

President's Report  
to the  
Board of Directors

October 16, 1984

In this report I want to review the present status of and my recommendations for Lindenwood College in the following four areas: (1) the college's mission, (2) faculty and staff, (3), facilities, and (4) finances.

1. The College's Mission - I believe the college is on target in fulfilling its mission to provide higher education of high quality for a critical mass of full-time undergraduate students, an increasing number of graduate students, and an expanded number of part-time students. Although total enrollments did not increase this fall, the number of new students grew by 14%. Unfortunately, there were no increases in our full-time day population although we showed an increase of 30 in our residential population, bringing our residential hall population to 250. We have stabilized personnel in our admissions and financial aid offices and I am optimistic that 1984-85 will be productive.

2. Faculty and Staff - At least for this year we have eliminated the position of Provost and named Dr. James Hood as Acting Dean of Faculty. This has enabled us to save a considerable amount of money and Dr. Hood is doing a splendid job. With Dr. Hood's assistance and that of the Faculty Council, we will be reviewing our full-time faculty alignment to the end of making savings and improving quality. The unification of all adult programs under Dr. Arlene Taich is proceeding smoothly and is a great improvement. Some savings in faculty salaries are being realized because of this unification. Dr. Taich is also in charge of our off-campus operations and we are proceeding with a closer coordination between those operations and the work of our on-campus academic departments. We have tightened up our staff and are probably operating with as few as we should. With one or two exceptions, I do not envision much expansion in the 1984-85 fiscal year. Salary increases of 5% were provided for all employees this year. I hope it will be possible in the 1985-86 fiscal year to increase salaries further. We are behind the market in both what we pay our faculty and our staff. We need to increase salaries both to provide equity and to improve retention.

3. Facilities - I recommend approval of the Master Plan which was presented at the May meeting of the Board of Directors. Further, I am recommending that the Board authorize our Vice President for Development, Ed Watkins, to proceed with a special drive, as a part of our Renaissance Campaign, to secure half-a-million dollars in capital funds this fiscal year for renovation of facilities. Our roof problems continue to be critical. We have our other building needs whose further delay in being met is causing considerable deterioration and increased future cost in maintenance and repairs.

4. Finances - The achievement of a balanced budget for the second year in a row is gratifying, but the finances of the college continue to be extremely tight. The heavy debt service carried by the college continues to deprive it of funds it needs desperately to improve salaries and take care of routine repairs and maintenance. The average debt service for private colleges in Missouri is about one-half of one percent. Our debt service is running about seven percent of our current expenditures. Further, our efforts to increase full-time enrollment

are hampered by inadequate scholarship funds. Although we have increased these funds considerably the past two years, we are still offering about half as much in scholarship aid as the average for other private colleges in Missouri. In an effort to address these basic problems, negotiations are in process concerning the possible sale of some of our farmland with the intention of using the proceeds to retire part of our indebtedness. I have visited with Commerce Bank about the possibility of selling the property we now lease to them, but am not optimistic that they are willing to pay an amount sufficient to make it in the best interest of the college to consummate such a sale. I have visited with leadership of the St. Charles Presbyterian Church relative to disposing of our half interest in that property. They have some interest in pursuing these discussions and I would recommend that we reopen these negotiations. The considerable increase in monies raised through our fundraising efforts has been encouraging and without these additional funds we would be way out of balance in our revenues and expenditures. This year's budget is based on the premise that we will increase our giving by \$300,000 over its level this past fiscal year. To achieve such an increase is going to take the active leadership of every member of the college's Board of Directors and Board of Overseers. The major financial matter which needs to be addressed is to restructure our long-term debt so that it can be amortized over a period not to exceed 25 years and preferably not to exceed 20 years. If we can do that and then reduce the principal by a sizeable payment as a result of sale of our farmland, increase our enrollment so we have additional income, and hold our expenditures in line, we ought to be able to see the light at the end of the tunnel of our financial darkness in a couple of years. If any one of these factors is not put in place, the dark tunnel will continue much longer than will be good for the institution and certainly much longer than any of us desire.

When people ask me "How is the college doing?" my response is generally as follows - "The best thing I can say is we are in a better condition than we were a year ago. We are not out of the woods but we can see that the edge of the forest is just ahead." I believe this is an accurate description of our situation. I wish I could have better news, but all in all, I am grateful that we not in worse condition than we are!

Respectfully submitted,

James I. Spainhower  
President