenditure, $48,717,244; a savings of overall dollars, but as we know, at the cost of needed enrollments.

Since May of this year, the Enrollment Management Leadership Group has been meeting every few weeks to communicate, discuss, and assess our progress in enrollment management. (For a period during the summer, that group met weekly.) The group consists of:

- leadership of Enrollment Management (EM) - the VP of EM, the Director of Admissions, and the Director of Financial Aid—along with the Provost, the Provost Budget Officer and assistant to the Provost, and the CIO (Assoc. Provost for IT);
- VP for Finance and his staff; and
- VP for Institutional Advancement and Associate VP for Marketing, and Director of Public Relations, when appropriate or needed.

The purpose of these meetings is to get all of the relevant players involved in recruiting and admitting students around the table on a regular basis to assess what and how we are doing and chart future steps in managing recruitment and enrollment. These meetings have markedly improved the communication flow across offices involved with recruitment, admission, and retention, and it is the intention to continue these meetings moving forward. Some of the areas in which we have benefited from this group’s regular meetings include a better understanding of the size of and changes to our financial aid budget; a sharpened sense of what and how we need to communicate internally and externally on enrollment practices and developments; and a forum for how we can and should attract and enroll students.

In addition to the work being done by Scannell & Kurz, we are also using The Lawlor Group to do a communications audit on enrollment. We will review their findings with the enrollment sub-committee, and I will work with the Cabinet to develop action steps from their findings.

I would like to highlight that our retention for first-to second-year students improved to 80%. This retention rate compares to a 77% average over the last five years. We can and should continue to focus on improving this rate, and I believe that the work being done by Marc Manganaro and Cissy Petty will continue this trend.
Academic and Student Affairs

The Student Success Summit continues to be a high priority for both Academic and Student Affairs. On 1 July 2013, the Office of the Provost distributed a Master Schedule of Student Success Summit Action Plan, and on September 24, the Steering Committee of the Student Success Summit reconvened to review the status of action plans being implemented.

In Academic Affairs, numerous plans are being implemented as a result of the Student Success Summit. Student advising is being improved, with the Academic Advising Council reconvened and faculty advisors meeting students at the beginning of new student orientations in the summer. A comprehensive analysis is being conducted of factors contributing to student retention and success. One such factor, faculty participation in the early warning system, has already improved, with 100% of First-Year Seminar faculty reporting academic problems to advisors within the first four weeks of the semester. Pilot programs for students with low SAT math and verbal scores are being run this fall, and a comprehensive review of our Protocols of Learning course is planned.

To help students register in the courses they need, course scheduling has been made more flexible, with offerings across most daytime and evening hours. The waitlist process for closed courses has improved. Billing policies have been clarified for students, encouraging early registration. To reduce student textbook costs, an Open Source textbook project is in progress.

To promote instructional effectiveness, new faculty development programs in high-impact pedagogies are being offered in fall 2013. Special workshops are being offered to improve teaching in introductory Common Curriculum courses, and a new Ignatian Faculty Fellows Program is in place. In addition, student course evaluations are being revised university-wide, and a Quality Enhancement Plan on experiential learning is in progress.

Several Student Affairs-related action plans were highlighted as focus areas for the 2013-2014 academic years including:

- Add faculty advising/contact in New Student Orientation;
- Implement OrgSync;
- Enhance communication with students and parents;
- Implement customer service training;
- Improve FY student communication;
- Develop a multimedia social norming campaign;
- Integrate experiential learning; and
- Review sophomore residency requirement.

To date, several accomplishments have taken place in response to the action plans including:

1. offering an increased number of faculty and staff contacts at the 2013 New Student Orientation sessions;
2. designing a comprehensive resource guidebook for students and parents;
3. beginning the implementation process for OrgSync, a one-stop communications portal for students; and
4. debuting the One Loyola, One Community: Civility and Student Life campaign.

The Offices of Student Affairs and Uptown Dining are hard at work implementing the Loyola dining master plan. Phase I is well under way with our retail expansion on the main floor of the Danna Center, which includes Subway, The Original Burger Company, Tsunami Sushi, Smoothie King, The Sweet Shop, and Simply To Go. The fall focus is on a variety of fresh and healthy foods with a new program being introduced: Mindful. With the benefits of healthier eating in mind, Mindful delivers both wellness and flavor. Rather than declare a dish "healthy," as opposed to "not healthy," the purpose of Mindful is to educate students on ingredients and dishes that are "better" for them.

