Schreiner College/University (2000-2015): Passion for a Cause

The Crisis: The difficult circumstances or significant opportunities that the board faced.

Schreiner College was not in a comfortable place as 2000 dawned. Its 1999 SACS accreditation visit had yielded 52 citations. The most serious of these questioned the presence of sufficient financial resources to support its programs and the financial stability necessary for successful operations. Following three years of deficit operating budgets, an audit had concluded the college was weak in internal controls, communication, and management systems. Financial services staff had turned over rapidly. In October, the Board had approved borrowing $3 million from the endowment of $27 million in order to cover the shortfall in operations. Meanwhile, though the college's September 1999 response documented numerous changes, in December SACS placed it on Warning. This action precipitated the resignation of the president and the return to an interim presidency of Dr. Sam Junkin, president from 1971 to 1996. In February 2000, the board, hearing Dr. Junkin say, "In reality, it is you who created this deficit," unanimously approved a challenge to match the $1.5 million pledge of Trustee Emeritus Bob Trull in order to repay the endowment. Gifts and pledges were received from the board to meet the challenge, enabling the university to retire the debt to its endowment. Thus the immediate crisis was addressed. But other issues remained:

- The board faced the search for a new president.
- The college was asking questions about its mission and core goals.
- Schreiner faced a Warning status that it had two years to address.
- Even with the shortfall addressed, the college relied heavily on its line of credit.
- Enrollment would fall that year from 802 to 780 in spite of a "kick start" infusion of funds to the admission office.
- Schreiner College, only a decade and a half removed from granting its first baccalaureate degrees, was still widely viewed as a two-year college and little known beyond its region.
- First-year retention hovered around 60% and the four-year graduation rate had only recently reached 30%.
- Faculty salaries in all categories ranked at the bottom in peer comparisons.
- A campaign focused on significant facility needs required new energy.
- The board itself was keenly aware of the need to review its own practices.

The Early Plan: The plan the board designed within that climate.

Warren Ferguson, entrepreneur and software executive, became board chair in May 2000, as the college determined to right itself. Interim President Junkin evaluated administrative leadership, stressing reaffirmation of the college's accreditation, articulating its mission and goals, and improving recruitment and retention. He challenged the board to claim its governance role. By the spring of 2001, the board had selected the provost, Dr. Tim Summerlin, as president of the newly renamed Schreiner University, and a first action was for president and board chair to participate together in an AGB retreat in Aspen. At that Aspen retreat, they established a strong working relationship based on the fundamental premise that the board chair and president shared responsibility for leading the board. That fall, Ferguson called on the board to lead in new and strategic ways. He stressed a clear vision and mission, marketing of the college, attention to success metrics, use of relevant data, openness to change, board meetings with clear agendas focused on issues rather than reports, continuous board education toward critical competencies and restructure of committees to support these goals. The president shared his vision for Schreiner's future, which affirmed its broad liberal arts commitment and stressed a nimbleness in the pursuit of growth, student persistence to graduation, new programs and delivery systems, and living within financial means.

That FY 02 academic year witnessed initial progress toward several of the challenges. In December 2001, SACS reaffirmed Schreiner's accreditation**.** Campus and board collaborated to articulate "All Learn, All the Time," its vision, mission and goals, approved by the board in February 2002. This document was anchored by three concrete goals: enrollment of 1200, first-year retention of 80% and endowment of $100 million. The university began to take marketing seriously by employing a consultant to revamp its recruiting media and then to assess its academic programs. During the course of the year, new vice presidential leadership in academic affairs, finance & administration, enrollment & student services and advancement was secured. Improved budgetary controls and fundraising software contributed to better management. A May session on fund accounting signaled the decision to make board education the centerpiece of all meetings. In addition, a Trusteeship Committee was created to address board selection, orientation and assessment, and the prospect of restructuring all board committees was broached.

The Long Haul: The execution of this plan, including any additional challenges that arose.

Thus, several critical issues were addressed promptly, and a strategic direction was set, with adjustments in board functions to facilitate that work. Campus refocus in all divisions complemented that board action. However, Schreiner's challenges were too systemic to be resolved in the short term. Now the difficult work for all segments of the university had been defined, and continuous pressure to the fly wheel lay ahead in order to accomplish goals.

