

Team Recommendations for the
STATEMENT OF AFFILIATION STATUS

INSTITUTION and STATE: : Hendrix College, AR

TYPE OF REVIEW (from ESS): Continued Accreditation

DESCRIPTION OF REVIEW (from ESS):

DATES OF REVIEW: 3/30/09 - 4/1/09

Nature of Organization

LEGAL STATUS: Private NFP

TEAM RECOMMENDATION: nc

DEGREES AWARDED: B, M

TEAM RECOMMENDATION: nc

Conditions of Affiliation

STIPULATIONS ON AFFILIATION STATUS: Accreditation at the Master's level is limited to the Master of Arts in Accounting

TEAM RECOMMENDATION: nc

APPROVAL OF NEW DEGREE SITES: Prior Commission approval required.

TEAM RECOMMENDATION: nc

APPROVAL OF DISTANCE EDUCATION DEGREES: Prior Commission Approval Required

TEAM RECOMMENDATION: nc

REPORTS REQUIRED: None

TEAM RECOMMENDATION: nc

OTHER VISITS REQUIRED: None

TEAM RECOMMENDATION: nc

Summary of Commission Review

YEAR OF LAST COMPREHENSIVE EVALUATION: 1998 - 1999

YEAR OF NEXT COMPREHENSIVE EVALUATION: 2008 - 2009

TEAM RECOMMENDATION: 2018-19

ADVANCEMENT SECTION

REPORT OF A COMPREHENSIVE EVALUATION VISIT

TO

Hendrix College
Conway, Arkansas

March 30-April 1, 2009

FOR

The Higher Learning Commission

A Commission of the North Central Association of Colleges and Schools

EVALUATION TEAM

Dr Jeff Abernathy, Dean of the College, Augustana College, 639-38th Street, Rock Island, IL 61201-0000.

Dr John Byrd, President, Simpson College, 701 N C St. Indianola, IA 50125.

Dr David F, McFadden, Executive Vice President, Manchester College, 604 E College Ave, North Manchester, IN 46962.

Team Chair: Dr. Barbara Simpson, Professor of Psychology, Gustavus Adolphus College, St Peter, MN 56082, Chairperson.

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I. Overall Observations about the Organization

The Team recognizes that Hendrix College has positioned itself well to strengthen its academic program and emerge as a national leader in a number of areas.

II. Consultations of the Team

A. Topic One – Net tuition revenue

The College's high tuition/high aid strategy is an important component of repositioning itself in the national higher education market. During that transition, it has seen its discount rate increase dramatically and its net tuition revenue per student increase incrementally. This strategy, coupled with recent rapid growth in enrollment, has generated significant additional net tuition revenue.

As the college moves forward, it would benefit from clear goals and benchmarks for net tuition revenue per student consistent with the new position in the market to which it aspires. Its current analysis of ACS schools, and particularly its emerging competitors in that group, is a strong step in that direction. This initial analysis shows that Hendrix is generating approximately one half to two thirds the net tuition revenue per student as these competitor schools. When it reaches its total enrollment goals, its capacity to drive additional revenue from enrollment will come primarily from increasing its net revenue per student.

One possible strategy is to focus on optimizing net tuition revenue. Working with its financial aid consultants, the college could model various class size/discount combinations to determine which produces the maximum net tuition revenue, irrespective of class size. Recent work done by the Vice President for Enrollment and the Vice President for Business and Finance points toward such a strategy, indicating that a slightly smaller class at a slightly lower discount rate could produce more total net tuition revenue than a larger class at a higher discount. Such a strategy would continue to generate enrollment growth and additional funds per student to meet college budget priorities while reducing the strain on campus facilities, faculty and staff brought about by rapid growth.

B. Topic Two – Financial Aid Packaging

Working with its financial aid consultants, the college could consider fine tuning its financial aid award regimen in the early spring using actual Institutional Student Information Record (ISIR) data. These records provide actual Expected Family Contribution (EFC) data which drive need-based aid packaging. By using live data, the college can project the discount and total net tuition revenue outcomes of its preliminary packaging regimen and adjust the need-based portion of the regimen to meet class profile and size goals and maximize total net tuition revenue.

C. Topic Three – Benchmarks for per student income from non-enrollment sources

Hendrix would benefit from clear goals for increased gift and endowment income per student. These additional funds can come as earnings from a significantly larger endowment and from increased gifts and grants per student, as well as from greater net tuition revenue per student. Unlike total net tuition, the contributions of existing endowment income and gifts and grants per student decline as enrollment grows. Because its new competitor set will consist of resource-rich institutions, Hendrix will be at a competitive disadvantage if it is unable to dramatically increase its available, expendable funds per student. Knowing early where it needs to be in the future relative to its competitors on these important metrics will be useful as Hendrix moves forward with its strategic planning.

D. Topic Four – Incorporating goals in the performance dashboard

Hendrix has developed an impressive and comprehensive performance dashboard, covering enrollment, admissions, financial aid, student achievement, faculty, finance, student life, reputational, and campaign indicators. The college would benefit from reporting its annual goals as well as outcomes for each indicator where they exist (as they currently do for campaign gifts and pledges, the annual fund and several other indicators). The college is encouraged to review each indicator that is not currently matched with a clearly identified goal to determine if articulating a goal would aid administrators, faculty, staff and trustees in determining progress toward the college's overarching goals.

