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REPORT OF THE PRESIDENT
TO THE
BOARD OF DIRECTORS
JUNE 8, 1978

First, let us review some of the highlights from the past year:

1. The Bachelor of Medicine program. You have in your packet an article from the St. Louis Post-Dispatch that Dean Delaney believes is an accurate article. I also believe it is a fine article depicting the particular contribution Lindenwood is making in this area. In Washington the day before yesterday I was talking about the Bachelor of Medicine program. A person of some influence inquired: "Why isn't this program nationally known?" And then he added: "Norman Cousins is a friend of mine and very much interested in this subject, I will ask him to call you. Maybe he can help to inform others." And so I await a call from Norman Cousins to describe our program. Dr. Danforth, of Washington University, and I have discussed the program on numerous occasions, and he is enthusiastic about what we are doing, as is Dr. Vavra and the others connected with the city hospital system of St. Louis. If you were about the campus and had met some of the students connected with the program, you would realize the high quality of selection involved.
2. Those of you who were at the winter meeting know about the early developments of the new Bachelor of Science in Nursing program. You will recall that the directors of the hospital-affiliated Schools of Nursing in Missouri asked that we develop this program.

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We now have the folder that I am holding in my hand, and that you all have in your jacket. Over 300 inquiries have been received concerning enrollment in this program which will begin in September. There are few such programs in the state, and we are looking forward to a large registration. We believe it will be another important Lindenwood contribution to the health professions.

3. The third highlight that should be noted, and one on which we have spent a lot of time, is the theatre program. Some of you who have not been directly involved with the theatre situation might like to know that there were 72 performances in the Jelkyl Theatre during the past academic year. Average attendance was 284 or 71% of capacity. In total the casts played to 20,447 people, and accumulated more than \$50,000 in revenue from ticket sales and related activities. This was during the regular academic year, and does not include summer theatre. We hope that there will be substantial growth in attendance at performances and participation in theatre during the coming year.
4. The other day I learned from Dr. Bornmann, Chairman of the Chemistry Department, something that I guess Dean Delaney must have told me but I had not paid proper attention. Over a good many years we have been preparing persons who enter medicine, dentistry, and veterinary medicine. Bornmann informed me that any institution that has 60 or 70% of its pre-medical students admitted to Schools of Medicine considers itself lucky. He then told me, not on the basis of one or two cases but on a number of

cases, that every single Lindenwood pre-med Chemistry major in recent years has been admitted to medical school. So we have 100% record.

5. We have had a very good year with the English as a Second Language (ESL) program. Dean Crozier informs me that there is in the offing considerable growth in this program. In the middle of the year we lost our director, but I guess Dean Crozier would say that the subsequent arrangements worked out very well. This program brings to our campus a number of students from various parts of the world who are first enrolled in special precollegiate study of English. The uniqueness of the program is that as the students gain English competence they are given an opportunity to take first one course and then another in the regular college program so that they gradually evolve from full-time language students into regular students in the college. Dean Crozier has been responsible for guiding the program, and recently a number of people from various organizations concerned with foreign students have visited Lindenwood, have been pleased, and have indicated they will send students here in the fall.
6. There has been a positive growth in the M.B.A. program and the master's program in education. Both of these programs have grown rapidly, and they are now about twice the size that we had anticipated for this year. The facts that we are the only senior educational institution in St. Charles County and that a great many teachers are interested in advanced work in professional education account in part for the rapid growth in the graduate education programs.

The M.B.A. program has recorded its first graduates, and has now established itself successfully in relation to other programs in the metropolitan area.

7. We experimented this year with a new program, a kind of variation on our M.B.A. program, designed to treat the special problems faced by women in management. I think there were 17 in the class and of the 17, 16 were women and one was a man. The man happened to be in a business in which there were many women moving up through the ranks of management. The program is keyed to our M.B.A. so that these women students are bona fide members of the M.B.A. program. I think that these efforts have considerable promise for the future, and, as far as I know, this is the only program of the type in this immediate area.

