SACSCOC™

SOUTHERN ASSOCIATION OF COLLEGES AND SCHOOLS
COMMISSION ON COLLEGES

January 12, 2018

The Reverend Kevin Wm. Wildes, S.J., Ph.D.
President
Loyola University New Orleans
6363 St. Charles Avenue
Campus Box 9
New Orleans, LA 70118

Dear President Wildes:

The following action regarding your institution was taken by the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) during its meeting held on December 3, 2017:

> The SACSCOC Board of Trustees reviewed the institution's Monitoring Report following action on reaffirmation of accreditation in December 2016. The report included financial statements. The institution is requested to submit a Second Monitoring Report due **September 7, 2018**, addressing the visiting committee's recommendation applicable to the following referenced standard of the *Principles of Accreditation*:
>
> **CS 3.10.1 (Financial stability), Recommendation #3**
> *This standard expects an institution's recent financial history to demonstrate financial stability.*
>
> The institution has continued to use endowment funds to meet operational expenses, and this trend appears to be continuing into the next few fiscal years. As a result, the institution's endowment has fallen from $277.2 million in FY 2015 to $225.8 million in FY 2017. Unrestricted operational revenues have been insufficient to meet unrestricted expenses, resulting in operational deficits of ($7.1 million), ($6.8 million), and ($4.5 million) for FY 2015, FY 2016, and FY 2017, respectively. Endowment draws included in unrestricted, operational revenues have increased from $10.6 million in FY2015, to $17.2 million in FY 2016, to $23 million in FY 2017. Therefore, without the endowment draws the operational deficits would have been more severe.
>
> The institution has made minor progress in cutting unrestricted operational expenses from $122.1 million in FY 2015 to $118.5 million in FY 2017; however, the reduction in expenses is minor relative to both the rate of endowment draw and the rate of negative cash flows. The institution showed negative cash flows of ($18 million) in FY 2016 and ($29.1 million) in FY 2017.
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> As part of the report, the institution is required to submit financial audit reports and management letters for the two most recent fiscal years, and include its most recent financial aid audit. The most recent year is defined as the fiscal year ending immediately

prior to the due date of this report. In addition, the institution is required to include a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year.

While the College Delegate Assembly adopted revised *Principles of Accreditation* in December, the Board's actions were determined based on the previous edition as noted above. Your institution may respond to ***either*** the corresponding revised standard(s) ***or*** the old standard(s) as cited. Please work with your assigned SACSCOC staff member regarding your choice for responding to the 2012 *Principles* or the 2018 *Principles*. Once selected, your choice applies to ***all*** the responses requested above. ***Institutions are not expected to respond to those standards that were deleted in the 2018 Principles, although they may have been cited above.***

Guidelines for the monitoring report are enclosed. Because it is essential that institutions follow these guidelines, **please make certain that those responsible for preparing the report receive the document. If there are any questions about the format, contact the Commission staff member assigned to your institution.** When submitting your report, please send **five copies** to your SACSCOC staff member.

Please note that with submission of this report, your institution will have submitted monitoring reports for a period of two years, concluding in December 2018. Federal regulations and SACSCOC's policy stipulate that if an institution does not demonstrate compliance with all the standards and requirements of the *Principles of Accreditation* within two years following initial action on the institution, representatives from the institution may be required to appear for a meeting on the record before the SACSCOC Board of Trustees, or one of its standing committees, to answer questions as to why the institution should not be removed from membership. If the Board of Trustees determines Good Cause at that time and the institution has not been on Probation during the two-year monitoring period, the Board may extend the period for coming into compliance for a minimum of six months and a maximum of two years and must place the institution on Probation. If the Board of Trustees does not determine Good Cause, removal from accreditation is mandatory. *(See enclosed SACSCOC's policy "Sanctions, Denial of Reaffirmation, and Removal from Membership,"* which includes the provisions for a determination of Good Cause.*)*

Please note that an institution at the end of its two-year monitoring period should also include a report providing evidence supporting the conditions of Good Cause as described in the above referenced policy statement. The institution bears the burden of proof to provide evidence why the SACSCOC Board of Trustees should not remove it from membership.

If you have questions, please contact the SACSCOC staff member assigned to your institution.

Sincerely,

Belle S. Wheelan

Belle S. Wheelan, Ph.D.
President

BSW:sf

Enclosures

cc: Dr. Steven M. Sheeley, Senior Vice President, SACSCOC