- **Promoting the University**: The necessity of building Schreiner's name recognition had been clearly established, but the means for doing so, beyond improvement of publications, was still to be determined. By the end of FY 03, the board had created an ad-hoc marketing committee which worked with the campus over the summer to select a media partner. That fall the board was presented a challenge, funding a brand marketing campaign which required an investment of over $600,000 in its first year. The proposal was strongly endorsed, and for the first time Schreiner developed TV, radio and billboard materials and engaged in advertising with the brand "Learning by Heart." Over the years, it focused on the Hill Country and greater San Antonio to maximize impact. Its early efforts were edgy, appealing to teen humor, and criticism had to be weathered. Each year surveys were conducted to ascertain the impact on name recognition and messaging, with adjustments being made in response. In fall 2006, a tight budget led the administration to recommend that brand marketing be suspended for the year, but the board directed that funds be found to continue that effort. They have remained resolute in that commitment, and since FY 04 over $4.25 million has been invested in brand marketing.

  Far from being mere advertising, integrated marketing became understood at Schreiner as an expression of its strategic plan, defined in terms of the "four P's," product, place, price, and promotion. Thus, marketing goals were involved in a commitment to identify Schreiner's "signature programs," to create a master plan for the campus, and to manage tuition increases. Overseen by university relations, it was present in board meetings through the Advancement Committee. In 2014, the board and administration selected a new media partner, aware that the Internet and social media would dominate future brand marketing efforts. An audit of the marketing department led to the creation of the position Vice President for Marketing and the establishment of a board Marketing Committee. The vision and persistence of Schreiner's trustees are exemplified nowhere better than in the thirteen year history of aggressive brand marketing at the university.

- **Enrollment Growth and Student Persistence**: Marketing and name recognition, of course, were tied to the need to grow. Numerous independent studies documented the economic uncertainty that colleges of 600-800 enrollment faced. The board had claimed growth to 1200 and a first-year retention rate of 80% as two of three core goals in 2001.These goals dictated university decisions, academic decisions foremost.

  Working with faculty and administration committed to establishing a "valued and differentiated curriculum," the board approved the discontinuation of majors and the creation of others. Political science, theater, a graduate program leading to superintendency, separate BBA degrees in finance, management and marketing, communication studies, nursing, public health and computer technology strengthened the university's offerings. After five years of reflection, the university selected in 2010 three areas of study as "signature programs": the life sciences, graphic design, and all business majors, which shared a curriculum infused with activities promoting ethical growth. The board blessed an increasing professionalism in enrollment services, which now worked closely with marketing. Recognizing that online adult education was a necessary part of its educational role, the university moved its MEd and MBA online and in 2014 introduced an online BSN for working RNs. The board approved client partnership concepts for all of these programs, enhancing their appeal through reduced cost.

  For two years, in 02 and 03, headcount remained flat. Then it began to move upward from 780. The doubling of students participating in NCAA Division III athletics was a major source of growth. Finally, the long-held goal of 1200 was surpassed in FY 16 and reached 1308 the following year. The other two core goals have proven more elusive. First-year retention between 2000 and 2016 has risen from 60% to 70%. Four-year graduation is up from 30% to 37% and six-year from 42% to 45%. Over this period of time, Schreiner University has remained a place of opportunity, with its demographic moving from 16% to 35% Hispanic, serving entering classes which are nearly 40% first-generation and over 40% Pell-eligible. An endowment of $30 million at the beginning of the 21st century now is valued at $65 million. Although individual plans and schedules have been adjusted, the board's core themes have held consistent.
- **Resource Acquisition and Management**: Attention to growth reflected the board's concern for the financial status of the university. It established policies for expenditures, acquisition of debt, and budget management. After 2001 Schreiner complied with new FASB regulations and then with almost all Sarbanes Oxley criteria. The policy requiring a maintenance endowment of 20% of construction costs for new facilities was reaffirmed. Randy Roberts, an alumnus, became board chair in 2004, and fiscal management was a

primary theme for him. Short term debt was reduced. He worked with the president in the fall of 2004 when an unexpected cash shortage required attention. That experience prompted the creation of a cash flow instrument for continuous monitoring. Meanwhile, as enrollment began to grow, tuition discount did also for a while. However, Schreiner has been successful in increasing NTR per student in eight of the last ten years, with a 50% increase overall over that span. Gradually, the university reduced its reliance on the line of credit, which it has not used since January 2010. Meanwhile, its Composite Financial Index (CFI) scores have closely tracked the 75th percentile nationally over the past five documented years. CFI rating averaged 1.9 from 2001-06 and 4.4 from 2007-14. Clearly, the board governed an institution better prepared to manage the difficult times of recession and financial crisis.

