

**THE PRESIDENT'S REPORT  
to the  
Board of Directors  
October 18, 1988**

This report is an update and expansion of observations about the current status of the college and recommendations which I first shared with the Board's Executive Committee this past Spring.

For your convenience, I have divided these observations and recommendations into the following seven areas: (1) The Mission of Lindenwood, (2) Academics, (3) Facilities, (4) Finances, (5) Institutional Development (6) Volunteer Development and (7) Conclusions.

Please consider the observations and recommendations that follow as a comprehensive management proposal for the next two to three years. We might want to label these next few years as a "Challenge to Commitment" during which we seek to bring to completion the task of stabilizing the college for its work during the final decade of this century.

**I     THE MISSION OF LINDENWOOD**

There is an old adage that claims "he who pays the piper calls the tune." Time and time again the truth of this adage has been proven in actual experience.

In regard to determining the actual mission of a college, the sources that provide a college with its financial support ultimately determine a college's mission. That is why Lindenwood would be well advised to make a firm determination as to whether it will continue as an independent, free-standing institution or seek union with one or more other institutions of higher education.

Without recounting the numerous studies and conversations regarding this subject that the College has been a party to in the last twenty years, let me venture the opinion that it is time for Lindenwood, without equivocation, to commit itself to a continuation of its 160 years plus tradition as an independent, free-standing college. I believe the Board of Directors should instruct its officers and Administration that while they are to be open to any discussion regarding cooperative programs with any college, public or private, such discussions should be conducted with the complete understanding that Lindenwood intends to continue as an independent institution in as full control as possible of its own destiny.

It would be helpful if the Board of Directors would make public this resolve and then get on with the business of stabilizing itself so that its mission can be carried out without the persistent cloud of doubt as to both its future as an independent college and its financial stability.

After nearly six years as President of this college, I am convinced that we have turned the corner financially. Last year's large deficit should be our last for many years to come. Operationally we can be in the black, as we have been for five of the past six years, if we firmly commit ourselves to our mission.



The launching of the proposed six year major funds drive in the Spring or Summer of 1989 is an absolute necessity. We must get all our buildings in first-class condition and we must construct a new Field House. We have laid the groundwork for a successful campaign. We have the staff in place, plus excellent volunteer leadership, to succeed. To delay this major funds campaign would be to postpone a task we must undertake if the college is to fulfill its mission in the years to come.

## II ACADEMICS

### OBSERVATIONS

Lindenwood 1988 has a distinguished academic legacy. Although not nationally known to any great extent, within those circles where the Lindenwood name is familiar, the college has the reputation of a good, small liberal arts college with a sound academic past. This reputation provides a solid foundation upon which to build an academic program of high quality.

Academics is the chief commodity Lindenwood has to offer its students. Over ninety percent of the college's income is derived from tuition or tuition-related activities. No private college can expect to survive - nor should it - if it fails to provide an academic program of high quality.

Lindenwood's academic program has been damaged in the past twenty years because of the institution's severe financial and management problems. Financial shortages have compelled the college to alternate between cutting programs to save money and starting new programs in the hopes of developing new markets. In the process, traditional academic management has had to adjust to an almost constantly changing academic program.

Since the coming of Dr. Daniel Keck as Vice President for Academic Affairs in the summer of 1986, considerable progress has been made in centralizing responsibilities in his office for the institution's total academic program. Off-campus teaching centers for working adults have been brought under the college's direct supervision and the admissions and financial aid offices have been integrated into the academic program.

Along with this centralization of responsibility, there has developed a recognition that academically the college has two distinct clients: the traditional-aged, undergraduate student and the older students, 99% of whom commute and most of whom hold fulltime jobs. These two different clienteles have many needs that are the same, but a host of other needs that are common only to one or the other. Slowly Lindenwood is learning that to serve both groups, the college must develop academic structures, institutional services, and financial procedures tailored specifically for each group.

It would be foolish for Lindenwood to claim it has achieved academic excellence in any of its academic disciplines. Twenty years of internal management turmoil and financial impoverishment has robbed the college of the continuity of leadership and the provision of adequate financial resources which are twin necessities for the development and perpetuation of a first-rate academic program.



Given the realities of the past twenty years, the college is fortunate to have retained the quality of the faculty it now has. More than anything else, the college's excellent academic legacy has allowed it to maintain the minimal level of academic strength it now has.