E. Topic Five – Internal Communication

A significant amount of internal communication about possible college initiatives appears to occur informally in one-on-one conversations between the president and various faculty and staff, between senior administrators and their staffs, and through structured processes facilitated by outside consultants. While these are markers of consultation with internal constituents, the college would benefit from more formal, routine communication and consultation channels.

For example, the Budget Advisory Committee (BAC) currently functions as an excellent venue for collaboration between faculty and administration on budget issues. Based on team conversations with faculty on campus, faculty serving on the BAC could be encouraged to take more responsibility for communicating with their faculty colleagues, when appropriate, about issues and initiatives being discussed.

A similar group, the Administrative Management Group (AMG), appears to be underutilized as a venue for communicating with and soliciting input and ideas from key mid-level administrative staff. Discussion of college-wide initiatives with this group would encourage cross-divisional communication, creativity, and problem solving.

The college is encouraged to consider holding all staff meetings several times a year. These meetings could be used to share information and answer questions about institutional initiatives, successes and challenges, encourage, and recognize employee service and contributions.

F. Topic Six – Managing a non-traditional approach to institutional growth and repositioning

The board and administration take pride in pursuing institutional growth and repositioning in a way that breaks the mold in higher education. Hendrix stands out from its peers not only because of its distinctively-formulated approach to engaged learning, but also by the aggressive approach it has taken in responding to both challenges and opportunities in the marketplace.

As trustees indicated, the college's response to the recession which began in 2001 was affirming that the most serious threat to the college was to do nothing. Out of that challenging time was born the effort to reposition the college in the national market and a number of bold, and some would say mold-breaking, initiatives: the Odyssey program, the high price/high aid strategy, the Village project and others. The college also moved aggressively in other ways which strengthened its educational program and lifted the college: significantly increasing faculty compensation, multiplying student opportunities for engaged learning, and undertaking multiple major capital projects, among others. As one staff person remarked, the faculty, staff, administration and board worked at "warp speed."

The college continues to move aggressively. The president indicated that the administration and others see the current economic downturn as an opportunity to challenge conventional thinking again and act boldly rather than digging in to ride out the storm. At the same time, the administration and trustees are aware of the need to manage the risks which accompany an aggressive strategy, including overbuilding facilities, cutting costs without compromising an comprehensive academic experience with a high per-student cost (described by faculty and students as increasingly underfunded), and over committing limited resources to multiple capital and campus initiatives.

Extending the metaphor of the dashboard, Hendrix would benefit from establishing parameters to aid in determining if and when its individual strategies are leading toward potential overheating. While moving nimbly and aggressively are laudable and exceptional in higher education, clear parameters indicating under- or over-performance in key areas would help the administration and trustees maximize the results of their planning and operations.

The college's current endowment spending policy is structured in this way, establishing a range for acceptable annual spending rates. While some in higher education circles would judge the top and bottom spending rates of the current endowment spending policy to be too high (the board would benefit from benchmarking against its peers here as well), the college benefits from the intentionality of evaluating and articulating those parameters. Clear parameters for other key financial and operational variables would strengthen

the college's new fiscal model, aimed at achieving long term fiscal soundness, which trustees indicated is being developed.

The same concept can be applied in other areas. For example, several administrators indicated that the college's goal was to reduce its discount rate slightly from just over 60 percent for fall 2008 to a rate in the high 50s for fall 2009. Instead, its discount rate is projected to jump to a rate between 62 and 65 percent. To be sure, the college did so by a set of decisions that will ensure an increase in net revenue per student.

The team does not say that the college operates without a financial logic. It does operate with one as is demonstrated in the team rationale for continued accreditation on a 10-year cycle in the Assessment portion of this report. It shifted from using the discount rate as its marker of income to net revenue per student. They have continued to grow net revenue per student each of the last three years and expect to do so into the future by raising tuition.

What the team is saying is that almost any other institution, this rate would be in the red, danger zone, and unsustainable for even a short time period. While the resulting enrollment and net tuition gains move the college toward its strategic goals, its failure to meet its discount goal suggests the forward progress came at a steeper price (literally) than intended and may leave the institution in a weaker position than its overall enrollment and net tuition revenue results would indicate.

G. Topic Seven – Planning Process

In receiving feedback about institutional planning the team heard from faculty that the process felt top down and heavily influenced by marketing studies conducted by outside consultants. In responding to those feelings the administration may want to find ways that faculty can be engaged in planning activities outside of the focus groups and other idea-gathering activities being led by consultants--or alternatively, to find ways that the faculty and others on campus can be more strongly credited with the ideas and strategies that ultimately emerge from those processes. The consultant's role in that environment might then be seen as support for testing those ideas through the gathering and analysis of empirical data. Hendrix is fortunate to have the necessary resources to retain talented consultants to evaluate the various scenarios that will determine the strategic direction of the college. Realizing the full benefit of new plans and strategies would likely be enhanced by engaging faculty in ways that provide a stronger sense of ownership.

H. Topic Eight – Assessment

The college has undertaken extensive curricular changes in the past ten years in response to a wealth of marketing data. We credit the institution's insistence on the use of data in making decisions about program development: the result has been exciting new programs and a major influx of students.

