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President's Report

19 November 2013

There are a number of important initiatives in process which, taken together, are laying the groundwork for the University’s future. There is a Voluntary Severance Plan being offered to Faculty and Staff which will require Board review and approval. And, we are moving to address issues of cost as we recruit next year’s first year class.

While some of what we are attempting to accomplish is difficult, I believe these efforts will strengthen us as a university.

1. Academic, Student Affairs, and Enrollment

_Enrollment_

The Admissions Office is focused fully on enrolling the class of fall 2014. To respond to continuing problems nationwide with receipt of common applications from College Board, the admissions team has modified processing practices to drive up applications with today’s year-to-date increase sitting at 7.52%. Fall Open House, the first applicant drive event of the year, was redesigned to showcase our signature academic and student life programs and give perspective students and their families an opportunity to engage directly with faculty and students. Faculty, staff, and alumni have provided many volunteer hours to participate in this year’s recruitment efforts.

Campus senior leadership is working closely with the enrollment consultants to meet fall 2014 goals, to begin shaping for fall 2015, and to develop a three to five year strategic enrollment plan. The Lawlor Group (TLG) is providing both strategic and daily marketing services. This month, TLG will wrap-up their campus visit audits and launch the brand and identity study. The results of the campus visit audit will be previewed at our December meeting and the brand and identity study will be the focus of the March meeting. Scannell & Kurz will present their full operational assessment in early December, along with an executive summary of their financial aid and net tuition modeling. We will begin awarding financial aid packages to admitted students in January 2015 with Scannell & Kurz monitoring activity weekly. Since our October meeting, a third consultant has been added to the team. Mr. Alan McIvor, a national admissions expert, is providing prospect management and applicant yield coaching to the admissions team with a focus on reframing our dialogue with families – talking about return on investment and not just the size of a financial aid package. All three consultants form a strategic team that is working diligently to yield the fall 2014 class.

_Academic Affairs_

The University Strategic Planning Team (the SPT), chaired by Provost Marc Manganaro, since this past summer has been devoted to discussions that will lead to the development of a draft of Loyola’s next Strategic Plan (as you know, this academic year is the final year of implementation of the current strategic plan, *Loyola 2012*). The SPT is a large committee consisting of faculty, staff, administrators, and students who have been assessing progress made to date in implementation of *Loyola 2012*, studying data specific to Loyola, and doing external scans of peer institutions and the state of higher education generally across the country. Co-moderating the strategic planning
process with Provost Manganaro is Dr. Bill Locander, Dean of the School of Business, and an expert on strategic planning. At the December Board meeting, Provost Manganaro will share with the Academic and Student Affairs Committee a summary of the strategic planning timeline and process to date, which will serve as the first stage of the deployment of the strategic planning process to the wider University community. At this point, seven strategic initiatives have been suggested by the SPT concerning issues relevant to retention and student success, enrollment and recruitment, mission, enhancement and innovation of academic and student life programs, and the establishment of an “ideal size” for Loyola moving forward. The expectation is that Dean Locander and Provost Manganaro will present for discussion and review a draft version of a strategic plan at the March Board meeting; following that, after input from the Board and university-wide community, at the May meeting of the Board, the SPT will present for discussion and approval a new strategic plan.

Student Affairs
As many of you know, Dr. Cissy Petty serves as president of AJCU Student Affairs (JASPA). On Tuesday, November 12, 2013, Cissy welcomed 350 participants to the first JASPA webinar. JASPA is celebrating 60 years of service and in honor of this legacy, invited author, faculty member and student affairs professional, Fr. Andrew J. Thon, S.J., to join the web broadcast to discuss his 2013 book: The Ignatian Imperative Student Affairs Educators in Jesuit Higher Education. His discussion followed several chapters in the book; Fr. Thon chose the following four areas to highlight:

1. Historical information and background on Jesuit education and Student Affairs
2. Five distinctive moments in the formation of Jesuit Student Affairs
3. Three enduring values of Jesuit education and Student Affairs
4. Integration of Catholic identity and Student Affairs work.

On October 23, 2013, Loyola and Tulane Universities sponsored “Take Back The Night” a national program standing as a beacon of hope for victims of sexual trauma. Over 400 students, faculty, staff attend the event.

James Marshall Reilly, entrepreneur, best-selling author, journalist and founder of The Guild Agency, which is a smart-content media firm headquartered in NYC, will deliver the opening keynote for the EMPLOY the PACK conference on Saturday, January 25, 2014. James’s best-selling book, Shake The World It’s Not About Finding A Job, It’s About Creating A Life features in-depth interviews with major ‘movers and shakers.’ The common theme he hopes to share with our students is that they should seize opportunities and redefine success. In 2011, Reilly was honored at the White House as one of the top 100 entrepreneurs in the U.S. under 30.

