

Colleagues Together at Halftime

President's Fall 2019 Welcoming Address

30 August 2019

Welcome back to campus everyone! I hope that all of you had some fun, inspiration, and relaxation with family and friends this summer.

Three highlights for me. I really enjoyed celebrating the 60th (61st) Anniversary of our American Junior Year program at the University of Heidelberg in Germany with Academic Dean Bryan Smith in late June. Congratulations to our program director, Dr. Hanne Heckmann, on making our AJY program stronger! And kudos to Bryan for establishing some new UH science faculty and student connections for us. After so many visits and so much personal time in that country, it was wonderful experiencing it through Bryan's first-time ever eyes! In late July, I was able to join my siblings to visit our parents in Oregon. It was great to be together and talk a lot, help our mom with some health problems, and hug our dad on his 90th birthday! Then I loved seeing Student Prince Brian Regan perform at Lakeside earlier this month. After the Berg dinner with over 180 alumni and friends, Brian performed for over 2,700 SRO people in Hoover Auditorium, the biggest Lakeside show this year. That man is incredibly funny and very generous to Heidelberg!

As I said at our Opening Convocation yesterday, Heidelberg University is beginning its 170th year of educating young women and men through learning in the Liberal Arts and Sciences, in market-driven professional education, and in complementary cocurricular and extracurricular programming. When we stay passionately focused on our students to ensure their excellent education, full engagement, total success, four-year graduation, and preferred placement, we fulfill our Core Student Mission of preparing all students to lead a thoughtful life of purpose with distinction. That is a great and noble mission.

I think that we have accomplished a lot together over the past decade. We achieved more great successes this summer. And I believe firmly ... without any doubt ... that we will continue to advance Heidelberg in many more amazing ways for our students going forward in the future.

Pause ... Appreciating Halftime

When Board of Trustees Chair Kathy Geier mentioned the end of my 10th year as Heidelberg's president at the Board meeting in June a few times, I appreciated the voice of support. Kathy's central message for me and all of us was pause and reflect on our accomplishments, gain confidence from our successes, and take that positive expectation forward as we shape our future together.

Student Enrollment, Profile, Engagement & Success

Against a 70-year average of about 942 fulltime students in the fall and about 919 fulltime students in the spring, while noting strong highs in the late 1960s/early 1970s and dangerous lows in the late 1970s/early 1980s, Heidelberg's student enrollment has been relatively flat since 1950. In the last 10 years, we have averaged about 1062 in the fall and about 962 in the spring. We budgeted for 1051 fulltime students this fall. We currently have 1049 students. That is 99% of goal with one week to our census day! Given the continuing decline in American high school students and the big switch to state institutions in places like Ohio, it is good to be holding relatively flat in such a shrinking and super competitive market. Yes, we need more students, and yes, we want to grow to about 1200 fulltime undergraduate students. And I see positive signs in front of us.

Our Admission Team, the Athletic coaches, and many others work extremely hard to recruit new students aggressively and successfully. We currently have 333 new first-years and 29 new transfers. Our Faculty, the Owen Academic & Career Support Center, the Student Engagement Office, and many other offices deliver our programs and services to students with energy and passion. Our 72% sophomore retention rate is the second highest in 20 years and our nearly 52% four-year graduation rate in May is the highest in 30 years. At the same time, we have strengthened our overall student profile in terms of gender, underrepresented, geographic, and demographic mix. Our students are stronger academically and more engaged on campus and in the broader Tiffin community today than in recent years. To help support retention, persistence, and graduation among our 65% student-athletes even more, I am so pleased that Professors Traci Stark and Jon Waters will serve together as Faculty Athletic Reps this year. They are piloting Dual FARs in the OAC! I am encouraged by all of these efforts and indicators of improving student success and our focus on it.

Thank you to Mr. Doug Kellar for leading the Enrollment Management Team successfully for the six past years! I will miss you personally and professionally.