Little evidence suggests that these changes were driven by any formal assessment of student learning. Few on campus offered substantive answers to a key question: How will the college know that student learning has improved in the years ahead?

The college is not yet in a position to measure success in terms of student learning within the new programs it has established; indeed the community is not at all clear on the learning goals for the Odyssey program even as the administration embarks upon a new venture in Odyssey 2.0.

We encourage more intentional development of programs and an insistence that a demonstrated student learning be the ultimate measure of their success. We encourage those who take responsibility for the academic program to ensure that this and all other programs continue to demonstrate that they are rooted in student learning and in the pedagogy of pragmatic liberal education, pioneered so long an integral part of the Hendrix approach to education.

III. RECOGNITION OF SIGNIFICANT ACCOMPLISHMENTS, PROGRESS, AND/OR PRACTICES

A. Rallying the campus around the Odyssey Theme and good construct for academic planning and marketing. What they have done serves as a model for other colleges to demonstrate how the curriculum engaged liberal arts.

- The entire college community moved very quickly in implementing the Odyssey program, far more quickly than would be possible at many other institutions.
- Students universally praised the Odyssey program, particularly the experiential components of the program. It is clear that Hendrix is meeting and exceeding student expectations for the program; that it is delivering on its promise of engaged learning.
- The student affairs staff has reversed longstanding problems related to student life, earning the respect and appreciation of students and creating housing shortages resulting from high student demand to live on campus and participate in campus programming.
- Students are actively engaged on college committees and feel positively about these opportunities to contribute to the future success of the college.
- Students describe the academic program as “rigorous,” “challenging,” and “strong,” and themselves as “overworked as a result,” but they express appreciation for high quality teaching and high expectations of faculty, believing that Hendrix graduates are well prepared for graduate school and the work force.

- Faculty and staff clearly and deeply value the work of their colleagues, the mission of the college, and their opportunities to teach and shape students.

ASSURANCE SECTION

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I. CONTEXT AND NATURE OF VISIT**A. Purpose of Visit**

This is the report of a Higher Learning Commission comprehensive visit for the purpose of continued accreditation at the Master's Degree level.

B. Organizational Context

The North Central Association initially accredited Hendrix College in 1924, the first year of eligibility for institutions located in the state of Arkansas. It has been examined for reaccreditation six times subsequently, in 1932, 1959, 1969, 1979, 1989, and 1999.

C. Unique Aspects of Visit

There were no unique aspects in this visit.

D. Sites or Branch Campuses Visited

The college has no Branch Campuses.

D. Distance Education Reviewed

The college offers no distance learning programs.

F. Interactions with Constituencies

On site, team members conducted Initial and Exit Interviews with the President of the College, the Provost and Dean of the College, the Associate Provost, the Executive Vice President and Dean on Institutional Advancement, the Vice President for Enrollment and Dean of Admissions and Financial Aid, the Vice President for Student Affairs, the Executive Vice President and Dean of Institutional Advancement, the Vice President for Business and Finance, the Associate Vice President of Business and Director of Facilities, the Self-Study Coordinator and 2 other faculty members.

The team also met with 6 members of the Board of Trustees and held the usual open groups with 40 students, 54 faculty, and 110 Staff.

The team met individually or in small groups with the

Associate Vice President of Business and Director of Human Resources, the Associate Vice President of Business and Financial Controller, the Director of the Odyssey Program, 3 members of the library staff, the Registrar and staff in the office of the registrar, the Associate Vice President for Enrollment and Director of Financial Aid, and Several members of the faculty.

G. Principal Documents, Materials, and Web Pages

Prior to the visit team members read the

Institutional Self-Study,

Team Report of the previous comprehensive visit, the Institutional SAS and the other standard materials forwarded by the commission.

Prior to the visit, it also read the on-line or hard copy versions of the current

College Catalog,

Faculty and Student Handbooks,

College Organizational Charts,

Faculty, Administrative and Staff Directories,

Hendrix Guide to Academic Planning 2008-09, the most recent

Hendrix College financial audit,

Face-Finder 2008-09-Hendrix (campus directory).

It also read selected materials placed on the net for team review and/or available on campus for the team's use. These included:

A Commitment to National Leadership - The Hendrix Campaign Prepared by the Senior Staff for the Trustees of Hendrix College,

January 2009, Art and Science Group: Pricing and Positioning Study,

Academic Affairs Annual Reports: 2004-2008,

Academic Affairs Past Year Reports 2003-08, Academic Affairs Strategic Plans 2003-08,

Academic Affairs Year Ahead Reports 2003-08,

Academic Support Services Annual Reports 2007-08,

Accountants' Report and Consolidated Financial Statements, 2008, 2007 and 2006,

Admission annual reports, Advising and Retention Annual Report 2006-08,

Art and Science Price and Positioning Study Recommendations, Dec 2007,

Art and Science Pricing and Positioning Study Current and Withdrawn

Students, Preliminary Research Findings (Oct 2007),

Art and Science Pricing and Positioning Study Freshman Inquirers and

Admitted Applicants Preliminary Research Findings (Oct 2007),

(Academic) Assessment Report 2007-08, Bailey Library Annual Reports 2003-08,

Budget Model Inputs,

Budget Model 2009-2010,

Business annual reports,

Campus Life Facilities Capital Renewal Schedule,

Hendrix College Board of Trustees of October 24, 2008,

Chemical Compliance Office Annual Report 2007-08, Confidential Summary of Presidential Reflections Concerning the Challenges for Hendrix

