

## STATE OF THE UNIVERSITY 2011

What does faith require of us? Faith requires us to love, do justice and walk humbly with God. At GCU, we are on that journey of faith---a journey that requires all of us to consider our place and our call in this noble mission of Mercy education.

Each year I have presented a picture of Georgian Court in this address that highlights successes and challenges. Last year I reported on some initial restructuring, reviewing the many, many transformations that Georgian Court has embraced over its 103+ years as we have moved from one location to another, growing from a liberal arts college to a comprehensive university. We discussed the long view that reminds us all that change is and has been a constant, as echoed by Cardinal John Henry Newman, who said, “To live is to change, and to be perfect is to have changed often.”

### **Trends shaping our story**

Since our Centennial in 2008-09, which coincided with a severe economic downturn and a steady decline in enrollment, I have encouraged the campus community to re-engineer our systems, enhance our offerings, and to expand our reach to a more regional base. In short, we must seize the challenges of these years to restructure and re-engage Georgian Court University for the future.

This afternoon I want to discuss some of the trends that bring us to where we are today. I shared some of this when I addressed the faculty and staff in May when we announced the cost reduction/rebalancing project.

1. The first trend—Looking at **revenue less expenses**, we see where revenue changes over the past 10 years and our projections for 2011-12 underscore the need to readjust our expenses. Although we ended last year with a slight surplus, the trend has been toward less revenue coming into the university. Thus, we are being very cautious this year.

2. The second trend—**Enrollment over the last 10 years** shows growth through about 2008-2009. Since then, enrollment has shown a downward trend that in 2011-12 does not seem to be turning around.

3. The third trend—**The amount of Institutional Financial Aid** climbed from \$6 million in 2005-2006 to \$12 million in 2010-11. Today, this figure remains the same—despite enrollment going down—because of needy students and the economy.

4. The fifth trend—**Tuition Revenue versus Cost of Operations**. What it costs to operate the university continues to outpace the net tuition revenue that comes into the university; this includes the increased financial aid dollars, the decreased revenue from enrollment numbers, and the increased cost of doing business.

5. The last trend in the story of our need for cost reductions and rebalancing illustrates how, since April 2011, **the administration has significantly cut expenses** by eliminating positions, realigning functions, and reducing costs. To date, we have significantly reduced our base expenses to balance closer to our expected revenue. From April through October, we eliminated 40 plus positions through restructuring and downsizing, resulting in cost savings of \$3.3 million.

Our cost-reduction efforts are helping to close the gap, but we are not there, yet.

### **Where we are now?**

Given lower-than-expected enrollment numbers this fall, we are behind in revenue, and some of our shortfall is due to retention issues. Given the unrealized enrollment figures for fall, we also anticipate that spring enrollment will be down.

### **What we are doing?**

We are mounting a more aggressive recruitment effort that includes many of the suggestions you made last year at this time. I asked you for ideas on enhancing our reputation as a comprehensive university in the Mercy tradition, as well as ways to improve our regional reach. These efforts had initial success in attracting a larger

and more diverse freshman class for this year. Some of your other ideas that have been put into action include (1) having GCU strengthen ties to regional high schools and Catholic schools; (2) streamlining processes that help students enroll, matriculate and graduate; and (3) enhanced marketing and recruitment tactics.

## **How can you help?**

What does today's reality require of each person in this room? It requires us to embrace cooperation and creativity and collaboration.

- For students, this means reconciling tuition payments in a timely way and cooperating with Financial Aid and the Bursar to fill out the appropriate paperwork on time.
- For faculty, this means working with the administration to creatively offer majors and programs in the spring that can attract new students and successfully retain our current students.
- And for staff, this means everyone can help to make our processes for admissions easy and respectful of students and their families, and especially for the adult student who is challenged by time constraints.