Faculty, Staff, and Administration

I think that we should all take a breath and appreciate who we are as an educational community. Heidelberg's faculty, staff, and administration are about 270 fulltime and about 100 part-time very talented and dedicated individuals who take pride in their work and care greatly about the success of this institution serving students well. About half of us came to Heidelberg in the past ten years and the rest of us have been here a decade or more. That is an excellent mix of newer and more experienced talent! I believe that we share a strong collective passion for the success of our students. That is powerful. I believe that we are working hard at making our school better for students. That is what we should be doing. Take a look around Gundlach Theatre right now, or take a look across campus anytime, and say to yourself, "Wow, this place is incredible (warts and all) ... we are all Heidelberg colleagues ... you are my colleague and I am your colleague ... we are *Colleagues Together!*"

When someone departs Heidelberg, and over 90% of the time it is voluntary, we might be happy or sad, supportive or indifferent, confident or concerned about it. There are a lot of reasons why people leave our institution by choice, including retirement, family needs, preferred location, industry change, better job, different job, stronger school, higher compensation, more benefits, new opportunities, or new boss. Many other reasons too. All are highly personal. We are experiencing a wave of departures now for many of these different reasons. Like we do in all cases, it is important for us to understand why *Colleagues Together* depart in order to learn how we can improve ourselves and the organization. At the same time, we should all wish our departing colleagues success and happiness. Then move on.

We are this learning community that cares. No surprise, we have divergent views and disagreements. We have dissatisfactions and disappointments. We have frustrations and conflicts. Some of those feelings are about the administration and some of those feelings are about our relationships with each other. Everyone is in the Berg Boat together! We all want better communication. We all want more collaboration. We all want aligned decision-making. We all want clearer priorities. We all want more trust. We all want more respect. We all want more appreciation. We all want more success. And as one colleague shared recently, we all want better "people ability" skills. One of our major tasks this year is to improve our campus culture to address these issues as much as possible.

Core Student Mission Programming

Heidelberg's academic, cocurricular and extracurricular programming continues to get better in many ways. We have been asking ourselves the central strategic question "Why Heidelberg?" for a long while. The key is to offer new and improved programs and experiences that prepare more students for more success in the rapidly changing job market and that enable more students to feel more happiness in their lives. When our work accomplishes these lofty student success goals, then we build institutional momentum and that makes our school stronger.

I applaud the Faculty for creating, approving and introducing new programs, majors, specializations, special courses and opportunities in Nursing, Exercise Science, Watershed Science Management, Business, Computer Science, Marching Band, Theatre, and Video Game Production. The recent launch of our BSN Program and RN-BSN Completion Pathway is exciting. Thank you to Dr. Karen Estridge for leading the way! The new Exercise Science Lab is fabulous. The new Watershed Science course sequence to be taught by NCWQR lab scientists will be outstanding. The new Insurance Risk Management course is truly market-aimed. The new Google and new Adrian/U Michigan Computer Science partnerships are fantastic. Thank you to Professor Sean Joyce! The growth in Marching Band participation (from 12 to 72) and Theatre majors (from 8 to 48) in the last three years is incredible. Congratulations to professors Jon Waters and Stephen Svoboda and to Stephen and his students for performing The Penguin Tango at the Edinburgh International Theatre Festival this month! And our new Video Game Production Lab (also our eSports Gaming Club Room) in The Gaming, eSports & Media (GEM) Center will be spectacular (USDA project #1). It is also exciting to see Faculty in other areas of study changing their curricula to be as responsive to student needs and market demands as possible.

All of this great work is enabled and supported by the always getting stronger Owen Academic & Career Support Center (Thank you, Dr. Ellen Nagy!) and the rapidly innovative Center for Teaching Excellence (Thank you, Dr. Courtney DeMayo Pugno!). Everyone on campus needs to recognize how critical these two groups are to our total success. At the same time, we have a terrific opportunity to get stronger through our General Education program. I was so pleased about the Faculty General Education Committee work last year that produced an improved Gen Ed "Four Category" model and a brand new Gen Ed "Integrated Studies" model for consideration. Beginning last week, I appreciate the Faculty discussions and deliberations about these models. I respectfully encourage the Faculty to go bold, go innovative, and go distinctive with the broader interdisciplinary focused

and deeper professional development focused “Integrated Studies” General Education curriculum. This model would make our students better prepared for successful jobs, careers, and lives. I think this educational “life ready” approach would distinguish Heidelberg.