8. Lindenwood 4 has developed especially rapidly in St. Louis-St. Charles with the active and creative therapies program, the voluntary association administration program, and the hospital administration program. These programs look extremely strong for next fall.

Let me now discuss some organizational matters that will be of interest to you. First, we have exerted major efforts to streamline operations this year not only to improve effectiveness and efficiency but primarily to be economical. You have in your packet a report which I asked Mr. Weber to prepare. You can read it at your leisure. However, if you will take it out for a moment and look at the two charts at the back, I think you will be interested. You will notice that water usage and electric usage have dramatically declined. We haven't turned off all the lights, but we have turned off quite a few of them,

and the effect on cost has been rather dramatic. These are just a couple of illustrations of economies; you will find others in the material that Bill Weber has prepared for us.

The second item is one that I know you have heard about, but I think it needs a word of explanation. Craig Eisendrath and I have spent a long time pondering about the economics of Lindenwood 4. It was our judgment that three years is a good trial period to test the various parts and activities of the Lindenwood 4 program. Success would be measured more in a total sense than in the sense of: "Are there 30 or 40 students that can be served by Lindenwood through these centers?" The Los Angeles and Washington Centers both started out small, but grew fairly rapidly to about 60 students. We believe that if they achieved an enrollment of 90 or 100 we would have a critical mass of students and an operation that would be economically viable. Unhappily, during the last year, there has not been the growth in the California and D. C. centers that we hoped for. Last fall, anticipating a possible slow-down in growth, I went to California and placed the Faculty Administrators on a one-term contract extension. I said we would review the matter again in January; in January we extended the contracts for one more term. The people in Washington already held contracts for the academic year. We noted a couple of months ago that these centers were hovering at the critical point of covering direct costs but not covering general support costs. Finally we concluded that we should phase out the two centers. It is probably a little bit like Dave Babcock must face from time to time with some of his stores, having to regroup or phase out some branch or some division. In any event, we worked out a scheme to provide for all students in California and Washington through next year by making arrangements, even though we will close the centers and terminate the leases at the end of the 1978 summer. I have appointed Professor John S. Burd, who has been and is the chairman of our education department and director of our graduate programs in education, as

trimester (September). One of the faculty administrators in Washington has already taken a position as director of experimental education for the University of Maryland; this helps Lindenwood economically and provides Dr. Sharon Rubin, a superb person, with an opportunity she justly deserves. There will be no problem in helping students complete degrees that are now under way. Our alternative to closing the centers was to spend a substantial amount of additional money to promote the centers and their programs. Both cities are swamped with institutions trying to establish a foothold, and we refused to compromise either on quality or on cost. In Washington, D. C. we were trying to operate a center as costly for students to attend as George Washington or American University; that is a tough competitive situation to be in. Of course there is some unhappiness from students loyal to Lindenwood who say: "How can you possibly close a program of this quality?" The answer is simple; unless we can make it go economically we really can't continue it. I should add that the St. Louis-St. Charles centers of Lindenwood are very successful and growing rapidly. Thus we have a model that is operating well and will, of course, continue to operate and to grow.

The third item is a decision to combine Lindenwood Evening College and Lindenwood College for Individualized Education (L4) during the coming year in anticipation of a fuller administrative reorganization next July. Some of you know that Dean Bartholomew asked a year ago to be relieved as Dean of the Evening College; I prevailed on him to continue until we could get in a better position to reorganize, and he has very kindly done that. At the end of the summer trimester Dean Eisendrath is going to assume primary responsibility as a full-time Faculty Administrator in the St. Louis Center. He is particularly concerned with the development of the active and creative therapies programs, and its possible extension into other areas that are not now primarily served. Effective July 1 I have appointed Professor John S. Burd, who has been and is the chairman of our education department and director of our graduate programs in education, as

administrative director of L3 and L4. Jack is at the moment with an educational group in England; otherwise he would be at this meeting. Jack will assume the leadership of the Evening College on the first of July, and will add Lindenwood 4 at the end of the summer trimester, around the first of October.

