



2010

President's Campus Update

Richard F. Wilson

Illinois Wesleyan University

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TO: Members of the Faculty and Staff

FROM: Dick Wilson, President

TOPIC: Campus Update

DATE: December 3, 2010

As we move toward finals and the end of the semester, I find myself heartened by much of what has happened at IWU this fall and encouraged about prospects for 2011. Part of my optimism is tied to the University's stronger financial position and part to what I perceive as a shift in attention to other very important priorities on campus. I am especially encouraged by the work already accomplished by the Self Study Steering Committee and the Provost Search Committee, and by the Curriculum Council's strategic attention to the General Education Program. All of these are very important efforts moving forward.

In my mind, the decisions we made last year helped us realign the University's budget in the short-term and will provide a solid foundation for the future. Those decisions were not easy and touched every person and program of the University. I am grateful for the sacrifices made by everyone and was pleased to provide the Board of Trustees with a positive financial report for FY10 (the year ending on July 31, 2010).

We got off to a great start for FY11 as a result of enrolling one of the largest classes in history and by retaining over 90 percent of the returning students. I have reported on more than one occasion that students vote with their feet. The fact that our retention rate remains high is a vote of confidence in all that you do for students on this campus. I encourage you to continue reaching out to students as special problems or issues emerge.

The adjustments we made last year and the positive news on the enrollment front have allowed us to project a modest surplus for the current year. About half of this surplus was distributed in the form of a one-time salary supplement in November. The balance is being held in reserve to handle critical needs and emergencies that could arise during the course of the year.

As we look to the future, the early reports from the Office of Admissions reveal that application totals are running about 10 percent ahead of last year. Although pleased with this situation, we also are mindful of the fact that students are submitting applications to more institutions than in the past, and it is still very early in the admissions cycle. The admissions staff is making Early Action decisions this week, so we should get a better read on serious interest as we receive responses to our offers.

We also have benefited from improvements in the financial markets over the past three months, making us optimistic that we will reach our endowment target of \$170 million for FY 12. The value of the endowment had dropped to \$140 million as the recession took hold in 2008-09. Thus, the improvement over the past two years has been dramatic, the result of both appreciation of existing assets and new additions (particularly from the Transforming Lives campaign).

Preliminary budget planning for FY12 has begun, and we anticipate being able to provide a modest increase in salaries and to begin restoring the retirement contribution that was reduced last year. Funding for both items comes from the same pool of money, and I intend to seek advice from SPBC, CUPP and the Staff Council on the precise distribution between these two priorities.

If I were asked to characterize our overall budget situation, I would use the words "stable with a positive tilt." We still have some work to do to implement the plan adopted last year. I suspect we will learn to live with continuing attention to both expenditure controls and to maintenance or enhancement of our three sources of income: student enrollment (through recruitment and retention), endowment growth and fundraising.

As I review published financial reports from both public and private universities around the country, I sense that we are in an enviable position. While some institutions are caught in the web of uncertainty surrounding state funding or are still wrestling with how to adjust to the economic downturn of the past two years, we can take some comfort in knowing that we have made the necessary adjustments and are positioned to move forward.

We are very excited that the Transforming Lives campaign is going well. We could not have selected a more challenging time to announce a campaign, but our alumni and friends are responding in a very encouraging way. We have secured over \$83 million in gifts and pledges and are on target to reach our goal of \$125 million by 2014. The campaign is unfolding according to plan with roughly 40 percent of the funds raised coming in the form of deferred gifts and estate commitments. The balance is split fairly evenly among the Wesleyan Fund (supporting the operating budget), endowment, and capital projects.

Speaking of capital projects, we are giving considerable attention to fundraising for the Classroom Building. As you will recall, we received an anonymous gift of \$10 million for this building which is a project tied directly to our teaching mission. The estimated cost of the building is \$14.5 million. Thus, we need another \$4.5 million before we can begin construction. We are having good success, and announced two major commitments during Homecoming in October.

The next few days before winter break will be very busy for everyone, but I hope you will be able to attend some of the events held at this time of year that both celebrate the season and confirm our shared commitment to Illinois Wesleyan. Pat and I send our best wishes to you for the holidays and the New Year.