Without a doubt, the college has in place an academic structure of proven worth, a dedicated corps of capable faculty members and academic administrators with the ability to lead in the building of an academic program of high quality in the years ahead. For Lindenwood College once again to become a college of high academic quality requires at least the following five ingredients:

ONE:

Faculty salaries that at least equal the national average for colleges of the same type and of comparable size.

Without raising professor's salaries, Lindenwood will continue to lose its talented young professors to other colleges who are able to pay competitive salaries.

Concurrent with increasing faculty salaries, the institution's wage scale for administrative and support personnel must be raised. Turnover, while improving, is still too high and extremely costly. Better wages would be of definite assistance in reducing turnover.

TWO:

An overall academic program that achieves high quality in the area of the college's traditional academic strength, i.e. the liberal arts.

Fortunately, Lindenwood is seeking to reestablish itself as a strong, liberal arts college at the exact time when there appears to be a nationwide reawakening to the virtues of a liberal arts education. What we offer at Lindenwood is basic for entering almost all professions and is the essential foundation for the renaissance of a national lifestyle of quality and meaning. Our efforts to rebuild the undergraduate experience with quality professors, quality students, and quality facilities, must continue to be the focus of our institutional mission.

THREE:

We must select, with great care, a few academic disciplines in which we can achieve unusual distinction because of the extraordinary quality of the programs we offer in those areas.

We cannot afford to maintain inferior academic programs in any area, but conversely, we must recognize that we do not have and cannot acquire, in the near future, resources sufficient to permit us to develop academic programs of high quality in all areas. Thus we must select carefully those areas in which to invest the greater substance of our time and resources.



**FOUR:**

**The ventures the college has made into nontraditional programs and graduate offerings must be, along with our traditional undergraduate programs, continuously and carefully nurtured.**

This area of the college's academic program must receive sufficient institutional resources and oversight both to provide quality academic experiences and to be cost-efficient.

**FIVE:**

**Academic service centers must be continuously and carefully monitored to assure that they provide needed services and that they at least carry their own financial load, preferably returning a net profit to help underwrite the college's total operations.**

The following entities are considered academic service centers: (1) Radio Station KCLC, (2) Babcock Center for the Study of Management and Communications, (3) Institute for the Study of Gerontology, (4) Center for Creative Retirement (in formative stages), (5) International Valuation Sciences Institute, (6) Lindenwood Preschool Nursery, (7) Conferences, Workshops, Non-credit classes and rental of facilities and food services, (8) Theatre Productions, (9) Dell'Arte Conservatory, (10) Hunter Sports Complex.

**RECOMMENDATIONS**

**That the Executive Committee appoint an Ad Hoc Committee on Academic Affairs, consisting of members from the Board of Directors, to work closely with the Vice President for Academic Affairs in the following areas:**

- 1) Development of an action plan to ensure sustained progress toward the achievement of the ingredients necessary for the College once again to become an institution of high academic quality.
- 2) Development of a plan to evaluate, over a period of time, all of the academic programs at the College to determine the areas of distinctiveness or potential distinctiveness. The three areas to be addressed first will be Business, Communications, and Education.
- 3) Review of the market needs in our recruitment areas to determine the potential for the establishment of new programs. Nursing education is an example of a program which might be explored.

This Board approved the creation of this Committee at its May, 1988 meeting and, with Walter Metcalfe as Chair and with Dr. Keck providing staff assistance, the Committee needs to get started on its work. It is vital to the college's future that this Committee be active.



## II FACILITIES

### OBSERVATIONS

Lindenwood is both blessed and plagued by its facilities. The grounds are beautiful and picturesque - "looks like a college ought to look". The architecture is also commendably collegiate - but old and in need of some major renovation and considerable maintenance. Academic and residential accommodations range from adequate to outstanding, while the need for a field house and other athletic facilities is critical.

The architectural firm of Hellmuth, Obata, and Kassabaum presented a revised campus Master Plan the May 13, 1988 meeting of the Board of Directors. This Master Plan included specific recommendations for space usage, artistic renderings, and cost estimates. It is important that this Master Plan be utilized as a guide for future improvements to the campus and buildings.