The Faculty Council and my administrative colleagues have devoted time and thought to the College's need for a single dean of faculty, and this reorganization is a step in that direction. When I arrived in October 1974 there was the College for Women, the College for Men, and what was then a large Evening Division which in March 1975 became the Evening College. In July 1975 we added Lindenwood 4. It is the belief of the faculty and of the administration that consolidation and integration of the four colleges would be helpful to coordinate the different programs and projects we now have. And so, beginning in the fall, we will undertake a search to find, for installation by next July, a person that might be designated Dean of Faculty or Academic Vice President. In one sense we will go back to the organizational arrangement that existed when Howard Barnett was Academic Vice President. There will be one person to work with the combined faculties instead of the four deans we have at present. Obviously this in no reflection on the four deans, but simply suggests that one person working with the total faculty is in a better position to deploy members of the faculty to day classes, evening classes, undergraduate and graduate courses, and to work with both youth and adults. The combining of L III and L IV after July 1 is a step toward the integration of the four colleges, to be completed about a year from now.

During this year the deans and I have spent time evaluating the admissions situation. We called the admissions staff together in November, we spent time in January and February trying to offer assistance, and finally we asked for the

resignation of our director of admissions in early March. We are now in the process of locating a new director. In the meantime Deans Crozier and Delaney have accepted the co-directorship of the admissions office to bolster that situation. We became very much concerned, and I think we had reason for our concern, when we found that instead of being 5% ahead in resident and non-resident full-time students we were in fact 5% behind. As we looked into the marketing strategies that had been used, we became very much concerned. When we concluded that we could not bring about effective changes we relieved Mr. Gorsky and asked him to spend the remaining months of his contract in active recruiting in Nebraska, Iowa, and Kansas where he had some experience. As soon as we have a new director, the Financial Aid Office, which for the past year has been under the general supervision of John Bartholomew, will be relocated as part of the Admissions and Financial Aid Office. Public information activities and development-fund-raising activities, as you know, are also in the process of reorganization following the resignation of Dick Berg. Rather than to put all of these activities under another person to replace Dick, the decision was made to organize Public Information and Public Relations as an activity in itself, and Development and Fund-Raising as an activity in itself.

Let me summarize the principal personnel changes that have occurred over the past year. Dick Berg left on the first of April. Jack Burd is about to become administrative director of the Evening College and on October 1 of 14. The search to replace Gorsky is in process. For the summer I have prevailed upon Ken Westphal, professor of marketing, to spend time recruiting to be sure that our M.B.A. program is as strong as we want it, and particularly to bolster prospects for general Evening College enrollment in the fall. We have appointed Norma Nolan, formerly

Associate Professor of Nursing at St. Louis University, as Director of our Nursing Program. Dean Delaney identified her, and she was chosen from a number of candidates for that position. Miss Nolan is about to begin her full-time activity. She is an outstanding person with a wonderful background; we are very fortunate indeed to have her join us.

Let me move to budgetary matters. The report is still tentative because we have changed our fiscal year to end on May 31; Fred is still toting up the balances. But from preliminary analysis yesterday we can confirm that income for this year will be about 90% of what was anticipated. Let me point out where the largest declines occurred. When we lose a full-time resident student, we lose sizable tuition income (\$2,600 this year) plus fees, and our hotel (room and board) operates less efficiently. The overall 10% decline is largely due to decline in full-time resident and non-resident students and in part-time general evening students. I use the term "general evening student" to differentiate from those in the M.B.A. program, the master's program in education, and some of the successful special programs that operate in the evening. Our primary effort next year therefore must be to recruit and admit full-time resident and non-resident students, and general evening students. This means promotion and advertising costs, but it also depends on continued renewal of academic programs.

The adult market is a highly competitive one, and of course the competition for full-time residents in a college such as Lindenwood is intense. Many institutions, as some of the materials in your folder demonstrate, are turning to adult programs of various kinds because there is a large market for adult education. In this we are highly favored because of our geographic location. Over and over I am asked, "What accounts for the growth of Lindenwood from just under 900 three and a half or four years ago to 1,700 today?" I half-jokingly say, "Demography."