College, Development Annual Reports,

Discount Rates and Net Tuition Revenue for New Students – 2001-2008,

Endowment Objectives,

Spending Policy and Investment Objectives,

Faculty Activities Report 2007-08,
Faculty Development Reports (3),
Faculty Handbook, 2008-2009, Faculty Rank and Tenure Statistics 2008,
GDA: Feasibility and Advisability of Introducing New Majors,
Guide to Academic Planning 2008-2009, Hardwick Day August 2008 report
on financial aid awarding and discount results,
H.E.A.T. Hendrix Experience Ambassador Team 2008-2009,
Hendrix College – Pooled Endowment Fund Investment Performance and
Asset Allocation Summary,
Hendrix College Endowment Spending Policy,
Hendrix College Enrolled Transfer College Profile 2006-08,
Hendrix College Performance Dashboard Fall 2008,
Hendrix College Office of Admission, Enrollment Statistical Report 2005-
2006, 2006-2007, 2007-2008,
Hendrix College Office of Counseling Services,
2004-05 to 2007-2008 Annual Reports,
Hendrix College Performance Dashboard (updated Fall 2008),
Hendrix College Self-Study Report and Appendices,
Hendrix Faculty Handbook 2008-09,
Hendrix Guide to Academic Planning 2008-09,
Hendrix Office of Admission and Financial Aid Annual Report, 2004-05,
2006-07, 2007-08,
Intercollegiate Athletics/Wellness and Recreation Annual Reports,
May 31, 2007, 2008 (Financial) Audit,
Minutes of Board of Trustees Meetings of 2003 to 2009,
Minutes of the Hendrix College HLC Steering Committee beginning
December 4, 2007,
New Faculty Report 2008-09,
Notes prepared for the HLC visiting team by the president regarding steps to
respond to budget pressures created by endowment losses (dated March
30, 2009),
Office Of Advancement- Report To The Board Of Trustees for October 24,
2008,
Student Life Updates for Executive Committee of the Board of Trustees
prepared by the Senior Staff for the Trustees of Hendrix College, 2009,
Office of International Programs Annual Report 2007-08, Personnel Policies
and Benefits for Non-Faculty Employees,
Positions removed for 2009-2010 budget, Pooled Endowment Fund report
2/28/2009,
Registrar Annual Report 2007-08,
Staff professional activities – BF0809 Professional Activities,
Strategic Plan Update-07-08,
Student Handbooks 2002-03-2007-08, Summary of Presidential Reflections,
The Campaign for National Leadership Status Report (dated March 18,
2009),
Three budget models for dealing with required operating expense reductions
(dated 3/30/2009),
Your Hendrix Odyssey: Engaging in Active Learning, 2007-2008 program
activities and experiential learning.

II. COMMITMENT TO PEER REVIEW

A. Comprehensiveness of the Self-Study Process

The Self-study presented a reasonably comprehensive picture of the institution. It was drafted by the people who could provide specific relevant information and had been widely reviewed by people working at the College. It appeared to be well understood by faculty members, administrators, and staff.

B. Integrity of the Self-Study Report

The self-study report was accurate, identified the relevant challenges facing the institution, and appeared to accurately reflect continuing planning efforts. The self-study coordinator provided valuable assistance to the team both before and during the site visit.

C. Adequacy of Progress in Addressing Previously Identified Challenges

The team considers the response of the organization to previously identified challenges to be adequate.

D. Notification of Evaluation Visit and Solicitation of Third-Party Comment

Requirements were fulfilled.

III. COMPLIANCE WITH FEDERAL REQUIREMENTS

The team reviewed the required Title IV compliance areas and the student complaint information.

IV. FULFILLMENT OF THE CRITERIA

CRITERION ONE: MISSION AND INTEGRITY. The organization operates with integrity to ensure the fulfillment of its mission through structures and processes that involve the board, administration, faculty, staff, and students.

1. Evidence that Core Components are met

- Hendrix College's mission, appropriate to an undergraduate liberal arts institution, permeates the institution. The college benefits from highly dedicated and deeply committed faculty and staff who value and embody the mission of the college and its commitment to students.
- The college's Statement of purpose is not only referenced in but appears to drive all other explanations of the College's academic program,

ensuring institutional integrity.

- The college's Statement of Purpose is both idealistic and practical. It provides a framework by which individual academic programs have been developed, measured, and improved.
- The college's commitment to the liberal arts (teaching facts, teaching students how to prioritize facts and teaching them to use that prioritization to test commitment to values), means that its students leave with a focused commitment to act with responsibility and to live their lives according to the values that foster and sustain civil discourse.
- The College's unique ability, through its Odyssey Program, to translate learning into action in the context of the liberal arts, elevates the discussion, nationwide, of student engagement. Through the Odyssey program, students identify some talent already developed at matriculation and continue to define activities through their career as students that continue to develop that talent as they complete their college program.
- The college's ideological commitment to diversity is reflected in its curriculum, made real for its students in their first-Year Explorations Course, in an institutional emphasis on and increased institutional support for study abroad, and in the opportunities it provides its students across its academic programs to grow to understand the point of view of the other.
- The college supports its ideological commitment to diversity by committing institutional resources to increasing the diversity of persons and points of view in its faculty, student body, and staff. It has done so in part by expanding its search for, and hiring of, people of minority status. In others it has identified talented minority students and assisted them in getting the outside experience and credentials to return to positions on the faculty and staff.
- The college's efforts to develop strategies for student engagement have capitalized brilliantly on what has already strengths in the academic program. In having grown its own program, so to speak, it has developed something new and important that could be exported to other quality liberal arts institutions. How it has leveraged student interest from the first year onward in its Odyssey Program is only one of the ways it has better engaged students, but it alone, with its plans for endowing student projects articulated through it, is something that other liberal arts colleges could adopt also to their credit.

