



2022 Presidential State of the University Address

Thank you for attending the 2022 State of the University Address. This is my second State of the University address and as mentioned last year, the purpose of this address is to give the Bradley community an overall sense of the health and well-being of the university. To do so, I'll provide some detail on items such as enrollment and the financial position of the university. I'll talk about certain changes that have occurred over the last year and will offer some comments on our plans for the year ahead.

The format today is not conducive to dialogue. Please consider this the prelude to conversations I hope to have throughout the year. I've had the opportunity to engage this year in several small group conversations including conversations with a couple of the colleges. I would value the opportunity to continue to do so with groups throughout campus.

So how are we doing as an institution? Let me jump right to the point. I should note a copy of this presentation will be available electronically for those trying to follow along with the specific numbers I'm sharing. From a financial perspective, we're doing OK. We have opportunities to get stronger, but we are actually in pretty good shape. We finished the 2021-2022 academic year with a positive operating income of \$5.8M. Pandemic-related Higher Education Emergency Relief Fund (HEERF) funds and how we account for post-retirement funds contributed to our positive margin. It's difficult to calculate precisely where we would have landed without the aid of HEERF funds and post-retirement fund adjustments. A rough estimate indicates we would have finished the year with a \$3M deficit, which is right in line with what we had anticipated and was approved by the Board of Trustees last September.

For this current academic year of 2022-2023, we presented the Board of Trustees with two budget proposals. One proposal was for a balanced budget. A balanced budget is within sight. We'll get there soon. However, to achieve that this year, we would have to forgo investments I believe are critical to our long-term success. We also presented to the board a proposed budget that includes a \$3M deficit. This is the budget the board approved, a budget that allows us to make investments leading to stronger financial stability moving forward. To be clear, even with a proposed \$3M deficit, our cash position remains strong.

I talked about the distinction between deficit and cash flow during last year's State of the University address, but I think it bears repeating here. A negative operating deficit is an accounting measure that includes things like depreciation. Cash flow is an indication of your ability to meet your immediate financial obligations today and is critical to survivability. If your cash position is strong (and ours is), a deficit is sustainable in the short-term and makes sense IF, and only if, you're making investments that improve your financial footing moving forward.

So, what are we doing with the potential deficit dollars we plan to spend this year? This includes an across the board 2% raise, effective January 1. I know in today's inflationary environment this isn't much. My hope and expectation is for this number to grow in future years as we increase the university's financial footing. We're making significant investments in the ongoing execution of our strategic plan. Investing in the strategic plan is the way we increase our financial footing long term.

To be clear, it remains a very challenging time in higher education. After a century of unfettered growth, we're facing a level of decreased demand previously unseen in higher education. We've all heard about the demographic cliff on the horizon. It came earlier than expected with the pandemic. In the past year alone, private colleges nationwide saw a decline in first-year student enrollment of 1.5%. Our numbers are slightly better with a decline of 0.5%. We have an undergraduate incoming class of 1037 students for Fall 2022. This compares to 1042 new students in Fall 2021. While we saw a slight decline in the number of new undergraduate students, our new on-campus graduate numbers are up from 295 in Fall 2021 to 386 in Fall 2022.

A significant part of the graduate student growth comes from new international students. This fall, we have a total of 436 international students studying at Bradley, including 343 graduate students and 93 undergraduate students. That's a dramatic increase in international students from just two years ago. Collectively, our overall undergraduate enrollment sits at 4,143 students, while our graduate enrollment numbers — on campus and online — sit at 1,409 students for a total enrollment of 5,552 students.

Similar to our financial position, from an enrollment perspective, we're doing OK. That said, the competition for students at the undergraduate level continues to be very intense. A study released by Ernst & Young and the Lumina Foundation in October 2020 found:

"Up until the Great Recession in 2008, the higher education sector had experienced strong periods of enrollment growth and institution openings as it expanded capacity to meet the demand of new students each year. As the U.S. began to recover

from the Great Recession, growth turned into stagnation. Enrollments dipped. Previously built-out “seats” at institutions became unfilled capacity... Since FY2009, utilization of capacity within the higher education system has declined significantly, from approximately 90% utilization to approximately 75% utilization.”

In short, we operate in a saturated and hyper-competitive environment, a very challenging environment by any measure. But with these challenges comes an opportunity, an opportunity for us to reshape higher education by responding to the needs and interests of today’s students. For over a century, higher education didn’t need to be responsive. We assumed if we built it, they would come. We did and they did. But those days are over. The future belongs to those universities that are genuinely responsive to the needs and interests of today’s higher education students. That’s what our strategy is all about and that’s why despite the challenging environment in which we operate I’m optimistic about our future.

So let me talk briefly about the execution of our strategy over the last year. I won’t try to summarize everything here as we would be well into the afternoon if I did so. Instead, I encourage you to visit the strategy webpage for more information. Here are a few highlights of what we accomplished in the previous year.