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That really is a fact. As the St. Louis population, in spite of the bridge, moves in our direction, there are a lot of people who prefer to go to evening classes or adult programs in St. Charles rather than to drive to St. Louis University, Washington University, or some place in downtown St. Louis. On the other hand, the competition, particularly from public institutions, for the adult student -- they can go to Florissant or Meramec or Forest Park or even to UMSL, only 10 miles away, at a fraction of what it costs here -- is a problem of very great concern.

Yesterday I tried to contact some of our congressional representatives because I was told at 6:00 P.M. last night there was going to be a vote to seriously cut the federal education assistance. This of course is tied up with the problems of the middle income person and the tuition tax credit matter. I can tell you from two days in Washington during the last two or three weeks that we are facing a confused situation. Whatever the resolution, it will have a direct impact on Lindenwood. As you read these articles on federal assistance, think about the impact on Lindenwood. A staff member commented the other day on a "U. S. News and World Report" article: "It sounds to me like it must have been written with Lindenwood in mind." There is some truth in that.

As you have read, I informed the faculty in April that we would have to reduce our expenditures by 10% next year. I did not suggest that salaries be cut 10%, but simply said that we would have to save 10% overall next year. Faculty members have responded, with the help of the deans, with good spirit and willingness to work more for no additional compensation. I had hoped to be able to present to you today the final budget for 1978-79. I can't do it because we simply could not get all the pieces together within the past week.

Now let me put this matter in its broadest sense. Tuition has gone up from \$2,600 to \$2,775. This will mean about a 7% increase in income from full-time tuition, and a comparable amount for part-time, graduates, etc. Nevertheless we

are going to budget next year's expenditures in terms of this year's income which was \$3.8 million. Later I am going to ask you to consider a resolution to this effect; it is necessary so that we can move ahead with salary letters and other general expenditures. Using the previous year's income as a basis for next year's expenditures represents a dramatic change in budgeting procedure at Lindenwood. In the past, expenditures have been planned against anticipated income. Unfortunately this "anticipated income" sometimes involved hazardous projections and even a little bit, I am afraid, of "pie in the sky." We are avoiding those possibilities in 1978-79. When I came to Lindenwood in the fall of 1974, I anticipated that we would struggle through a period of three or four years to get out of the "down" cycle, and that we would have continuing deficits. I had hoped that this year (1977-78) would be the first with a balanced budget; it has not been, for the reasons I have indicated. And so we're changing the budgeting strategy to provide greater assurance of a balanced budget in 1978-79. We have to move quickly to a balanced budget, and I know of no other way to do that than to pursue vigorously all means at our disposal. Let me end with three promising elements, because I want this to be a realistic, not a negative report. But first, let me insert one more negative. I anticipate that we are going to have fewer full-time resident and non-resident students on the campus this coming fall than we had last fall. But as a counter-balance we are going to see growth in nursing, M.B.A., theatre, English as a Second Language, L4 in the St. Louis-St. Charles region, Women in Management, and graduate programs in education. I don't believe there is any question at all that these programs, if they are dealt with reasonably will provide promising growth. I see no real possibility of an enrollment down-turn except in the full-time resident and non-resident students. We will be able to capitalise the new equipment fully within the first year without adding to the printing and publications budgets.

I anticipate some promising economies. We have reorganized the computer center operation, now under Dr. Dominic Soda, Professor of Mathematics. In this way we have saved a salary line, and we have more effectively integrated the computer operation into the instructional program. As some of you may know, we have increased use of our computer from half time to full time; in essence we purchased the other half of the computer. We now use the computer extensively for financial controls, budgetary planning, and general administrative matters. Increased computer time makes available the kind of instructional programs that are particularly in demand by young people and adult students.