2. Evidence that one or more specified Core Components need

organizational attention

None.

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up.

None.

Recommendation of the Team

Criterion is met; no Commission follow-up recommended.

CRITERION TWO: PREPARING FOR THE FUTURE. The organization's allocation of resources and its processes for evaluation and planning demonstrate its capacity to fulfill its mission, improve the quality of its education, and respond to future challenges and opportunities.

1. Evidence that Core Components are met

- Hendrix is in the final stages of a highly successful comprehensive campaign with \$89 million having been raised against a \$100 million dollar goal. The "Charting Progress" campaign will support the recently developed Odyssey program, allow for the completion of several new campus buildings, and improve the availability of technology on campus. Not only has it raised endowment up to the financial difficulties of the fall of 2009, but it has continued to raise substantial funds through the economic downturn.
- The college has developed, and the board of trustees has adopted, a strategic plan to realize the institutional goal of becoming one of the nation's premier liberal arts colleges. The plan is guided by the college's statement of purpose and was developed with input from major constituencies. A number of dashboard indicators relevant to the plan are regularly updated and shared with the board of trustees.
- The trustees with whom the team met demonstrated a deep commitment to the college's mission, statement of purpose, and the

vision outlined in the college's strategic plan. This commitment translates into the trustees taking leadership in directly contributing to the fiscal resources of the college and in the identification of the financial resource base, beyond the members of the board necessary to the college's efforts to position itself as a nationally recognized leader in baccalaureate education.

- The college has engaged a number of national consulting firms to assist with environmental scanning, the study of positioning and pricing strategies, and the development of approaches to optimize financial aid expenditures. These efforts have been responsible for development of the Odyssey program, a significant increase in enrollment, and the positioning of tuition at significantly higher levels.
- Hendrix has a beautiful campus composed of well-maintained older facilities along with over \$100 million of newly constructed or purchased facilities. The campus grounds and ample green space add to the beauty and functionality of the campus.
- The college conducts a comprehensive review of all academic departments on a ten-year cycle. These evaluations utilize outside reviewers who submit written reports that include a summary of findings along with recommendations for consideration by the department and academic administration.
- The college has developed a long-range budget model that considers a variety of variables and supports the linkage of planning objectives to the budgeting process. In looking broadly, it has developed a model both unique in higher education and successful for measuring the financial stability of the institution.
- In responding to the changing needs of the college, the board studied and then developed recommendations for the board's composition. The adopted changes now allow for lay members to assume positions previously reserved for clergy and for clergy to be appointed from outside the Arkansas Conference. These changes reflect the board's need to make appointments that best support its responsibility for recruitment and fundraising.
- The institution's campus master plan developed in 1995 and updated in 2005 has been an effective planning tool for establishing priorities, developing physical locations for buildings, and supporting decisions relative to needed financing and fundraising. The college regularly consults the master planning firm as new projects are implemented.

- The development of a 100-acre residential and commercial project on college property adjacent to campus stands as one of several examples that Hendrix is comfortable in embracing innovation and change. The project also serves to give the college fiscal flexibility in that it is a potential source of income.

2. Evidence that one or more specified Core Components need organizational attention

- The Hendrix strategy to aggressively reposition the college by substantially increasing tuition and enrollment, growing geographic diversity, and expanding the depth and breadth of academic programs, has enjoyed success on many fronts. The success of these endeavors has relied heavily on larger than normal draws from the endowment and growing financial aid discounts that now exceed 60 percent. The team believes that a more detailed plan, with specific timelines and benchmarks, is needed to monitor progress towards achieving the desired goals of smaller draws on the endowment and significantly increased net revenue per student. That said, the team recognizes that the college has systematically increased tuition revenue each year that it has increased financial aid discount, and it believes that the college has both the planning processes in place and the fiscal flexibility to continue to operate with a balanced budget through the next normal 10-yr visit cycle.

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up.

None.

Recommendation of the Team

Criterion is met; no Commission follow-up recommended.

CRITERION THREE: STUDENT LEARNING AND EFFECTIVE TEACHING. The organization provides evidence of student learning and teaching effectiveness that demonstrates it is fulfilling its educational mission.