There are a number of facility improvements in the nature of deferred maintenance that must be undertaken as soon as possible if the college is both to preserve its physical plant and continue to attract and retain students. Any major capital projects will, of necessity, have to await the successful completion of a major capital funds campaign. However, these physical plant projects need immediate attention:

- 1) Removal of asbestos in an area of our utility tunnels and conducting tests to establish that all areas of the campus are asbestos - free
- 2) New roof and guttering system for Roemer Hall
- 3) Spot tuckpointing on a number of buildings to prevent further deterioration
- 4) Construction of a retaining wall for the east bank of the Hunter Stadium
- 5) Construction of locker rooms at the Hunter Stadium
- 6) Development of a baseball field, softball field, and a practice soccer field as a part of the Hunter Sports Complex
- 7) Preparation of Sibley Hall to be reopened for full useage sometime during 1988-89

As a general principle, the college should seek utilization of its facilities to service tuition producing programs. Rental of facilities to other institutions does not permit the optimum financial return from the college's facilities.



RECOMMENDATIONS

ONE:

That the Administration be encouraged to proceed with the physical plant projects listed above as funds become available

The possibility of funds being available for these projects depends on enrollments and gifts. In view of last year's deficit, any surplus income from operations will have to be used to reduce the deficit. This means that major gifts for capital purposes must be raised as soon as possible.

TWO:

That within the availability of funds, the Administration be authorized to proceed with plans to prepare Sibley Hall to be returned to full useage sometime during the 1988-89 year.

Present plans call for the following offices to be moved to Sibley: Day Admissions, Financial Aid, Department of Business, Babcock Center for the Study of Management and Communications. Sibley Chapel and Parlor, Warner and Brougham Suites, and the Faculty Lounge will continue in their present locations.

Financing for the Sibley Hall project would have to be on a cash basis from current operating surpluses and/or gift money raised specifically for the Sibley project. To help raise gift money, specific cost estimates and detailed renderings of proposed improvements should be secured from an architect.

THREE

That planning for the Field House and major renovation to Ayres, Niccolls, Roemer, Butler be delayed until sufficient Capital Funds are raised and/or pledged to enable the borrowing of funds to renew the planning for these projects.

A considerable amount of planning, including some visits to recently constructed field houses, already has occurred. We are at the point when funds would need to be expended if further planning is to be done. In view of the reluctance of the Board at its May, 1988 meeting to borrow more than enough to do the stadium, and in view of the difficulty encountered in getting the \$600,000 that was borrowed, it appears that we have no other alternative than to delay, even though we need to get started on these building projects.

IV FINANCES

OBSERVATIONS

As has been previously noted, Lindenwood derives about 90 percent of its revenue from tuitions and/or tuition related activities. As a long range strategy, the college needs to lower its percentage of revenue secured from tuition to 70 or 75 percent. There are at least four viable ways of doing this:



1. Increase corpus of endowment, especially unrestricted, and thereby increase endowment earnings. (A long range goal should be to generate 15% to 20% of the operating budget through endowment earnings.)
2. Increase annual giving (although 10% of a college's budget from annual gifts, which is about our present percentage, is on the high side of the national average.)
3. Utilize the college's 30 acres of vacant land for a commercial enterprise owned by the college that provides the college with an additional source of income flow.
4. Find sources outside the operating budget (such as designated gifts and foundation grants, etc.) for capital improvements and equipment purchases.

Modest starts have been made in the first two. Annual giving has increased 800% in the last four years and periodically endowment gifts are received.

It is evident that in the immediate future the college's financial stability is almost entirely at the mercy of increased enrollments, a pricing policy that produces maximum income without lowering enrollments, increased income from radio underwriting, and increased gifts. Enrollments this Fall have been excellent. Added funds were expended for both admissions and advertising to assist in recruitment efforts and are producing good results. Tuition for fulltime day students was increased by over 8% to \$6,150, with modest increases in board and air-conditioned resident rooms. Our first, fulltime manager for the radio station began work in March with the specific charge to work on increasing radio underwriting.

In the area of increased giving, last year was another goal-reaching year with \$1,113,000 received. While this was good, unrestricted gifts for current expenses (\$708,932) were \$100,000 below our budget projection (\$810,000). This \$100,000 shortfall in anticipated unrestricted gifts, along with a \$433,069 shortfall in anticipated tuition and fees, constitute the major causes for last year's operational deficit.