Second, we are setting up a new Word Processing Center. We have been working on this for two or three months with IBM, and it is going to result in much faster, more effective, and more economical handling routine correspondence, of which there are vast piles throughout the year. By achieving quality and efficiency we will be able to reduce the number of persons on the payroll in the secretarial area. So in the fall you will see, in which is now the Financial Aid Office on the lower floor of Roemer, a Word Processing Center where much of our correspondence and mailing can be channeled through telephone dictation rather than through a large staff of secretaries and clerks, some of whom have been substantially underutilized.

Third, thanks to Howard Barnett's interest and diligence, we are going to have a new printing facility. You might be interested to know that we spend at least \$50,000 a year on publications. By putting in a new type of relatively inexpensive offset press, and setting up a publications board that Howard Barnett has agreed to chair, we will produce in-house most of the catalogs, brochures, news and information pieces, and posters that we have been having done commercially. We costed this out carefully, and we probably will be able to capitalize the new equipment fully within the first year without adding to the printing and publications budgets.

Fourth, promising support. Dorothy Barklage and a number of others have told me that the possibility of greater support from alumni is continuously improving. Dorothy is very impressed that there has been a growth in the number and size of alumni clubs. Mrs. Spencer and I have gone to a number of these meetings. The quality and enthusiasm for Lindenwood is clearly growing as alumni learn more about what we are doing. Some of the alumni across the country may not read their mail completely, and so it still takes a while to inform them that Lindenwood is much more of a multi-faceted institution than it was at an earlier time. When they are informed, alumni show great enthusiasm. We have received sizable gifts, for example, from alumni this year who have never given before or who have given only \$2 or \$5. Further, there is no doubt that if we can get the right person in Development, possibilities for corporate support are highly favorable.

And there certainly are possibilities among our friends. One of these possibilities occurred not long ago. The phone rang, and Dave Babcock was on the wire. He asked me if I had ever heard of "The Flame of Truth" award presented each year to a business leader interested in higher education in the United States and Israel. And then on April 11 he wrote me a letter; I want to read the second paragraph: "I hope the effort you will have to put into the Flame of Truth Dinner is productive for Lindenwood. I do want you to know that I have turned this organization down in the past, and only accepted this time because of the benefit which could accrue to Lindenwood, if we are successful. Another award dinner, I don't need!" I understand that the man who was honored with this award last year in New York and on the West Coast designated Columbia University as the recipient institution and that Columbia benefitted to the extent of approximately a quarter of a million dollars. Dave very modestly has suggested: "Maybe it will bring

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\$100,000 to Lindenwood." My guess is that we may be more fortunate than that. Dave, we appreciate this. I should also tell you that Bob Hyland and Armand Stalnaker and Al Fleishman have agreed to be of assistance since this project will involve three events, - one in September in Los Angeles, one in October in St. Louis, and finally a gala dinner at the Americana Hotel in November in New York. A conference call was held Tuesday, July 11, 1978, at 4:00

P.M. The following answered the roll call: Robert Hyland, David

E. Babcock, George W. Brown, Mrs. Russell J. Crider, Walter L.

Metcalf, Jr., and President William C. Spencer. The purpose

of the call was to obtain approval of the Executive Committee

for an additional loan with First National Bank in St. Louis.

Mr. Hyland explained that expenses in connection with the football/soccer field were: \$275,000 for Super Turf, \$40,000 less \$20,000 gift = \$20,000 to Fred Weber Co., \$24,000 to Maplewood Construction Co., sweeper and liner \$10,000, totaling \$335,000. In addition there will be miscellaneous expenses to take care of erosion, etc. Mr. Bidwill had made a gift of \$100,000 to Lindenwood which will be applied to the above expenses. Application has been made to First National Bank in St. Louis for a loan in the amount of \$240,000, using the Football Cardinal contract as the main security. Under this contract Lindenwood will be paid \$25,000 a year for eight years. The old loan of \$1,200,000 would stand as is. Authorization was given for a line of credit of \$1,500,000; \$1,200,000 has been used.

Mr. Babcock moved to authorize a loan of \$240,000 with First National Bank in St. Louis, the terms to be worked out by the Chairman. Mr. Brown seconded the motion which was passed.



Walter L. Metcalf, Jr., Secretary