1. Evidence that Core Components are met

- Hendrix College provides an innovative undergraduate education for its students, emphasizing the college's motto 'unto the whole person.' The goals of undergraduate education are supported enthusiastically by all the constituencies of the college. Supporting materials—everything from assessment plans to marketing documents—note the importance of engaged learning, the college's emerging model for the development of the whole person. The college's commitment to meaningful pedagogical reform is embodied in the Odyssey program.
- The broad goals of a Hendrix education are stated plainly in *The Statement of Purpose* and establish an understanding for faculty, staff, and students alike of the intent of general education, learning in the major, and learning outside of the traditional curriculum
- Guided by consultants and targeted studies, the college has successfully studied the needs of prospective students, too often a forgotten category in curricular discussions, with the result that the past five years have seen unparalleled growth.
- The college has paid careful attention to advising and its relation to retention, developing significant new programs such as the Hendrix Success Institute. As a consequence, its retention figures, with its related tuition income, provide a financial buffer against budget instability in the institution's strategy to operate, in the short run, with an above average tuition discount.
- The college offers persuasive evidence that it fosters an effective learning environment. Among many examples, Hendrix students present their research in venues across the country.
- Many of the academic programs were modified in this last 10-year Higher Learning Commission assessment cycle to accommodate an increasingly able student population with increasingly high aspirations and an increasingly demanding set of expectations, moral, ethical, and practical, about what they would do on leaving Hendrix College.
- Increased funding for library resource, both for books and information databases, provide students and faculty access to needed resources as the college has increased its emphasis on faculty-student research and scholarship in its efforts to become a model for undergraduate education.
- A dedicated faculty and staff is the college's primary resource for student learning. The college has grown responsibly in the last ten years, hiring additional faculty and staff to serve the needs of the increased number of new students it has attracted.

2. Evidence that one or more specified Core Components need organizational attention

- While articulated thoughtfully in “The Statement of Purpose,” the goals for learning at the college will prove difficult to measure given their breadth. The college should find ways to reinforce these goals with faculty, staff and students alike and continue to build a model for campus-wide assessment of general education.
- The college should ensure that departments across campus are using assessment data for its intended purpose to improve student learning. All departments are gathering data through the annual plans, and some are using that data in admirable ways to change their curricula, but many departments need to make stronger links between assessment data and improvement of student learning.

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up.

None.

Recommendation of the Team

Criterion is met; no Commission follow-up recommended.

CRITERION FOUR: ACQUISITION, DISCOVERY, AND APPLICATION OF KNOWLEDGE. The organization promotes a life of learning for its faculty, administration, staff, and students by fostering and supporting inquiry, creativity, practice, and social responsibility in ways consistent with its mission.

1. Evidence that Core Components are met

- The college’s *Statement of Purpose*, the Board of Trustees initiatives, and the calendar and academic program change show a consistent, long-term commitment to providing an educational program that emphasizes the importance of acquiring a breadth of skills and knowledge as well as emphasizing the importance of responsible intellectual inquiry and engaged learning.
- As the faculty adopted a new academic calendar it also evaluated its academic programs and made adjustments where necessary to ensure

that students would be prepared to identify and deal with the critical challenges that present themselves today. One of the fundamental assumptions of the new curriculum is that students need to be able to work and learn outside the classroom setting and that their ability to do so is measured before graduation.

- The institution's commitment to engaged learning is integrated across campus, in the classroom and co-curricular programs, in forms that encourage creativity and hands-on learning, and in ways that promote contribution to the campus and wider community. These experiences are clearly valued by students, with many completing more than the minimum number required for graduation.
- The reflective component of student Odyssey experiences is a particular strength of the program, helping students articulate the value of their experiences and intentionally link their actions and values.
- Students understand and appreciate the goals and outcomes of the Odyssey program. They consistently describe it as providing opportunities they might not have chosen or been able to pursue otherwise – including travel, mission trips, creative endeavors, volunteer work and connections to the community; broadening their educational experience; and embodying the college motto.
- The college's student life programs are on a sound footing after several years of instability, and current leadership, particularly the vice president for student affairs and the dean of students, enjoy overwhelming student support as they strengthen co-curricular programs for students
- That faculty and staff are encouraged to be engaged learners by participating in professional conferences and organizations, job-specific workshops and seminars, mission trips, new student orientation trips, and Odyssey experiences, along with individual research, professional and scholarly endeavors, ensures that the academic and other programs of the college function to meet emerging academic and other demands.
- The Village project holds the promise of creating a distinctive intersection of campus and community, promoting interaction of students, faculty, and staff with an intergenerational group of shoppers, diners and residents, and providing a unique venue for engaged learning.

2. Evidence that one or more specified Core Components need organizational attention.

None.

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up.

None

Recommendation of the Team

Criterion is met; no Commission follow-up recommended.

CRITERION FIVE: ENGAGEMENT AND SERVICE. As called for by its mission, the organization identifies its constituencies and serves them in ways both value.

1. Evidence that Core Components are met

- Hendrix College has the process and procedures in place to ensure a two-way communication with its constituents on and off campus. It sends out information through the web, email, and materials prepared for targeted audiences.
- One of the ways it tracks its success is to listen to whom the students who inquire about matriculation identify as having been their first source of information about the institution. Most often the answer is that it has been a satisfied student or parent of a satisfied student.
- Another way that it tracks image is to regularly engage research organizations to identify and track its various constituents, asking broadly how it is seen and what needs beg address. The evidence, consistently, has been that it is an academic institution of high quality and relatively high visibility throughout Arkansas and the nearby states.
- A campus master plan which had been developed in 1995 was reviewed in 2005 and 2007 through the use of a process that involved a series of town-hall meetings in which students, faculty, staff, and other community members generated ideas and put the ideas forward for comment, refinement, and adoption.
- As a result of its various market researches and its re-working of the master plan, Hendrix College decided to move to develop a national identity. To do that it determined that it needed to create a “vibrant social life” on the campus, emphasize its “long-standing” strength in the sciences and in the expressive arts, and adjust tuition (upward) to be more in line with its peers across the nation. At the same time, valuing its traditional

Arkansas constituency, it poured additional institutional resource into scholarship and grant aid (hence the high discount rate currently sustained by the institution) to keep itself affordable to them.

