Thank you, Anne, for that introduction. And, thank you for your tireless efforts, serving as our Chief Academic Officer.

Good morning, everyone, and welcome. I hope the new year is off to a productive start. Twice each year I host convocation, which is from the Latin “convocare – to call together.” Thank you for taking time away from the important work of educating our students to come together here to learn more about Wilkes University – where we are and where we are headed.

Before I begin, I’d like to ask each of you to join me in a moment of silence to remember the life of Edward Elgonitis. Eddie, as he was widely known, passed away on Friday, January 9. He epitomized Wilkes in so many ways. A memorial service will be held here on campus in the coming days so that we can celebrate as a community the life of this proud Colonel. I hope you will all join us then.

I’d also like to recognize in a special way someone else who joins us this morning, Dr. Jim Merryman. Jim continues his courageous fight against ALS, and he’s doing it with determination, grace, and good humor. Thank you, Jim, for being here this morning and for being such an inspiration to us.

And, there are many others here in our Wilkes community who are battling their own health issues or who are supporting family and friends with theirs. Without naming names, I hope each of them knows of our continued support.

I’m also pleased to have here this morning the newest additions to our community. May I ask all of you who started working here since our Fall Convocation in late August to please stand so that we might welcome you to Wilkes? Welcome to Wilkes.

On November 18 of this past year I participated for the second time in a National Higher Education Media Dinner in New York City as the guest of Dr. Michael Crow, the President of Arizona State University. These semi-annual events gather together presidents of colleges and universities throughout the nation and members of the national higher education press to engage in a 3-hour dialogue around issues facing American higher education. This last time the presidents of Arizona State, Texas Tech, Georgia State, Washington & Lee, Smith, Bennington, St. John’s College in
Annapolis, and Wilkes sat down with the education writers from more than 15 different media outlets, including the Chronicle of Higher Education, the Wall Street Journal, the New York Times, the Huffington Post, CBS News, and many others. It was, as usual, a fascinating evening, and one that allowed Wilkes a voice on the national higher education stage.

Much of the discussion that night revolved around the challenges facing American colleges and universities today. And, they are numerous.

We talked about the changing demographics and how parts of the country – like the Northeast - are experiencing a sharp decline in the number of traditional college-age students, while other parts – like the Southwest - are growing at a fast pace, mostly through growth in the Hispanic population. Many of the students who need to be served today are non-traditional students, and there is a national imperative to educate more of them. The competition is fierce, as colleges and universities – traditional not-for-profit and new for-profit institutions – are recruiting students from increasingly wider areas and offering programs tailored to their needs.

We talked about the rising cost of tuition. In general, tuition is reaching a tipping point, the point at which families on the margins will elect not to send their children to college. And, as the price for education goes up, so too do the expectations as to what families get: facilities, services, and outcomes. The higher the price is, the higher the expectations are. This requires new investments to add facilities and services to meet those higher expectations, which leads to upward pressure on tuition. This is a vicious cycle, with no end in sight without fundamental changes.

We talked about how students are demanding new ways to learn, utilizing the technology with which they are so familiar and so comfortable. Yet, many institutions are unwilling or unable to adapt to these changing student demands.

We talked about how difficult it is to measure quality, but that challenge hasn’t stopped various third parties, including the Federal Government, from attempting to measure it. In all cases, there will be a particular emphasis on retention and graduation rates at a time when recent research has identified that fully 45 percent of the high school graduates in America are not ready for college-level academic work, creating a “readiness gap” that we cannot ignore.

We talked about how – despite all of these educational challenges – communities and governments are looking increasingly at colleges and universities to be “saviors of their cities” and increasingly of their regions. Colleges and universities are now asked to meet not only the educational and workforce development needs of their communities, but also serve many social service and economic development functions. “Eds and meds” are the sustaining institutions in communities all across the nation.
Finally, we talked about how all of us at the meeting, from presidents of the large state universities to the small liberal arts colleges, felt that these factors would place pressure on college and university operating budgets for years to come, forcing institutions to find alternative resources beyond tuition. This includes, of course, even more fundraising. But, fundraising is very challenging, as resources are increasingly consolidated among the wealthiest individuals and alumni participation rates are falling at higher education institutions all across the country.

As I said, the challenges are numerous.

