The chair called the meeting to order at 3:05 PM

**Review and approval of minutes**
The minutes were reviewed and a few amendments were recommended.

**MOTION:** to approve the minutes as amended (C. Katz)
Motion carried unanimously

**Loyola University Budget follow-up discussion**
Mr. William Laird, CFO lead a follow-up discussion on the University budget.

- **Moody's Investor’s Service report:** Mr. Laird touched on the 3rd report first, briefly adding that the University’s rating went from an A3 rating to and A2 rating. He stated that the University is very close to the highest ranking, A1 and will probably be there within the next year or so.

- **Loyola Financial Policies & Practices report**
Mr. Laird walked the Senate through the report, highlighting a few key notes as follows:
  - LUC sold hospital to Trinity Health and received 828 million in revenue
  - LUC funneled additional funds into the hospital programs, especially into the Schools of Nursing
  - From 1995-2002 LUC lost 200 million in operating losses due to issues with the infrastructure.
  - Mr. Laird stated that inability to repair buildings would have resulted in their sale. He used Lewis Towers as an example of a building that may have been in danger of being sold.
-Housing costs are now being financed through housing fees rather than tuition. This is a positive shift from past practices

Mr. Laird focused on some plans that cause caution and concern in our past fiscal stability.
- lack of good plans to repay debt.
- lack of sound strategy to increase enrollment
- poor enrollment/admission strategies in recruiting fulltime students

He then focused on the University’s plans for recovery
- Purchased the Rome centre. The Purchase over leasing will generate about 1M per year.
- Creation of health science division that is robust enough to stand on its own.
- Conservative budgeting that includes reinvesting any surplus back into the University.
- No longer relying on the assumption that gift accounts will balance the budget.
- Moving the date up for fiscal planning to December

Mr. Laird maintained that the University’s second highest expenditure is financial aid. (The highest expenditure is salaries.) He stated that the University is looking at having more focused fundraising that is focused on scholarships. This can alleviate some of the burden on financial aid. He stated that gifts to the University are on the rise.

A question arose about the source of the gifts. Mr. Laird responded that the gifts are coming mostly from alumni and other friends of the University, and are smaller in amount, but more numerous. He added that some gifts are also coming from corporations. He mentioned that even though several gifts are coming from alumni, this is a group that could be tapped more.

Mr. Laird focused on a few of the successes of the University indicated in the report.
- Newly reinvented campuses.
- The University endowment has grown to 500M
- Debt is more manageable
- More aggressive plans to pay down existing debt
- Stronger internal banking.

**Fiscal Year Initial Assumption Gathering report**

Mr. Laird went over report and emphasized the following points.
- The University will moderate enrollment next year for incoming freshmen to be able to take in transfers and to be able to accommodate students in both housing and classes. Currently, both classes and housing are at full capacity.

- The University continues to move to increase merit based scholarships rather than need based. As a result the University hopes to attract students who are better students academically and who have more financial means. As a result the discount rate will improve.
Other issues
A question arose about the movement of merit increases to January and if there was some idea of what merit increases would look like. Mr. Laird responded that this current salary merit increase will go in to effect on January 1, 2014 and the average amount of that increase is about 2.5%. He added that that merit increases have now permanently moved to January 1 starting as of January 2014.

Motion: To adjourn (C. Katz)
Motion passed unanimously

The meeting adjourned at 4:47p.m.

Respectfully Submitted,

Joyce D. Knight
Secretary to the University Senate.