Our cocurricular programming must support our Core Student Mission too. We should feel very good that the HYPE Career Ready Program is starting year four this fall because we will graduate our first transcribed HYPE class next May. Thank you to Director of Student Engagement Jacqueline Sironen who accepted this extra job when it was handed to her after she started in 2015! Now we need to make this program more effective and more compelling for our students. We need to strengthen it with a more holistic focus on internships, career development, and placement. I like the ideas being proposed for fewer HYPE keynote speakers, more industry experts in the learning sessions, tighter student learning outcomes, and more outside funding. In some manner, we should integrate parts of HYPE Career Ready with the new General Education curriculum. Finally, I think that we can communicate and market all of our new and improved Core Student Mission programming effectively and powerfully to current and prospective students through our Brand Positioning Platform and the *Big Opportunities and Life Advantages* messaging.

Alumni, Friends, and Trustees

Heidelberg’s alumni, friends, and trustees are more engaged and more supportive than ever before. We are grateful that about twice as many alumni attend Homecoming in October, Alumni Weekend in June, and other campus/off campus events throughout the year today compared to previous years. Yes, we would like a higher percentage of alumni to support the Heidelberg Fund annually. We need a wide base of support. Yet, with increasing numbers of unaffiliated “university friends” and our very generous Board of Trustees, we are most fortunate to be receiving more donor gift money than in the past. Our annual fund, building capital campaigns, and the Academic Comprehensive Campaign for Excellence have been highly successful. As we develop more involvement from alumni and friends, the Trustees always lead the way with major cash gifts and pledges. The support, guidance, and leadership of our Board is altogether phenomenal!

Campus and Facilities

Heidelberg’s campus is more appealing and the facilities are getting stronger every year. Several excellent construction projects were completed this summer. After

its soft opening on Commencement in May, The HeidelBean! has been finished and polished. That is a fun space! So is the new Philalethean Fireplace & Lounge in Saurwein. Check it out! And for pure curb appeal and utility, I hope that we all appreciate the repaving and resurfacing of the lower parking lots. Yes, we still have a lot of deferred maintenance to manage on this campus, old buildings to renovate and restore, and new facilities that we want now. Some of those needs and wishes will be fulfilled with our USDA loan projects, starting with The GEM Center construction going on now that should finish in October, and then followed by the France Hall restoration/renovation and the new Townhouse Apartments. We are grateful for the generous support of many donors to make our facilities and campus function more effectively in serving our students and guests. My huge applause goes to the hard work, amazing expertise, and strong leadership of the Krammes Team! Heidelberg looks and works better. Everyone says that now. We should be proud of this beautiful campus.

Operations and Financials

Heidelberg's core business operations and financials have been out of balance for a long time. As I have shared consistently since arriving here, we have been running annual operating cash deficits for about 20 years. Fortunately, our average cash deficits have declined over the past decade. That includes two fiscal years when we could have delivered a surplus in cash funds but chose to spend in support of our students through extra scholarship funding nine years ago and for the multi-purpose gymnasium renovation two years ago. We must do better. Our budget reflects how well we run our operations. We need to balance it and then run surpluses every year. The ultimate solution to running a balanced and then surplus Operating Budget is to build revenues through sustainable student enrollment growth and other revenue sources and to manage our expenses through more strategic spending. We are not cutting our way to success.

We are not there yet. But we are getting closer in this current year. Through the campus wide strategic budgeting process this past spring and with collaboration from across all areas and functions of the University this summer, led by the Administration and Business Affairs Team, I am extremely encouraged by our progress. Based on a total fall enrollment plan of 1051 students, we left the June Board meeting with a projected budget deficit of (\$1,855,000) this year. Our projected deficit is now about (\$408,000) on 1049 total students. Most of our gap closing has come from taking out duplicate charges, counting all employees once, recognizing actual revenues accurately, adding back the employees' current share of health costs, sharpening several budgeting assumptions, and pulling back some

line expenses to match the same spending levels from last fiscal year. We have not “downsized” or “removed” one employee to balance this budget. None. With that opening total enrollment and healthy retention into the spring term, we could reach a zero balance this year if we continue to look for ways to operate more effectively and efficiently without compromising our Core Student Mission.