These challenges are not new news, of course. Prognosticators have been sounding the death knell of colleges and universities for years now. Clayton Christensen, a Professor at Harvard University and perhaps the leading thinker on innovation and disruptive change, thinks these challenges will disrupt American higher education, going so far as to say that fully “half of the existing colleges and universities in the U.S. will cease to exist within 15 years.” While I consider that forecast a bit extreme, the general sentiment of his statement is true. Colleges and universities must change if they are to succeed in the 21st century. It is a challenging time. Pundits have been saying for years that it’s never been a more challenging time in higher ed. This time I think they really mean it.

But, as Ralph Waldo Emerson said some years ago: “This time, like all times, is a very good one, if we but know what to do with it.” Wilkes University faces many of these same challenges, but this time can be a very good one, if we but know what to do with it. Let me share with you nine imperatives for Wilkes in this complex environment.

First, we must go in search of new students to serve. The number of high school graduates in our core recruiting market – Pennsylvania – is declining, by some estimates as much as 10 percent over the next decade. Since 75 percent of our operating budget comes from this segment of undergraduate students, this is a chilling realization. So, we must build demand in our traditional student segment and go in search of new groups of students.

In order to strengthen demand in our undergraduate seats, we will be offering an honors program, four new athletics programs, and a marching band – all high-impact activities that will recruit and retain high-quality students. We will continue to expand our recruiting territory outside of Pennsylvania and into surrounding states. In addition, we have launched a targeted international recruiting effort to attract more international students to Wilkes, first and foremost as an educational imperative to diversify our campus in an increasingly global, interconnected world.

We are developing efforts to recruit more, talented transfer students from area community colleges. In fact, we are in conversations now to offer degree completion programming on-site at the Monroe Campus of Northampton Community College as
a way to grow transfer recruiting. This move would have a very positive effect on our Poconos effort.

We are continuing to develop our remote location in Mesa, Ariz., as a way to expand our mission of serving talented first-generation students. I just returned from Arizona last week, where I attended our first graduation ceremony in Mesa. Three MBA students completed the requirements for the master’s degree, and we felt that it was important to celebrate this milestone in Mesa, just one and a half years after launching our first academic program. I wish you all could have been there. It was a small ceremony, but for those three students it was big moment. One of the students was Kelly Rogers. Kelly obtained his bachelor’s degree from Arizona State University a few years ago. He has been driving a delivery truck for UPS for the past number of years. He felt he needed the MBA in order to break into management. At the graduation ceremony – with tears of pride and gratitude in his eyes – he thanked Wilkes for the opportunity to build a better life for his wife and their three young children. We will continue to develop the Mesa site as a way to diversify our tuition revenue streams and as a way to provide unique “study away” experiences for our Wilkes-Barre students. I want to thank all of our colleagues in the Sidhu School of Business and Leadership, and colleagues from Education and Creative Writing, for their commitment to this important strategic initiative.

Also, while I was in Arizona, I met with our partners at HotChalk. HotChalk is the education enabling company that is helping our nursing school take their online masters programs to a national audience. Our partnership by all accounts is off to a great start. This, too, helps us diversify our revenue streams around graduate tuition. I want to thank all of our colleagues in the School of Nursing for their commitment to this other important strategic initiative.

Strengthening undergraduate demand, expanding our recruiting and marketing efforts for undergraduate students, establishing unique community college partnerships, developing remote locations, and adding new graduate programs – these are all ways that we at Wilkes are going in search of new students to serve and extending our mission of serving students, many of whom are the first in their families to attend college.

Second, we must sharpen our value proposition in a hyper-competitive market. The oldest, most well-established schools in the country are clustered in the Northeast. In the state of Pennsylvania alone, there are 90 private colleges and universities, 14 PASSHE schools, and 4 state-related schools all recruiting a shrinking number of traditional undergraduate students. Since nearly all of these institutions are tuition-dependent, they will compete feverishly for students, enrolling them almost at any cost, which will place enormous pressure on our discount rate.

If the competition is increasing, then we must go about making ourselves more distinctive. I’ll be teaching once again this semester my strategy class for the Sidhu School. One of my assigned readings is the strategy book, Blue Ocean Strategy. In it,
the authors implore organizations to have a compelling tagline. I submit that ours could be this: the opportunities of a large, research university in the culture of a small liberal arts college, increasingly at the price of public education. Now, that would be compelling! We’ll have a new marketing campaign that will position us as the high value option in our recruiting markets as a way to sharpen our value proposition in this competitive market.

Third, we must continue to meet student expectations of quality by enhancing our campus. Our goal is to have a 21st century living and learning environment within our historic campus. To that end, this summer we will be constructing our campus gateway project, connecting the heart of the downtown – Main Street – with the heart of our campus – Fenner Quad. In addition, we will begin a major campus enhancement project to make campus more pedestrian-friendly, more safe, and more attractive for all of our constituencies.