In 2000, Schreiner had recently built 200 apartments on campus, the first addition to facilities in nearly a decade. Committed to growth and aware that its facilities were below standard, the board was in the midst of a comprehensive campaign, which ended in 2003 with $70 million raised. It was followed by a focused campaign to raise $20 million for wellness, athletics and recreational facilities, with all elements in place by 2015. Meanwhile, the board authorized a five-year comprehensive campaign of $50 million in 2012 which is currently at the $44 million level. The capital impact of these efforts has more than doubled new or reconditioned facility square footage, including academic, residential, recreational and student life space. The board itself has been at the forefront of the giving, making this transformation possible. Though it represents only 1% of donors and 4% of gifts over this time, it has given 20% of the total.

Schreiner's determination to identify other revenue sources to relieve pressure on undergraduate tuition has not been limited to establishing adult education programs such as the online BSN program or cost-saving actions. Named a Hispanic Serving Institution in 2013, the university was awarded a $3.3 million Title V grant. In 2016, it was awarded a $6 million Title V STEM grant, both designed to strengthen the institution. Schreiner had gone from a little-known college still thought of as a two-year school to an established, creative university with a growing reputation.

Present and Future: An assessment of the board's contributions.

The Shape of a Distinctive University: As the Title V and other successful grants confirm, Schreiner became aggressive in seizing opportunity. Board chair Dr. Bill Franklin, who succeeded Roberts, had been a college president at other Texas institutions. He speaks of Schreiner's "limited visibility" in the past and the "timidity and defensiveness" characteristic of struggling institutions. Successes helped the university change that character. Even as the financial crisis of 2008 reduced the value of endowment, the university continued to grow, to enhance net revenue while moderating tuition increases, and to build its academic programs. In 2012, recognizing a need for improved use of data for decision-making, the university worked with Credo, resulting in a series of critical changes. A robust institutional research office was established as well as a planning and budgeting process that engaged faculty and staff. A board-directed plan for enhancing faculty salaries had reduced the gap between Schreiner and CUPA median peer salaries to the point that Schreiner salaries were actually higher in some ranks.

- **Board Leadership/Campus Execution**: Franklin's leadership was marked by special focus on strategic governance, and the board pursued its leadership role with relish. Chair Mike Pate, Franklin's successor, stressed institutional credibility through elimination of LOC use and success in completing the university event center. Weekly phone visits between chair and president had become the norm. Board chairs conferred with the university's senior cabinet prior to summer planning retreats so that all were on the same page. Every board meeting included time for strategic thinking. The board engaged in a 2007 planning retreat leading to a new strategic plan. The February 2010 meeting was devoted to small-group study of external challenges in order to establish priorities. These priorities were merged with responses from faculty, staff and students to similar surveys to articulate the concrete objectives of the university's strategic plan. Similarly, these groups collaborated in a 2011 charette that developed a campus master plan. The board endorsed the Credo concepts of the thriving college as a model, a model shared with the campus and used by the president to frame his annual priorities.
- **Living the Mission Seriously**: As the foregoing illustrates, although it had not reached all of the specific objectives of the 2001 plan, a decade into the new century Schreiner had achieved a sound financial condition with the help of enrollment growth, enhanced facilities, and stronger academic programs. These successes enabled it to better address its value proposition, expressed in the mission's commitment to "prepare students for meaningful work and purposeful lives in a changing global society." To that end, seven student outcomes were identified, which became the basis for revising the core curriculum. The Schreiner Experience is now an intentional undergraduate experience bringing formal and informal learning together for a common end. With the assistance of its initial Title V grant managed by the Office of Student Success, the university is vigorously pursuing an outcomes-oriented undergraduate program consistent with the vision embraced by its board. By virtually any standard, Schreiner University and its Board of Trustees are demonstrating the value of adherence to a plan, flexibly conceived but concretely defined, pursued in concert by all parties.
- **And the future**? As the president neared his retirement date, the Schreiner board was faced with the challenge of transition. They embraced it creatively. Convinced that in their current provost, Dr. Charlie McCormick, they had the right leader to maintain positive momentum, they secured professional services to inquire discreetly about administrative and faculty perceptions. What they learned echoed their own convictions, and in April 2016 McCormick was named to succeed Summerlin in January 2017. With the 2007 strategic plan nearing its end, board, administration, faculty and staff are benefiting from consultants and ongoing dialogue to ensure that all stakeholders are well informed of the challenges facing higher education so that they can cohere around plans for addressing them as they have those of the last 15 years. As current chair Bill Harrison notes, this board is not made up of yes-men and -women, but committed individuals who use hard discussion to reach unity. These are determined individuals—nearly 90 serving over the span of time covered in this report-- with a passion for the university they serve. In the ability of Schreiner University's board to adopt core goals, provide clear direction, offer generous support and oversee the execution of mission, one can see a model for higher education governance at the independent college in challenging times.