It is crucial to manage prudently this year and create a surplus Operating Budget starting next year because our long-term debt service will return in three years after the USDA projects are completed. Our interim USDA debt service financing is only about \$50,000 annually during this period. The annual debt service had been running at about \$1.7 million in recent years. For context, Heidelberg’s long-term debt was about \$19 million in 2009. We added about \$6 million in 2011 when we built Talmage Hall and The University Commons. While investing nearly \$30 million in new and renovated campus facilities through mainly donor and partner funding over the past decade, we actually reduced that \$25 million long-term debt corpus to about \$13 million in March. That is good debt and capital funding management. Without this USDA move, therefore, please understand that our Operating Budget deficit would be (\$1.7 million) worse this year.

But in addition, our long-term debt payments were scheduled to increase to an estimated \$1.9 million annually in 2023 due to our variable rate loan swap agreement that we made in 2013. That is why we implemented the Financial Capitalization Plan to refinance that old \$13 million of debt and add about \$23 million of new USDA debt with a low and fixed long-term rate. When we build or renovate the seven planned facilities (mainly student academic learning and residential living spaces) over the next three years, our annual long-term debt payment is estimated to become about \$2.1 million in FY 2023. Remember, if we had done nothing, our debt payment would have gone from about \$1.7 million to approximately \$1.9 million. In essence, we will add seven student-focused facilities for about \$200,000 more in annual debt service cost. That equals about 11 incremental fulltime students. The total annual debt service of \$2.1 million equals about 111 incremental fulltime students. We must grow our total enrollment and run a surplus Operating Budget before 2023. With our new programs and strategic budgeting, I believe that *Colleagues Together* can do it.

Tiffin Community Relations

Heidelberg’s relationships across greater Tiffin and Seneca County are as strong as ever. Among many key collaborations, we work closely with Mayor Aaron Montz ('08) and City Hall, the Tiffin City Council, the Seneca County Commissioners

(Congratulations to Trustee Tony Paradiso!), State Representative Bill Reineke, numerous private businesses, several important nonprofits, and the Tiffin Seneca Economic Partnership. Our institution's future success and prosperity is intertwined with the economic development and social vibrancy of this entire community. All of the following important projects around our campus have been accomplished with our help, money, collaboration, support, and/or input. The functionally striking Sarah Street renovation behind Krammes and France Hall is done except for the new tree plantings. The Greenfield Street (and Miami Street at TU) Pedestrian Safety Plan has been implemented. I love those Ohio Law Pedestrian Crosswalk signs! The East Perry Street and East Market Street attractive streetscape projects connecting our campus to the Historic Downtown are nearly done. The Tiffin Railroad Crossings Safety & Quiet Zone project has left the station with some of our funding and is expected to be finished in late 2020. And the spectacular National Corner with park gardens and splash pad was dedicated 12 days ago to complement the Frost-Kalnow Amphitheatre at the East Green ... stunning! We will continue to be a strong institutional citizen in our community. We will continue to help make Tiffin a true College Town.

Forward ... Colleagues Together

I did not understand Jim Collins completely when he described the focus and discipline of the "20 Mile March" in his *Great by Choice* book in 2011. Also, I thought the twenty miles was only a metaphor. Wrong. More like 20 years!

If many or most members of the Heidelberg University community think that our last ten years of changes were successful, rewarding and uplifting, but also challenging, disappointing and unsettling, well, I feel some of those same things. We have advanced this institution in so many great ways toward better fulfillment of our Core Student Mission. But we have so much hard work to accomplish in front of us. The need for change can be overwhelming. Fortunately, we are a community of smart, creative, hard-working, and passionate people with lots of strong skills. We are Heidelberg *Colleagues Together*.