## **Going forward**

The work of realigning and restructuring our business processes will continue to help this effort. Change is not always easy; but change is necessary for all organizations to survive and thrive in new circumstances. We know that from 2001-02 through 2007-08 we grew our undergraduate and graduate enrollment, built out parts of the campus and improved technology. Yet in that time there was very little online learning – back then, only 3 percent of the classes were delivered via the Internet. Today 14 percent of GCU courses are online or hybrid classes. From 2001-02, only 35 percent of our full-time undergrads qualified for PELL. Today, 50 percent of our total undergraduate population qualifies for PELL funding. These few, yet impactful, changes tell part of the story we are still writing together.

## What's new

Marketing and Advancement are now a combined effort working in my office. During the past year, despite a poor economy, they engaged donors, foundations and new policies to support our mission.

Advancement income continues helps to close the gap between tuition revenue and the expense of operating. Last year their effort yielded \$900,000 in grants; \$396,000 in Annual Fund and other giving, and \$547,000 in restricted and major gifts.

Marketing engaged in multiple efforts to improve our reach, and totally redesigned the admissions portion of our Web site. They also refreshed and began simplifying our 3,000+ Web pages. Currently, they work closely with Advancement and Enrollment to promote the story of Georgian Court to multiple audiences.

What does our reality require of each person in this room? Again, cooperation and creativity and collaboration.

- For students, I ask that you consider giving back to the university as you often find reasons to do fundraising for various projects. We ask you to possibly work in support of the university as tuition does not cover all of GCU's expenses. Additionally, being able to say to others that our students support the university sends a signal to donors and supporters. It confirms that GCU is a place worthy of support. And remember, the dollar figure is not as important as the percentage of students supporting.
- For faculty and staff, that same message applies. Being able to say to a foundation interested in partnering with us that the greater majority of faculty and staff financially support the institution is very compelling. Currently, about 17 percent of our faculty and staff contribute; 100 percent of our Board members contribute.

- We also need your cooperation with Marketing to get clear, concise, accurate and timely information—the information they need to create stories and develop strategy is so critical.

## **Achievements amid challenges**

That brings us to faith. What does faith require of us? To love, do justice and walk humbly together. Our faith puts us on a journey, a path together. And while we have significant challenges on our journey, we also have cause to celebrate our successes. For example:

- Talented faculty and staff continue to collaborate on grants, research and special projects. \$350,000 IMPACT; \$200,000 from the National Park Service; and funding from TD Bank, Provident and Verizon for our summer science program, Girls in Science & Technology.
- Now in its fourth year, GCU-Meridian Health School of Nursing will soon graduate its first class of nurses. The thriving program has a waiting list.
- While we continue to get high marks on the National Survey of Student Engagement, we also continue to deliver on our promise of preparing students to succeed once they leave the court; in May, we graduated more than 600 students.
- From our master's in Homeland Security to the new master's in Applied Behavior Analysis, we are providing students—and potential employers—with programs that meet workplace needs. The same can be said for the new B.S. in Latino/Latina & Business Studies, and our new minors in sustainability and graphic design.
- We were recognized by the U.S. Environmental Protection Agency for using more green power than any of our peers in the CACC. And we are as committed as ever to sustainability, from our special initiatives

at freshman orientation to the ongoing Green Force campus cleanups and the new Sustainability Living Learning Community. And here, of course, is the perfect time to talk about our upcoming Critical Concerns Week, beginning Monday, Oct. 31. Dr. Louise Wootton and other members of the faculty and staff are planning a full week of activities focused on building sustainable communities. Louise and her team continue to do an outstanding job in this important area.

### **GCU: Where Faith Meets Action**

So, going forward, what does the path to being a Mercy university in the Catholic tradition in this 21<sup>st</sup> century require of each of us?

Surely faith.

- So we must love and extend ourselves to one another and those who will join us in the future as students or colleagues.
- Doing justice by living our values of compassion, service, respect and integrity.
- Walking humbly by serving one another and all who grace our campus.

What else does the path require of us – this faith journey we embrace together to be a Mercy university? I suggest it requires cooperation, creativity and collaboration.

We will be forever changed by our collective efforts to refresh and renew Georgian Court so that another generation of scholars and students can welcome and transform the students of the future.

Thank you.