In the coming semester we will also continue our planning for the engineering expansion, which will happen next year, and will continue to make plans to enhance the space for communications and education, all while ensuring that we have adequate teaching and learning space for our faculty and students. Following our investments in science, business, and nursing, these additional investments will help to attract students, as well as the faculty and staff to serve them.

Fourth, we must meet students where they are, and they are increasingly online. We know from our internal surveys that students want more online courses, and we know from our competitive analysis that other regional institutions are offering them. We need to offer more online options for both undergraduate and graduate students or risk losing these students altogether.

We are working on an online pathway through our general education requirements that will make it easier for undergraduate students to transfer into Wilkes and easier for adult, non-traditional students to complete their degrees. Let me be clear about something: I am not suggesting that we take our entire general education curriculum online and require all students to take their courses this way. There will always be a place for our traditional general education curriculum delivered face-to-face here at Wilkes. We just need an online pathway for a certain segment of students that offers the same quality experience that our traditional students enjoy on campus.

In addition, we need more online summer courses to offer to students – our own Wilkes students and students from other colleges. Expanding our summer offerings - both online and on-ground - is one more way to create a bona fide 12-month university, a university that both serves students better throughout the entire year and generates additional resources in the process.

Fifth, we must more carefully manage our operating budgets. Just like every other college and university in the nation, Wilkes too will continue to face pressure on our
annual operating budgets. After two years of very strong operating surpluses, this year’s operating budget is a much tougher one. This is a result of two factors: softening in enrollment across our different student categories – a smaller first-year class and slight declines in graduate revenue – and increased unbudgeted spending throughout the year, some of which is strategic – new positions in marketing and admissions, additional money for salaries, resources for public safety, money to support patent applications, and so on. The bad news is that right now we are projecting a $700,000 operating deficit. The good news is that we still have four and a half months in this current fiscal year to do something about it.

Let me be clear: we will get to a balanced budget. We simply cannot afford to run deficits that will have to be funded by our already limited reserves. The senior administration is working diligently to develop a strategy, which I will communicate in the coming weeks. I am quite confident that we can close this gap without major disruption to our regular activities.

In the years ahead we must continue to budget conservatively, exceed revenue projections, and closely manage our expenses in order to produce the surpluses that allow for investments in the future. Good evidence of this planning is in next year’s budget, which the Budget Committee has balanced very responsibly and right on schedule.

**Sixth**, we must generate resources outside of our operating budget to supplement our financial position. Like all colleges and universities, we will look to three different opportunities to generate external resources. First, we will raise more philanthropic dollars by preparing for the largest capital campaign in our history, a few six-figure gifts of which have already been secured. In the meantime, we will continue to develop our newest fundraising initiative, The Founder’s Gala. Fundraising for this year’s event, which will recognize former wrestling coach and athletics administrator, John Reese, with the President’s Medal, has just begun. The first three gifts have generated $100,000 already.

Next, we will continue to develop our expertise in generating government resources. With the help of our Business Partner of the Year, Wojdak & Associates, we have been able to secure $4.6 million in commitments to our engineering expansion and to our campus enhancement plan.

And finally, we will continue to expand our Office of Sponsored Research & Grants. Through Amanda Modrovsky’s efforts, Wilkes has submitted over $3 million in grant requests just since May, well above any comparable period in our history.

Together, this has been, no doubt, the best fundraising semester we’ve ever had at Wilkes. But, numbers like these are not easily repeatable, so we will have to keep searching for additional sources of outside resources, principally through these three areas.
Seventh, we must improve our retention and graduation rates. Third party ratings and rankings are going to focus more and more on student outcomes, like retention and graduation rates. Consequently, we must go about improving these measures of success. The administration will engage the entire campus community in developing a comprehensive plan to improve these important measures. It is the right thing to do for students; it will burnish our credentials as a quality institution; it will improve our performance in various rankings and ratings; and it will aid our ability to strengthen our financial situation.

Eighth, we must, as our founding president, Eugene Farley said, “continue to be a force for positive economic, cultural, and social development in our host communities.” That is one of our founding principles, and it’s as true today as it’s ever been. Just by virtue of our being located in downtown Wilkes-Barre, we produce by some estimates over $200 million in economic impact each and every year. But, we must do more for a city and a region that needs our leadership.