Residential Life launched an exciting program, IGGY Talks, after the national program, TED Talks. The program brings together Loyola students to share their distinct perspectives on the world. Igggy Talks emerged from conversations with Loyola students attending the National Jesuit Student Leadership Conference.

2. Mission and Ministry

Loyola Week was held in early November with a theme of “Set the World on Fire.” It was a week of mission-centric activity that ranged from Br. Larry Huck, S.J., President of Good Shepherd School, speaking on At-Risk Youth to a fun Igggy 5 Tricycle Race around the statue of Ignatius to a mock trial (“Jesus on Trial”) at the Law School. The annual event brings the various communities
of faculty, staff and students together to celebrate Loyola’s Jesuit heritage and was kicked off this year with “Wolves on the Prowl” the annual day of service by students and alumni across the country.

The second cohort of the Ignatian Faculty Fellows for 2013-2014 was chosen with nine new faculty members committing to spending time during the spring semester exploring Loyola’s Jesuit, Catholic roots and reflecting on their vocation as teachers. These faculty members will meet in a biweekly seminar to explore topics on the history of the Jesuits, Ignatian spirituality, the Ignatian Pedagogical Paradigm and other areas. Dr. John Sebastian heads this new program.

A new outreach to student, “Cookies with a Catholic,” was established by Assistant Chaplain Ken Weber, who hosts a weekly table in the Danna Student Center and invites faculty and staff to answer questions about the Catholic faith. Homemade cookies are provided.

Retreats are reaching record numbers. The largest retreat, Awakening, had 92 students get away for a weekend in mid-October. Other fall retreats include a freshman retreat and Emmaus retreat for sophomores/juniors, and another Awakening and a Senior retreat will be held in the spring.

3. Finance and Administration

2013-14 Financial Projection:
At this time we project a deficit of $4.3 million for 2013-14 with a 5% draw from the Endowment to support current operations.

2014-15 Budget
Our practice at Loyola is to present the Budget assumptions for next year at the December meeting of the Board. These assumptions are about Tuition and Fee rates, Room and Board rates, and Salary pool increases.

The budget proposal, as recommend, is developed by the University Budget Committee which makes recommendations to me. After reviewing the recommendations and the rational for them, I make my recommendations to the Board. For fiscal year 2014-2015 is based on an incoming Undergraduate class of 650 new students with an additional 130 transfers and readmits for a total of 780 new/readmits. The retention rate used in the budget is 75%. Law revenue is based on a class of 685 students.

After reviewing the work of the UBC I am recommending a 2.5% Undergraduate Tuition increase, no increase in Law, no increase in Graduate programs or 2015 Summer Sessions, a 2.5% Room increase, a 3.0% Board increase and no increase in the Salary Merit Pool. There are two fee changes requested, both in the Law School. A School Examination Fee, and an increase in the Student Bar Association Fee.

The budget, as presented, results in a surplus of $100 thousand, with the following assumptions at this time: A 5.45% Draw from the Endowment; a $1 million Transfer to the Plant for Deferred Maintenance; and no increase in All Other Operating. A temporary reduction during 2014-15 in the University’s 8% contribution to the Employee’s Retirement Plan (Approximately $4 million) is currently being studied and evaluated.

The final budget will be presented in May, 2014 after refinements to both Revenues and Expenditures are made resulting in a balanced budget.

Endowment
Since the beginning of the Fiscal Year, the overall portfolio has performed quite well. As of September 30, 2013, the Unrestricted Portfolio was valued at $170,871,210 and is up 1.7% for
fiscal year to date. This includes a quarterly draw of $6,364,656.25 in September. The Restricted Portfolio was valued at $101,457,987 and is up 1% for fiscal year to date, including a quarterly draw of $1,049,889.00 in September. The combined total for both portfolios is $272,329,197. With our long-term horizon, the Finance Committee/Endowment Sub-Committee will continue to make financial decisions that we believe will benefit Loyola for years to come. Manager performance and asset allocation will be regularly monitored and evaluated with prudence as Loyola’s needs and market conditions evolve.

Facilities
All of our current construction projects are on schedule and on budget. Also, I have sent my recommendations for the Benson Jesuit Center to the Facilities sub-committee (found in the Facilities section of the Board book). I have asked the Facilities sub-committee to review my recommendations and, if approved, they will forward them to the full Board at this meeting. If approved by the Board, I will move it to Bill Bishop’s office to develop further support for the project.