In an effort to continue the increases of recent years in the productivity of our Development Department, professional and secretarial additions have been made to the development staff. These increased expenditures have enabled us to get a better start on this year. Because of the banner enrollments this Fall in our adult programs, we think we can cover the additional expenditures of \$274.00 for admissions, advertising and development staff that were not budgeted and still complete the year in the black.

There is a potential source of steady income which the college has not explored completely. I am referring to utilization of the 30 acres of vacant land south and west of the campus which is owned by the college. Some colleges have been successful in setting up subsidiary corporations to utilize such resources to procure a regular cash flow. At your May meeting you authorized the creation of such a committee. In the near future that committee should be activated and begin to explore ways of using the college's vacant land to produce an annual revenue flow for the college.



Under the excellent leadership of Vice President Kenneth Musbach, considerable improvements have been made in our financial operations. We still need greater refinement in our cash projection activities and steps have been taken to bring that to pass. It is very important for the Board, through its Finance Committee, to provide counsel for Mr. Musbach and the President regarding the college's finances. The best way, for the Board to feel comfortable about how the finances of the college are being handled is for representatives of the Board to be involved, as is your present Finance Committee Chair, Ray Harmon, in the oversight of the college's finances.

**V INSTITUTIONAL DEVELOPMENT**

OBSERVATIONS

The development of a college's true potential involves every facet of a college's existence. However, the context of these observations is more narrowly drawn to include planning for Lindenwood's alumni development, public relations program, and all aspects of the college's giving program: annual fund giving, planned giving, corporate and foundation cultivation, personal solicitation and capital fund giving.

Considerable progress has been made in regaining the interest and participation of the college's 10,000 alumni. Staff planning is underway to coordinate cultivation activities of the alumni with the enlistment of alumni to assist in the recruitment of students. Private colleges that are successful always number committed alumni among their most vital assets. Lindenwood must continue and expand its alumni program.

With the resignation of the college's former Director of Public Relations, the Office of Public Relations has become a responsibility of the Development Office. This change is resulting in a more effective public relations program and financial savings. The advertising function of the public relations office has been contracted with an advertising agency and this move is proving to be successful. The Director of Community Relations, a continuing position, works closely with the Office of Public Relations.

With the reorganization of the advancement functions under Mr. Thompson, four new development professionals have been employed. The Director of Organizational Support has primary responsibility for corporate, community, and foundation solicitation. He has a professional reporting to him who is specifically charged with responsibility for Foundation cultivation and solicitation. The Director of Individual Support directs the alumni phonathon, direct mail drives, and individual solicitations for the annual fund and has a new professional reporting to him who is in charge of the Annual Fund Drive. Two more secretaries have been added.

Two new giving programs are underway:

1. An extensive personal solicitation giving program administered by the Executive Director of Development. This program utilizes the Butler Society, lifetime cumulative clubs and personal calls on prospective donors.



2. A planned giving program administered by the Director of Individual Support.

The major development decision facing this Board is the proposed six year major funds campaign. We now have a development staff of sufficient size and professional experience to administer such an undertaking. A firm decision to move forward with this campaign is essential for the college to move forward.

#### RECOMMENDATION

##### ONE:

That the Board authorize a six year major funds campaign to begin July 1, 1989 with advance solicitation to begin immediately.

#### VI VOLUNTEER LEADERSHIP

##### OBSERVATIONS

Successful private colleges, unlike public institutions of higher education, absolutely must recruit vast numbers of volunteer leaders. Ownership of a private college must be shared broadly and the most effective way for persons to share ownership of a college is to give time and money to the college.

Lindenwood has experienced an enormous and effective increase in volunteer leadership in recent years. The Board of Directors now has over double the authorized membership of five years ago and at least three times as many active members. The Board of Overseers was non-existent five years ago, but now is extremely active with an authorized membership of 30. The Lindenwood National Alumni Board has been enlarged. The following advisory councils have been or are in the process of being formed: KCLC Advisory Council; Performing Arts Advisory Council; International Valuation Science Institute Advisory Council; Babcock Center Advisory Council; and the Hunter Sports Complex Advisory Council. This Board of Directors has authorized the creation of a National Advisory Council and Board members Kenneth Thompson and Patricia Bailey have agreed to serve as the Council's first co-chairpersons. From time to time, as needed, other Advisory Councils will be added.