- An aggressive campus building project, indeed, came about as a result of the institutional determination to move toward being a national leader in liberal arts education.
- The college's Odyssey Program provides funding for student initiated projects. In seeking funding, students gain experience in thinking deeply about ideas that excite them and in developing and successfully securing funding for service projects that are interdisciplinary and multi-dimensional. Successful participants develop skill and effectiveness in the use of language, analysis of information and the communication of knowledge; (2) explore and connect the content and methods of the humanities, natural, sciences, and social sciences; (3) participate in depth in a specific field of study, put to use its methods for the discovery of new knowledge, appreciate its historical development and grasp its implication for the broader culture; (4) develop enduring intellectual curiosity, powers of ethical deliberation and empathy for others, discern the social, spiritual and ecological needs of the time, and (5) develop a sense of responsibility for leadership and service in response to those needs.
- The Hendrix College Odyssey Program has attracted nearly \$1M to fund more than 2,000 Odyssey projects. That and gifts and pledges toward the funding of 12 Odyssey Professorships, the early closing of a \$70M capitol campaign and its extension to \$100 signals an external verification of the success of the college's commitment to its goals of academic excellence, leadership, and engaged learning.
- The Hendrix College's Odyssey Program, its Project Pericles and the Hendrix-Lilly Vocations Initiative have increased an already more than 60 year commitment to projects like Campus Kitty and other service based initiatives. These programs have kept Hendrix College a high-profile contributing member to the larger Conway community, and serve as a testament to the success with which the college can be seen have provided service the broader community.
- Hendrix College also provides service through opening most of its co-curricular events (lectures, discussions, performances) to the broader community. In doing so, it has developed a well-earned reputation in the Little Rock areas as a center of arts and sciences among those who do not attend the college as students. It knows that its programs are valued because those who attend return in large numbers.

- The college's, and hence its students, commitment to service has extended beyond national borders. Through its collaboration with the government of Rwanda, Hendrix College brought 25 young people from Rwanda to the United States in the summer of 2008 to attend college. In doing so, it has provided a model for extending post-secondary educational opportunity beyond national boundaries.

2. Evidence that one or more specified Core Components need organizational attention

None.

3. Evidence that one or more specified Core Components require Commission follow-up.

None.

4. Evidence that one or more specified Core Components are not met and require Commission follow-up.

None.

Recommendation of the Team

Criterion is met; no Commission follow-up recommended.

V. STATEMENT OF AFFILIATION STATUS

A. Affiliation Status

No change.

B. Nature of Organization

1. Legal status

No change.

2. Degrees awarded

No change.

C. Conditions of Affiliation

1. Stipulation on affiliation status

No change.

2. Approval of degree sites

No change.

3. Approval of distance education degree

No change.

4. Reports required

Progress Report

None.

Monitoring Report

None.

Contingency Report

None.

5. Other visits scheduled

None.

6. Organization change request

None.

E. Summary of Commission Review

Timing for next comprehensive visit

The team recommends that the next comprehensive visit be scheduled for the academic year 2018-19.

Rationale for recommendation

Hendrix College has operated continuously for more than one hundred twenty-five years, has been continuously accredited by the Higher Learning Commission (North Central Association) since 1924, and has long enjoyed a reputation for attracting students of high academic promise and providing a quality liberal arts education to those who matriculate. Currently this means that its students come from 33 states and 6 countries. Minority students constitute twelve percent of total enrollment. The academic profile of its 2008 first-year students is strong. The midrange SAT scores are 1120 - 1350. The midrange ACT scores are 25 - 31. Forty-six percent graduated in the top 10 percent of their high school class. Seventy-four percent graduated in the top quarter. All had already demonstrated excellence in one or more of the Hendrix College defined Odyssey areas of artistic creativity, global awareness, professional and leadership development, service to the world or research. All of its students participate in service activities. Many go on to hold key positions in the communities in which they live. Graduates interested in medicine and law and other areas find their ways to some of the best medical and law schools in the country. According to a 2005 National Science Foundation survey of earned doctorates, Hendrix College ranked twenty-eighth overall in the percentage of PhDs earned by their graduates. Comparably they ranked first for the percentage of PhDs in psychology, sixth for the number of PhD's in the social science professions, eighth for the number of PhD's in chemistry, and twenty-fourth for the number of PhD's in English and literature.

A note on the matter of discount rate may be in order. The discount rate is a planned for and budgeted short-range effect of a decision made by the senior administrative staff with the Board of Trustees to move the college aggressively to assume national leadership among liberal arts colleges.

At the center of the plan was a decision to seek additional net revenue through a price increase rather than through reductions in aid. In the three years that the plan has been in place, the college has increased its tuition by half. Should, its model hold, it will continue to increase tuition for new students 4.9% per year over the next four years, moving the price to new students from \$29,970 in 2009-10 to \$36,290 in 2013-14.