So, in the past semester we have committed to two initiatives. First, through a major, multi-year commitment from the Kirby family, we expanded the functions of the Allan P. Kirby Center for Entrepreneurship and Free Enterprise. This expanded center – under the direction of its new executive director, Dr. Rodney Ridley – will be the nexus between Wilkes and the corporate community, as well as serve as the source for entrepreneurship at Wilkes. The Kirby Center will now feature: a tech transfer office to support faculty research, an office for industrial outreach to match our assets to community business needs, and a new business incubator to foster student- and faculty-initiated businesses. It promises to be a source for very positive economic development in downtown Wilkes-Barre.

And second, Wilkes University has accepted the invitation of Congressman Lou Barletta and State Senator John Yudichak to serve as the educational host for the new SHINE Program of Luzerne County. Schools and Homes In Education is a serious after-school program with a stellar 10-year history in neighboring Carbon County. SHINE will provide additional opportunities for public school kids throughout Luzerne County to obtain remedial help, to participate in academic team projects, and to engage in positive after-school activities. This is all in an effort to make kids more academically successful – helping them to stay in school and stay out of trouble. Since this program is 100 percent grant funded, it will cost Wilkes nothing in hard dollars, yet will offer unique opportunities for our students, faculty, and staff to serve the community.

Each of these initiatives grows from our founding principle to be a private institution with a public purpose. Each of them extends from our stature as an educational institution. Each provides opportunities for our students, our faculty, our staff, and even our alumni in the region. As Reverend Shawn Walker said yesterday at our MLK Day celebration: “Wilkes-Barre is our community. What are we – each one of us – doing to build it?”
A headline in the Atlantic Monthly about 18 months ago caught my eye. It said: “Could a Private University Have Made a Difference in Detroit?” Detroit is the largest city in America to not host a major private university. They posited that the city might have turned out differently if it had a Penn or a Carnegie Mellon or a Johns Hopkins or a Case Western Reserve. Well, we here at Wilkes University aim to have the same relative impact on our host city as these institutions have had on theirs. The Kirby Center and the SHINE Program are just the latest initiatives in our effort to have this same relative impact.

And ninth, in the face of all of these challenges, we must remain first and foremost an academic community. What I mean is that Wilkes University must remain a place where ideas can be debated, truth can be discovered, new solutions can be proffered, the arts can flourish. Lee Bollinger, the President of Columbia University, suggested that “universities are also charged with nurturing a distinctive intellectual character – what I would call a scholarly temperament.” That is who we are at our core. We need to make sure that we retain our “scholarly temperament.” Our faculty nurture this scholarly temperament day-in and day-out, and for that I am extremely grateful. I am pleased that we can support our intellectual character on campus through our $1 million commitment to scholarship and research.

I’d like to contribute to that scholarly temperament by announcing an initiative for the next academic year. It’s probably not lost on all of you that the 400th anniversary of the death of William Shakespeare is quickly approaching on April 23rd of 2016. I’d like to propose that we nurture our distinctive intellectual character by spending the next academic year celebrating this historic figure. During the academic year 2015/2016, I’d like to host a series of events to discover once again the wisdom and genius of Shakespeare: community reads, productions on the Fenner Quad, lectures by internationally recognized experts, and more. I have asked our Chief Academic Officer, Anne Skleder, to appoint a taskforce to help us plan this year-long celebration. If you are interested in volunteering on this taskforce, please contact Anne.

Nine goals – imperatives really – that we need to address in a challenging higher education environment. Each of these nine imperatives are firmly embedded – one way or another – in our new strategic plan, Gateway to the Future, which we discussed at great length at the Fall Convocation. Please see our strategic plan website for progress.

During that National Media Dinner, despite the dire warnings for American higher education, I felt fortunate to be the President of Wilkes University. The large public institutions are far more bureaucratic and face substantial government oversight, and these constraints choke their ability to innovate and to be nimble. The small, even prestigious, liberal arts colleges have so few options, since most of them are not interested in growing their undergraduate populations, not interested in offering graduate programs, not interested in delivering online programs, and not
interested in developing remote locations. They are left with just two ways to fund their operation: tuition hikes and fundraising.

On the other hand, we – as a small university - are so well-positioned to address these challenges: the diverse program mix of a large university, the caring environment of a liberal arts college, enough scale to try new initiatives, small enough to move quickly when moving quickly is necessary. We are very well-positioned indeed, but we must continue to meet the challenges that today’s higher education environment demands. This university deserves it; our students deserve it; and the communities we serve deserve it.

“This time, like all times, is a very good one, if we but know what to do with it.” Let me thank you all for the ways in which you are, despite all of the challenges facing us, making this a very good time here at Wilkes. Thank you!