I really appreciate where Heidelberg is today. I believe that we have set the Heidelberg stage for enduring greatness. In the spirit of the fall sport season upon us, however, halftime is over. We need to retake the field and fill up our stage! We must keep marching forward another 10 miles and answer "Why Heidelberg?" in more compelling ways and with greater clarity and conviction to current and prospective students and to their families.

We need to do three overarching things together this academic year:

1. Improve our campus culture
2. Execute our current key initiatives
3. Develop our 5-year strategic action plan

1. HU Campus Culture Improvement

Our campus culture is not where we want it to be for ourselves. I believe that all of us recognize some important issues and things that need to be addressed. If we improve our campus culture in terms of who we are and how we choose to be together as the Heidelberg community, then we will strengthen our collective ability to serve our students and fulfill the Core Student Mission much more successfully. We will work on these five pieces together this year.

➤ *Core Values and Operating Principles*

We need to understand, confirm, and articulate who we are and how we want to conduct ourselves in this campus community. Beginning with the Senior Leadership Team, and then moving through all leadership teams, divisions and departments, we will revisit and recalibrate our institutional Core Values and Operating Principles. It has been 10 years since we did this work. Phil Ness and I will be facilitating this effort. Everyone will be invited to weigh in on it.

➤ *Diversity, Equity, and Inclusion Committee*

We need to become a more diverse, more equitable, and more inclusive campus for all students, faculty, staff, and administration. We announced the formation of the DEIC in late spring. We shared all of the preliminary planning that led to this idea and recommendation. About 25 *Colleagues Together* have raised their hands with interest in joining the DEIC. Given Cherrelle Gardner's departure, Margaret Rudolph will tri-chair this 7-10 person committee with interim tri-chairs Douglass Stoll and DoHee Kim-Appel until a new Director of Multicultural Student Affairs is hired. Everyone will be invited to engage in this work.

➤ *Heidelberg Customer Service Delivery Plan*

We need to serve our students, our guests, and each other much better. Based on input from several teams and individuals across the campus, we are going to develop a Heidelberg Customer Service Delivery Plan. Margaret Rudolph and someone yet to be determined will co-lead this

campus hospitality initiative. Anyone interested in joining this effort should contact Margaret. Everyone will be involved at some point.

➤ *Shared Communication Leadership Group*

We need to communicate more effectively with each other. I launched the Faculty & President Shared Communication Leadership Group a year ago. I learned a lot from my Faculty colleagues and implemented communication changes that affected the entire campus during the year. We will continue with some new members this year. This group includes professors Terry Lemley (Senior Faculty), Emily Isaacson (General Faculty Chair), Daryl Close (Faculty Personnel Committee Chair), Robin Heaton (Faculty Representative to the Board of Trustees), and DoHee Kim-Appel (Second-Year Faculty Member).

➤ *Definition of Shared Governance*

We need to improve how we govern ourselves. At the June Board meeting, Chair of the Board Kathy Geier requested that we develop a Heidelberg Definition of Shared Governance that all of us can understand, embrace, and follow successfully. One Faculty member (chosen by the Faculty), one Administration member (chosen by me), and one Trustee (chosen by Kathy) will collaborate together to draft our definition this year. They will gain input from others across campus and then present it to the Board for final approval.

2. HU 2019-2020 Key Initiatives

We have a lot of work to do in all of our jobs every day. Everyone has multiple tasks. We all feel that our work is important. It is important. The overarching strategic goals of the entire University are to deliver the Core Student Mission, build sustainable student enrollment, and balance the Operating Budget. These three goals are our highest institutional priorities. To achieve that long-term success, the SLT believes that we must execute these five key initiatives this year.

➤ *Operating Budget Strategic Prioritization Process*

We need to continue the Operating Budget Strategic Prioritization Process to stay close on balancing our budget this year and then produce surplus budgets in advance of FY 2023. Hoa Nguyen and Joel Wilkins are still guiding this work. The Strategic Budgeting Committee will now reconvene to reengage in this process following the work done this summer to make more progress before Board approval in October.

