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Campus Update from President Comerford

President Comerford <PresidentComerford@otterbein.edu>

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Dear Colleagues,

We have entered the phase of summer when everyone notes how quickly it has gone. This ritual happens every late July/early August and I am joining the chorus. I did get away for a while – to celebrate my parents' 50th wedding anniversary with a family Alaskan cruise. I came back with a beard in homage to the wilderness, so we'll see how long that lasts.

Fall Enrollment

Let me start with what is surely on everyone's mind this time of year – what will the class look like?

I'm pleased to say that we continue to gain modest ground on the incoming first year class – now standing at 540 active deposits (572 at this time last year). Thanks to great contact through enrollment staff, orientation sessions, coaches, and faculty we have kept summer "melt" low so far. 531 of those students are registered (98%) compared to the 540 (94%) who were registered at this time last year. Add to this transfer students, where we have 89 commits. We are continuing to see late interest from a handful of students, including a few from Alderson Broaddus University in WV, which just announced it is closing.

In sum, the numbers of the class look a lot like last year...and the year before. We still want to get back to 600+, but our steady state is the envy of many other institutions. And the innovation fund proposals I mentioned last month (band, women's wrestling, esports, etc.) should push us above 550 next year.

Returning students retention also appears strong, with 1,437 registered out of 1,476 projected. This percentage (97%) is similar to last year at this point (98%).

Finally, I'm pleased that after months of running behind on graduate student registrations we have gained real ground. Programs directors and recruitment coordinators worked the phones and increased registrations to 162, closer to last year's 188 at this point.

Budget

The next thing people will be wondering is what this all means for our budget. Let's start with last year – Fiscal 2023. It will be several weeks before it closes and then several months before it is audited, but we have the general idea at this point. What was expected to be a \$1.7M operating deficit will be much better than that. We did not spend all the money allocated (we never do) and revenues from events and summer school exceeded expectations. We also had our biggest fundraising year since the Stand Campaign, with \$1.5M in unrestricted giving (which goes right to the budget) and \$7M total giving – up \$1.5M from last year! This all makes the operating budget look balanced (before we pay debt principle and capital expenditures).

This ignores the big news in FY23, however. Thanks to Susan Bolt, the Business Office staff and our consultants at Forvis, Otterbein qualified for an Employee Retention Tax Credit. Basically, we were able to demonstrate that our revenue declined enough in 2020 that the federal government is reimbursing a share of employer payroll taxes. This totals \$5.4 million. It is more one-time money, so does nothing for future budgets. But, it is certainly a shot in the arm (no pun intended) that we'll take!

This year's budget (FY24) is still a work in progress. Last I told you, we projected a \$3.3M operating deficit and that was too high. We have been working on updates and found some good news. Just a few examples... We

will receive significant interest on our cash accounts as the Fed raises rates. We expect more growth in events and rentals. We are moving to sell the house at 5 S. West St. (behind Dunlap-King). And we are planning to increase fund raising results again. These moves are beginning to close the gap without requiring tough choices, but we are not done with the budget adjustment process.

Enrollment Management

You will recall in my last update, we intended to hire a consultant to review our enrollment practices and begin a search for a new Vice President for Enrollment Management. In a slight update, we are moving forward with a consultant from Ruffalo Noel Levitz who will be on campus in the coming weeks. We will not launch a search for a new VP until this process is complete.

Why? The results of the study will surely inform what we're looking for in a search. Plus, a search at this point would result in a late fall hire – far too late for a new people to have much impact on the class arriving in fall 2024. And, finally, it saves some money in this fiscal year.

DEIB Plan

Many of you were a part of discussions on a plan for Diversity, Equity, Inclusion and Belonging at Otterbein. I am so grateful that Frank Dobson has picked up this work. He has also gotten deeply involved in the Truth, Racial Healing, and Transformation Campus Center. This has led us to think THRT and the DEIB plan need to more intentionally integrate.

Expect Frank and the Diversity Sub-Committee to pick up this process early in the fall semester, with lots more opportunity for engagement across campus.

It is a busy and exciting time on campus! Thanks for all you do to ensure our new and returning Cardinals feel the love!

Sincerely,



John Comerford, Ph.D.
President

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