2. Mission and Ministry

The Office and its staff continue to focus on developing and implementing programs that will support and cultivate the mission and identity of the University.

- The Ignatian Staff Fellows Program (ISF) has started with its first cohort of eight staff. The ISF provide Loyola staff the opportunity to participate in a year-long workshop on Jesuit education and Ignatian spirituality.
- The SPARK service program for first-year students welcomed 40 incoming freshmen one week prior to the first day of classes, allowing the students to participate in service activities while getting to know the city of New Orleans as well as their new classmates. The program has partnered with Res Life. They will live together in Buddig Hall for their first year of school.
- The next Belize Immersion trip for Loyola Faculty & Staff has begun its recruitment. The Ignacio Volunteer trip will be held in May 2014 for 10-12 faculty/staff and led by Fr. Gregg Grovenburg, SJ.
- Retreats and immersion programs are at a record level in terms of participation. The Awakening retreat, held in early October, had over 60 new retreatants along with over 40 staff, with over 110 participants in the weekend retreat at a nearby Girl Scout camp. Ignacio volunteers are taking 22 students to Belize & Jamaica over Christmas break.
- Spain Ignatian Pilgrimage was held this past summer with over 25 Loyola/Spring Hill alumni and friends spending ten days walking the path of Ignatius of Loyola, led by Fr. Ted Dziak, SJ and Fr. Bob Gerlich, SJ. Plans are being explored for another Ignatian pilgrimage this next summer.

3. Finance and Administration

2012-13 Financial Results (Unaudited)
The University's operations for the fiscal year 2012-13 resulted in a Surplus of $411 thousand while maintaining a 5% draw on the Endowment. (During 2012-13 our Projected Surplus was $100 thousand.)
2013-14 Budget
The challenge we face is to offset the $7.5 million shortfall in light of the enrollment shortfall.
The working group to address the budget shortfall is made up of Marc Manganaro, Jay Calamia, Leon Mathes, Adrienne Blanco, Ross Mathews, and Donna Rochon; they are using Gallagher Benefit Services. The working group met with all of the vice presidents for input on recommendations to me. The working group sent me a set of recommendations which I am reviewing this week, and I will make a set of recommendations to the Finance Committee for the October meeting.
The options that I am reviewing are:

- Option 1 - Voluntary Severance Program for Faculty and Staff
- Option 2 - Reduction in Force for Staff
- Option 3 - Reduction of Employer Contribution to Employee's Retirement Contribution

I will make my recommendations to the Finance Committee at the October meeting. With Board approval, we will begin to implement the programs.

Administration: Construction Update Phase II
All projects - Monroe, Cabra, and Buddig - are on time and on budget. Cabra and Buddig are open and have students living in them. Cabra was rededicated on 27 September as part of Parents Weekend. Monroe is on schedule. The re-facing of the building should be completed later in October.

The architects have developed plans for the Benson Center. I am currently reviewing the alternatives and will make a recommendation to the Facilities sub-committee later this year. Remember, because the Benson Center will have a chapel and religious purposes, we cannot use money from the educational bond sales to start construction. I continue to work, with Bill Bishop, on other donors for the project and with Jay Calamia on financing the project.

4. Institutional Advancement

The Office of Institutional Advancement continues to focus its activities on supporting the overarching strategies of Loyola 2012, the university’s current strategic plan, as well as executing the Leadership Phase of the Faith in the Future comprehensive fundraising campaign. After a successful year of activities in the celebrating of Loyola’s centennial, good progress was made in both of these endeavors.

There will be four action items on the Advancement Committee’s agenda – three of which relate to resolutions establishing endowed funds for two distinguished professorships and one endowed 1st generation scholarship fund. The fourth resolution pertains to a change to the university’s Gift and Pledge Policies and Procedures, which once approved by the trustees, will permit the inclusion of Board of Regents matching funds to 1st generation scholarships, professorships, and chairs in the Faith in the Future campaign totals.

