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University Presidential Update- February 2022

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Campus Update from President Comerford

President Comerford <PresidentComerford@otterbein.edu>

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 1 attachments (1 MB)

Credit Opinion - Otterbein-University-OH - 26Jan22 (2).pdf;

Dear Colleagues,

Nothing like a surprise four-day weekend to let everyone catch up a little bit. I hope you enjoyed it and were able to dig out of your driveways in the meantime. I was personally saved by a nice neighbor with a snowblower!

I was reminded on Thursday and Friday that while most of us were safely staying off the roads, select Otterbein staff were headed to campus to keep us all safe. Facilities, dining, and OPD were among those who ensured our residential students were served and campus was fully prepared for reopening by Friday afternoon. Thank you!

Bond Refinancing

Thanks to Susan Bolt and crew, we have almost completed refinancing our bond debt. The previous set of bonds had a step-up payment schedule, meaning that we were at our peak repayment requirements for the next several years. The new repayment schedule is equal for the next 30 years. We will have changed our annual debt service payments from about \$3.4 million to about \$2 million.

As part of the refinancing process, Otterbein was rated by Moody's. Nothing like having financial professionals look at our business model and then publish a report (attached) for all to see! We entered this process with some trepidation. As we know, our enrollment is down and the higher education industry is in some distress. I am pleased to say that Moody's rated Otterbein as stable at Baa1 - just a step below A3. This was no accident and I'm thankful for all the work in the Business Office to make this happen!

The bonds have been marketed and sold (at a 3.7% interest rate) and we are on track to close on the transaction next week.

Innovation Fund

Led by Wendy Sherman-Heckler, the innovation fund process has been underway for the past few months. We have narrowed the list to six proposals, which can be reviewed in full [here](#). You will see new academic programs, ways to earn revenue from businesses looking for communication and design expertise, ideas to expand the number of student-athletes, and a program to enhance retention of a sub-set of students. All exciting stuff!

Now comes the hardest part - picking. Funding all the initiatives would take about \$520,000 and we were planning to spend about \$200,000-\$250,000. Please review the proposals and let your representatives in Planning and Senate know your thoughts.

And, remember this is all a pilot. We are learning a lot as we go and plan to repeat the innovation fund each year. So, ideas that do not get funding this cycle can hone their proposals and come back.

Great organizations are always reviewing what they do and ensuring they adapt to current needs. I'm excited

that we're doing this in such an inclusive way!

Chief Diversity Officer

Some of you will remember that in 2018 the University committed to hiring a Chief Diversity Officer by 2020. After a two year delay, we are finally moving forward on that pledge and forming a search committee.

I know some will wonder why we should create a new position during otherwise challenging times. My answer is simple - we expect this position will make an impact that is measurable and helps us achieve our financial and educational goals.

All of Otterbein's enrollment growth prior to the pandemic has come from students of color. Our incoming classes went from 12% students of color to 28% between 2014 and 2022. We've also seen growth and opportunity in other populations, from LGBTQ students to students with disabilities. These changes are something we should all be proud of. But, we must adapt the University to ensure these students are fully welcomed and successful.

The CDO will focus their time on recruitment, retention, increasing diversity in hiring, links to companies looking to support and hire a diverse workforce, and building revenue by offering programs and services to regional businesses and organizations, like those emanating from the Truth, Racial Healing, and Transformation Campus Center. The CDO is not a replacement for the great student-focused work in the Office of Social Justice and Activism. It is a chance to be proactive in how we position Otterbein externally and internally for an increasingly diverse society in need of leadership.

For The Love of Otterbein

As you may recall, in the pandemic's early months we decided to go to every alumni and friend of Otterbein and ask for help. Yes, it was close on the heels of the Stand Campaign, but we had urgent needs to support students, safety programs, and infrastructure.

The effort ran for just 13 months - December 2020 through December 2021. In that period, \$6.2 million was secured from 3,221 generous donors. This is an increase over previous years and is especially notable during a period of such uncertainty. The Otterbein family really stepped up their support and we are truly grateful to the hard work of our friends in Institutional Advancement. Say thanks next time you see them!

Six Month Vacancies

Back in 2018, we took a number of steps to reduce expenditures and close our budget deficit gap. One of those was to hold staff vacancies open for six months before reviewing the position and authorizing a search. By doing this, we could save the six months of salary and try a temporary staff reorganization to see if refilling the position was truly necessary.

In many ways this worked well, and saved us about \$680,000 per year in vacancy savings. But, it has caused a lot of stress in offices with a vacancy. When a colleague departed, the remaining staff knew their plates would be much fuller for at least six months. This has only gotten worse as we have seen higher turnover rates in the past year. The "great resignation" is real and we are seeing it at Otterbein.

Moving forward, we have decided to end the six month vacancy requirement. Given higher turnover rates, we are already capturing significant salary savings. Rarely do we fill a position the day after someone departs, so there is always some natural savings. We will still, of course, review the necessity of each position before we authorize a search.

I hope this is good news for all the staff who have done such remarkable work over the past year especially.

Collaboration

You will soon see a more official e-mail announcement, but I would like to invite you to a townhall on **Thursday, February 17 at 4:00 p.m. in Roush Hall Room 114** to learn about some early thinking about how Otterbein can collaborate with other colleges.

You may have noticed that the strategic plan includes a goal “Priority 4: College Collaboration – identify campuses interested in collaboration and conduct study of possibilities.” Even prior to the pandemic, some small colleges were thinking about collaboration that could increase our attractiveness to students, provide for some efficiencies, and launch us into new program areas. The pandemic’s effects on all colleges has only accelerated that thinking.

It is early, so don’t expect any big announcements on February 17. But, it is time we start talking about the possible models and getting feedback for our campus community.

As always, I am truly grateful for all you do!

Sincerely,

A handwritten signature in dark ink, appearing to read 'John', with a stylized flourish at the end.

John Comerford, Ph.D.
President