Moody’s Recent Rating
Through the normal credit review process, Moody’s Investors Services confirmed Loyola’s strong A2 revenue bond rating, though it revised the university’s outlook from stable to negative. This change in outlook is in reaction to Loyola’s fall 2013 enrollment shortfall, however, Moody's cited Loyola's strong operating liquidity, comprehensive fundraising campaign, fixed rate debt, and a conservatively-invested unrestricted endowment as its reasoning for maintaining the A2 rating. The revised outlook is not expected to have a material effect on the university as there are no plans to borrow from the bond market in the near future.

Given the circumstances, this is a very good outcome for the university. We did not receive a downgrade, nor are we on a watch list for a downgrade.

4. Institutional Advancement

The Office of Institutional Advancement continued to focus its efforts on the execution of the leadership phase of the university’s comprehensive fund raising campaign entitled, Faith in the Future: the Campaign for Loyola University New Orleans in preparation for the launch of the public phase of the campaign, which is tentatively planned for the spring 2014. All of the offices that comprise the Office of Institutional Advancement are involved in these activities. As of October 31, 2013, more than $37.5 M in gifts, commitments, and BOR matching gifts have been received in support of the campaign. There will be a public launch of the campaign in the spring. We will be sure to make the date and event well known in advance. At the March Board meeting, the Board will receive a full briefing on the campaign.

Equally important are the efforts of Institutional Advancement’s Offices of Marketing and Communications and Alumni Relations in supporting the recruitment efforts of the Offices of Admissions and Enrollment Management. Additionally, it is impressive to note how the accomplishment of the mission of the university to educate men and women for others is being exemplified by the members of the university’s family of alumni, faculty, staff, and students. On November 2, 2013, the university celebrated its National Day of Service – Wolves on the Prowl. On that day, 11 of the university’s alumni chapters participated with more than 165 alumni contributing their efforts. In New Orleans, some 63 alumni along with more than 240 students, faculty, and staff supported the efforts of the American Dental Association in providing free dental services to
approximately 1,000 individuals.

During the forthcoming meeting of the Advancement Committee, the VP for OIA will inform the committee on the status of the campaign, and his direct reports will address activities within their respective areas. More time will be allocated for committee member discussion about the university’s campaign priorities, its readiness to enter into the public phase of the campaign, and current options under consideration for the public launch. The importance of the raising of unrestricted gifts and budget relief dollars for the current operating budget and suggestions from the committee members about how best to generate additional gifts in these areas will be presented as potential discussion topics.

5. Government Relations

Federal Action
There are three major Federal items for higher education that we are working on.

Congressional Budget Negotiations
The bi-partisan joint budget committee created in October as a result of the last minute deal to avoid defaulting on the federal debt met for the first time on October 30th. The deadline for the committee to reach a budget compromise for Fiscal Year 2014 is December 13th. While higher education funding is not at the top of the list of issues members of the committee will negotiate over, it is certainly part of the larger discussion about spending levels in the federal budget. Thus, Tommy Screen has joined the higher education lobby in continuing to weigh in with Congress and, the Louisiana delegation, about the importance of eliminating the sequestration currently in place and keeping federal financial aid funding as high as possible.

Immigration
While immigration reform has passed the Senate, the House leadership has announced that despite the efforts of many their chamber will not consider comprehensive immigration reform in 2013. With this in mind, we will continue to weigh in with our House delegation to let them know that Loyola University supports the DREAM ACT provisions of the immigration legislation passed by the Senate.

Public Comments on Obama Higher Education Proposal
On behalf of Loyola University and the Association of Jesuit Colleges and Universities, Tommy Screen entered comment into the public record about the Obama administration’s higher education proposal at one of four forum’s hosted nationwide by the Department of Education at LSU on November 21st.

City

Comprehensive Zoning Ordinance

As the three year process to re-write the city’s antiquated comprehensive zoning ordinance (CZO) enters the final stages, Loyola continues to work with the city’s other universities in an effort to ensure that any future growth, or renovations, on campus will not be subject to over burdensome rules and regulations. During the last 6-8 months the university team has met with the City Planning Commission staff to recommend changes to the draft CZO and has had varying degrees of success in having our suggestions adopted by the authors of the new CZO.
If all goes as planned, the new CZO should be signed by the Mayor in early spring of 2014.

6. Civic
I continue to serve on the Civil Service Commission for the City of New Orleans.

7. Professional Development
In November I completed the seminar for Experienced Presidents at the School of Education at Harvard University. The program had 20 participants and covered a range of topics from emergency planning to fund raising.

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

1. Focus on Institutional Advancement & 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 goals are ongoing as one can see by this Report and continue throughout this year.