- *Financial Capitalization Plan (USDA) Implementation*
We need to implement the USDA refinancing and capital spending plan that just started. As stated previously, the Video Game Production Lab, the France Hall renovation, and the new Townhouse Apartments will be the first wave. Once done, the Williard Hall renovation, the Frost Lecture Hall renovation, and the Little Theatre renovation will be the second wave. The Student & Community Welcome Center is slotted last for planning flexibility. Hoa Nguyen and Rod Morrison are coordinating this work. Many people are contributing to it.
- *Academic Strategic Programming Prioritization*
We need to understand, define, and prioritize our strongest academic programming areas and specific programs to position our school more successfully in the competitive marketplace. What are our “academic programming peaks and star programs” that students want and markets demand? We need to invest more in where we can grow sustainable enrollment. Beth Schwartz, Bryan Smith, Julie O’Reilly, and Scott Johnson are leading this process. All members of the Faculty will be invited to engage in this important effort. While recognizing that our academic programs are most critical, similar work and discussions are going on across the campus in other areas too. For example, we are prioritizing key Student Affairs programming, our administrative services, and all vacated positions.
- *General Education Program Improvement*
We need to improve our General Education Program significantly to make it more meaningful and valuable for our current and prospective students. The traditional General Education distribution model is old and not as effective at meeting the needs and expectations of today’s student. The Faculty has a big opportunity to create a strong new program based on the “Integrated Studies” model at Heidelberg. As an elected member of the Undergraduate Curriculum Committee, Stephen Svoboda is facilitating this process. All members of the Faculty are involved in this key effort.
- *HYPE Career Ready & Career Services Improvement Plan*
We need to execute the planned fourth year of HYPE Career Ready and create a new stronger plan going forward. Through ongoing discussions among individuals and groups on campus, we recognize the imperative to integrate HYPE with Student Career Services, strengthen our Internships, and create more post-graduate Placement success. There is also a great opportunity to integrate some of the HYPE CR requirements within a new

General Education model. Chris Abrams, Jacqueline Sironen, Mark McKee, and Beth Schwartz are exploring these options. Many others will be invited to provide input on these areas for possible improvement.

3. HU 2020-2025 Strategic Action Plan

We have been executing the Heidelberg University 2010-2020 Strategic Action Plan for a decade. This plan was revised and updated twice. It has served our students well. It is now time to chart a new course on the stronger institutional platform that we have created. Phil Ness and I will be co-leading this work. We have not started. All *Colleagues Together* are invited to join us. Please reach out to Phil or me with any questions, suggestions, or level of interest that you have. This work will eventually engage the full campus during the upcoming year.

In addition to revisiting the University Vision and Mission, these are some of the key elements of the plan.

➤ *Why Heidelberg?*

We need to answer the core strategic question “Why Heidelberg?” in a much more compelling way versus competition and with greater conviction for our current, prospective, and past students.

➤ *Big Opportunities & Life Advantages*

We need to leverage the Heidelberg Brand Positioning Platform to market, communicate, and sell our strategic answers using the effective messaging of *Big Opportunities and Life Advantages*.

➤ *Value & Affordability*

We need to offer, market, and deliver a Heidelberg education that provides job, career, and life value to students today and tomorrow and it must be affordable.

➤ *Strategic Prioritization, Positioning, Resourcing & Execution*

We need to ensure that everything in this new plan is strategically prioritized, competitively positioned, resourced effectively, and budgeted appropriately in support of executing our academic, cocurricular, and extracurricular programming successfully.

➤ *Heidelberg Hedgehog*

We need to define our Passion statement (must be Mission focused) that matters for students, define our Best At aspiration (must be Market responsive) that matters in the competitive market, and define our Economic Denominator (must be Margin aware) that matters for financial success.

In closing, I hope that everyone can pause and appreciate what we have accomplished. We should feel very good about our achievements and momentum. At the same time, I hope that everyone recognizes the hard work in front of us to serve more students more successfully and become stronger as an institution. With confidence and urgency, we can advance forward and anticipate greater success.

I wish all *Colleagues Together* an excellent year!

Thank you very much.