In addition to the aforementioned action items, Bill Bishop, the VP for Institutional Advancement, will provide the members of the Advancement Committee with a recap of the office’s activities for
FY 2013, which ended July 31, 2013, as well as outline the office’s goals for FY 2014. Also, the Committee will discuss in some detail the status of the campaign, with the focus being on the potential launch of the public phase of the campaign in the spring of 2014. Terry Fisher, Institutional Advancement’s Associate vice President for Marketing and Communications, will discuss her team’s activities in supporting not only the work of her colleagues in Institutional Advancement but also the work of the university as a whole.

In regard to our progress in preparing for the launch of the public phase of the Faith in the Future Campaign, I would like to highlight that approximately $37 million in gifts, commitments, and BOR matching gifts has been provided in support of the campaign. Also of special note is that last fiscal year, we raised more than $800,000 in gifts to the university’s Loyola fund – one of our best years over the last decade. Thank you for your support in making it happen!

5. Government Relations

Federal Action

Impact of Potential Government Shutdown on Loyola
As I write this update for the October Board meeting, the federal government is likely to shut down on October 1, 2013 unless there is a last minute agreement between the White House and House Republicans. Should the shutdown indeed take place, it is likely that a large number of constituencies reliant on federal goods and services would be immediately impacted. However, Loyola would be largely spared any significant interruptions in federal student aid unless the shutdown lasts two weeks or longer.

The largest federal student aid programs, such as the Pell Grant and other different federal loan programs, would only see an interruption in service if the shutdown were to last ten or more days. Some smaller programs, such as federal work-student and SEOG grants, may see some interruptions in service due to the furlough of employees who oversee those programs. Finally, any new federal grants that Loyola may be in line to receive would likely be delayed due to the shutdown.

Student Loan Interest Rate Dilemma Solved
As you may recall, student loan interest rates were scheduled to double from 3.4% to 6.8% on July 1st if no agreement was reached to address this increase. While the rates did double for a period of time, both the Senate and House sent a bill to the President fixing this issue at the end of July. Specifically, the legislation rolled back the interest rates for subsidized and unsubsidized undergraduate federal loans retroactively from 6.8% to an interest rate that is tied to the 10-year Treasury note rate, plus 2.05% with a cap of 8.25%. Under this formula, the rates on these loans for this academic year would be 3.9%. Graduate school loans were also tied to the T-bill, but included a 3.6% add on, with a cap of 9.5%.

Obama Administration College Costs Proposals
On August 22, the White House released the administration’s comprehensive proposals to address college costs. In general, the plan would use a new ratings system, yet to be developed, to measure college performances and ultimately tie the amount of federal student
aid available to institutions to their rating. The ratings would likely include among other factors, scores based on the following criteria: 1) access – percentage of students receiving Pell grants; 2) affordability – what is an institution’s net tuition; and 3) outcome – graduation rates, graduate earnings, etc.

While the department can administratively create the ratings systems that would measure an institution’s performance, Congressional approval in the upcoming reauthorization of the Higher Education Act would be necessary to tie federal aid to these performance scores.

Summary
While summer is typically a slow time of year for higher education in Washington, this year proved to be different. Whether it was student loan rates in the news, the administration releasing an ambitious approach to reigning in college costs, or a government shutdown in the news, the last three to four months have been abnormally active, and that figures to continue as the reauthorization of the Higher Education legislations begins to take shape.

Both the House and Senate committees responsible for the re-write of this legislation have been active. The House Education and Workforce Committee invited stakeholders to submit written comments to the committee about the upcoming reauthorization by August 2nd. Loyola and the Association of Jesuit Colleges and Universities submitted written comments to ensure that our concerns and ideas were part of the legislative record. In addition, the Senate Health, Education, Labor and Pensions Committee hosted their first committee hearing of the reauthorization process in the middle of September and focused largely on the triad of regulatory bodies (the federal government, state government and the accrediting agencies) that govern Loyola and other institutions of higher education.

6. Civic

I continue to serve on the Civil Service Commission for the City of New Orleans. At our first meeting on 16 September, I was elected to serve as chair for this year.

7. Goals

I think it is helpful to remember that last year, in my evaluation with the Board, I established my goals for this year. They are:

1. Focus on Institutional Advancement and Enrollment
2. Oversee the evaluation of Loyola 2012 and the development of a new strategic plan
3. Remain involved civically
4. Professional development

All of these are ongoing as one can see by this Report. I will, however, participate in a seminar at Harvard University for Experienced Presidents as part of Goal 4.