The Board of Directors is the one group that has fiduciary responsibility for Lindenwood College. The Board needs to move quickly to attain its authorized membership of 38. The Board must represent all significant donor groups and consist of persons anxious to support and promote the advancement of the college.



RECOMMENDATIONS

VII

That the Board set as a goal to fill all the vacant slots on the Board of Directors at the February, 1989 meeting. There are a number of names that have been suggested for Board membership. It is important that the Nominating Committee consider these names, plus others, including some strong alumni, as it finalizes its recommendations for the February, 1989 meeting.

VII CONCLUSIONS

As I come to the close of my six years as your President, I have mixed emotions. These years have been both exciting and exhausting. I know Lindenwood is a better, more stable college than it was six years ago. That's exciting. But I am aware, painfully, that the gnawing problems of inadequate finances and inadequate facilities continue, abated only slightly during the past six years.

However, I leave the Presidency of this college convinced that I am leaving behind people and plans who can provide the necessary leadership to assure Lindenwood's future.

Some of these people were here when I came and others have joined our ranks during the last six years. Together these people constitute a corps of dedicated and capable alumni, volunteers, faculty and staff members, and administrators who can guide this college to greater service and prominence as one of the nation's fine private colleges.

During these past six years we have made many plans and implemented some of them. One of my disappointments has been the necessity to devote so much time and emotional resources to just keeping the college doors open. Consequently, there was too little time and energy left to pursue some of the innovations I knew needed to be undertaken. To compound the problem, the funds necessary to finance any new idea were seldom available.

I am thankful that most members of Lindenwood's constituency understand and are committed to Lindenwood's mission as an independent liberal arts college. But, too frequently, this understanding has been of a surface nature. Hopefully, we have been able to lift these perceptions out of subterranean thought and encourage those who are committed to the vision of Lindenwood's continued existence as an independent college to become more active in support of the college.

For Lindenwood College to fulfill its mission, there must be more implementation of what we know we ought to be doing.

We know what we must do in admissions; we have a plan for doing it; and the outstanding increase in the number of students this Fall is indicative that our plan is being implemented.

We know what we must do in development; we have a plan for doing it; and the substantial increases in gift support provide inspiring evidence that greater days for Lindenwood's development program await the enthusiastic support and leadership of the college's entire constituency.



We know what we must do in academics; we have a plan for doing it; and the obvious energy our faculty and students are exerting in the pursuit of academic excellence is encouraging.

We know what we must do to utilize fully our radio station; we have a plan for doing it; and as the station completes its 20st year of operation, it is only beginning to scratch the surface of the impact it will make in years to come on this great metropolitan area.

We know what needs to be done to handle our financial operations more responsibly; we have a plan for doing it; and each year we are making improvements.

We know what needs to be done to bring our physical plant into excellent condition, adequate to provide the facilities Lindenwood must have to fulfill its aspirations. We have a newly adopted Master Plan for the development of our facilities that clearly outlines the course of building improvements we need to adopt. What Lindenwood must receive is the commitment of sufficient funds to continue and expand the modest renovation projects started during the past decade.

And, most important, we know what we must do to become financially solvent; we have a plan to accomplish this goal; and we are on our way. I am convinced that within the next few years, if we persist with the present plans for admissions and development, and continue to monitor our expenditures carefully, we will achieve real financial stability.

I will not be here to continue the implementation of these plans after the close of this calendar year, but I believe the college has the people, plus others yet to be enlisted, who will respond to the leadership of your new President and enable Lindenwood to continue the renaissance we have begun.

In this final report to this Board, I would be remiss if I did not thank you for your support and many kindnesses. My prayer is that God Himself will guide you and endow you with vision and persistence. Both these qualities are essential in Lindenwood's leadership if the college is to be wise enough to survive with honor. My hope is that this Board will insist that the college be strong, both in academics and in its inner commitment, as a tool God uses to fashion lives prepared to cope in a tough world. Private colleges, like Lindenwood, can keep alive in the increasingly secularized halls of higher learning the admittedly old fashioned, but I think not outmoded idea, that education is worthless that loses sight of the Eternal dimensions of existence.

Respectfully submitted,

*James I. Spainhower*

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President