The college embarked on this strategy only after careful consideration and with planning for continued oversight. Two empirical studies, and three years of experience have demonstrated that it could increase net revenue per student and lose fewer new students by increasing its price -- and discounting part of it back -- than by reducing the discount rate. It has shifted its markers for institutional stability from tuition discount to net revenue per student while also watching discount rate.

Built into the plan is a projected fall in tuition discount as the number of out of state (low tuition discount students) increase as a percentage of the total student body. That is, what has caused the discount rate to go up can be expected to drive it down as the number of more financially solvent

(more fully paying) out of state students increase as a percentage of the total student body.

Each year of the first three years of this logic, the college has experienced both a planned increase of student numbers and an increase in tuition dollars per student enrolled. All relevant demographic markers indicate that the out of state student numbers will continue to grow in the fall of 2009, and quite possibly through the next accreditation cycle.

In the academic year 2009-10, the pricing structure logic has played out like this. The college raise tuition \$5K per student, made plans to give half of the difference back to its students in the form of need based financial aid. The 50% give-back (tuition remission) would have reduced the freshman discount rate (this year), as planned, from its position in the mid 60th percentiles, and yielded an increase in net tuition revenue per student.

Though what was planed did not happen, net tuition revenue still increased per student enrolled. When the economy collapsed in the fall of 2008, Hendrix College, like many other colleges in the country, made another intentional decision. It increased the amount of money it put into financial aid. As a consequence, its tuition discount rate went back up to the 2008-09 levels.

In addition, to support what has for years been a planned combined increase in tuition and tuition discount, the college had also moved to increase scholarship endowment and developed other funding resources to assure that it could continue to offer need-based financial aid to those of its students who qualify for need based scholarship aid.

One other point is relevant in considering the meaning of tuition discount at Hendrix College. The high discount rate growth the College has experienced is also driven by a decision to associate only part of the price increase with tuition and fees (allocating the rest to room and board), the financial aid discount is associated entirely with tuition and fees. This decisions have inflated the discount rate, but do not have any negative impact on net revenue.

The move to take the tack of accelerating the tuition pricing structure and shifting to a net tuition revenue per student standard captures an opportunity for Hendrix College that is relatively unique, has been bold and has been working. The national student base has grown each year and the numbers of students matriculating from its traditional student base have remained stable. All markers at the time of the writing of this report indicated that the college would make its enrollment goals and its enrollment logic would hold.

The question is, of course, what happens if the plan for attracting out of state students does not materialize as projected or, for that matter, endowment income does not come in as planned or some other income or cost projections change?

The answer is that the college has, in other ways, positioned itself to be both financially sound and fiscally flexible. It is sound in that it has had balanced budgets and an endowment that is both growing and strategically leveraged, and invested well.

Its fiscal flexibility includes, but is not limited to, the acquisition of real property in a time of reduced interest income on endowment, a physical plant that is adequate to accommodate a sufficient number of additional nationally identified students to absorb some of the excess tuition discount it has now, and a capital campaign, still on target to provide additional endowment support for student financial aid (fund the tuition discount) as well as key elements of the academic program. Also on the plus side, the college has been able to attract new endowment resource through the economic slowdown of the last six to nine months. Finally, if it needs to use them, the college has the contingency planning in place to reduce operating budget, in the short-run at least, at no substantial loss of quality in the academic program.

The bottom line is that the currently high tuition discount has come about not because the institution is having trouble attracting students or is in other ways unstable. Rather it has come about as the natural consequence of an aggressively entrepreneurial plan to re-position the institution as a nationally based one while not pricing it beyond the reach of its traditional student constituencies. In doing so, the college has let the tuition discount float as long as the numbers of out of state and low need students continues to produce a sufficiently increased revenue stream.

Hendrix College has always tracked its discount rate. What the team has done, is ask that it also be intentional about bringing tuition discount down, not because its survival was a stake, but because doing would be just one more way to ensure that it continue to operate with fiscal flexibility it now enjoys.

Though there is a range of opinion on the team regarding the interpretation of what the apparently high discount rate at Hendrix College means, the balance of opinion is that Hendrix College, ten years from now will be even stronger than it is now, not weaker.

ORGANIZATIONAL PROFILE

INSTITUTION and STATE: Hendrix College, AR

TYPE OF REVIEW (from ESS):): Continued Accreditation

☒ No change to Organization Profile

Educational Programs

	Program Distribution	Recommended Change (+ or -)
Programs leading to Undergraduate		
Associate	0	
Bachelors	31	
Programs leading to Graduate		
Masters	1	
Specialist	0	
First	0	
Professional		
Doctoral	0	

Off-Campus Activities

In-State:	Present Activity:	Recommended Change: (+ or -)
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Campuses:	None
Sites:	None
Course	None
Locations:	

Out-of-State:	Present Wording:	Recommended Change: (+ or -)
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Campuses:	None
Sites:	None
Course	None
Locations:	

Out-of-USA:	Present Wording:	Recommended Change: (+ or -)
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Campuses:	None
Sites:	None
Course	None
Locations:	

Distance Education Certificate and Degree Offerings:

Present Offerings:

None

Recommended Change:
(+ or -)