We surveyed over 1,600 prospective students from across the United States in the creation of our strategy. We validated the survey data with 10 focus groups with our undergraduate, graduate, and online students. We know from this research that creating a welcoming and inclusive community for all is of high importance to today’s students. Not surprisingly, our first strategic action item was to “identify and onboard the Vice President for Diversity, Equity and Inclusion who will devise a plan for improving the campus climate with attention to the leading recommendations within the Report of the Racial Equity Advisory Group.”

I’m thrilled to report Dr. Warren Anderson joined us as our inaugural VP of Diversity, Equity and Inclusion in January of this year. Since then, he has established the Office of Inclusive Excellence, hired executive director Kelvin Herrera-Hassan to help lead the office and most recently created the Office of Campus Culture and Climate. I’m particularly excited about this office since it will help us better assess the campus culture and implement programs and services aimed at changing the cultural climate at Bradley. Charity Gunn has joined us as the executive director of this center just in the last two weeks. Moving forward, we plan to roll out a bias incident reporting and response protocol, initiate the development of various Presidential Commissions in areas like race and ethnicity, gender identity and orientation, access and ability and socioeconomic status. We’ll host a number of open forums for students, faculty, and staff. And in the spring semester, we’ll conduct a comprehensive campus climate survey.

The second of our 11 strategic action items focuses on establishing a Center for Interdisciplinary Studies to develop interdisciplinary programs and activities. We've made significant progress here as well. We now have a comprehensive draft center plan, led in its creation by Professor Derek Montgomery, and supported by the Interdisciplinary Studies Advisory Committee. The long-term funding of a Center for Interdisciplinary Studies will be a foundational piece of future fundraising efforts. This last year, we launched six pilot programs to advance interdisciplinary studies focused on first-year experience or faculty-mentored undergraduate research. The Caterpillar College of Engineering and Technology and the Foster College of Business — under the leadership of Dean Molly Gribb — have made significant advancements this year around convergence, an outstanding example of high impact interdisciplinary work in action.

In terms of increasing our financial strength, the emphasis of strategic action item 3, we've made significant progress in a number of ways. We did a major debt restructuring last year and we timed the market perfectly when doing so. This isn't the type of change that's obvious to most, but it's one of the most significant actions we could have taken to ensure the long-term financial viability of the university. A huge thank you to our Financial Services team for their work in this area.

A more visual change has to do with our budget system. This year, we shifted to an incentive-based budget. The incentive-based budget approach empowers our colleges to be leaders in helping us ensure the financial strength of the university. This year's budget also includes a comprehensive deferred maintenance plan to ensure our facilities don't fall into disrepair because of under investment. This summer, for example, we made significant renovations to University Hall, as well as other changes around campus.

Action item 4 talks about modernizing processes and operating efficiencies, particularly in Information Technology. In the past year, we transitioned 108 proprietary technology systems onto more sustainable platforms enabling stability for future growth. We implemented Employee Multi-Factor Authorization, providing an extra layer to secure Bradley University personal information. In addition, we completed a comprehensive data architecture study that provides us with a framework for continued work in this area.

We launched a two-year pilot project exploring various models of advising in response to action item #5, which talks about reconceptualizing the advising model and experience. There's a university wide oversight committee that's working on a series of recommendations on how best to move forward, based on the results of our pilot project.

In terms of academic support, student support, student access, and counseling — action item number 6 — we've affirmed our commitment to and expanded our B-Prep program, a weeklong program for students who did not qualify academically for their major of choice. We launched the Navigate app that pulls together and creates a one-stop shop for a collection of student success resources. And we're reconceptualizing our Academic Success Center.

This is an area where I think we have significant opportunities to improve. Student success has to be a top-tier priority for the university moving forward. A good measure of student success is our six-year undergraduate student graduation rate. Research tells us if students don't graduate in six years, they're very unlikely to finish their degrees. Our peer institutions have a six-year undergraduate graduation rate of 75.5%. We do slightly better at 77.1%, but even at this rate, that means nearly 23% of our students DO NOT graduate in six years. That means we are failing a significant percentage of our students. This is one area where we have to do better. Best in class in this area is a six-year graduation rate of 90%, so that's where we need to be as well. I understand that to achieve a 90% graduation rate, we have to rethink how we approach student success. Stay tuned for a lot more information in the coming months concerning what we need to do to move to a 90% six-year graduation rate at Bradley University.

Strategic action item number 7 talks about clarifying, identifying, and developing flexible academic pathways. The university senate has provided great leadership in this area by making changes to the academic calendar and reducing the credit hours needed to complete an undergraduate degree at Bradley. Both these changes create increased academic flexibility, which in turn, helps our students successfully complete their degrees. In the area of identifying new academic programs of interest, we launched two new online nurse practitioner degrees in adult-gerontology and psychiatric nursing. We have new online M.S. degrees in Computer Science and Nonprofit Leadership. These online programs are supported by our recently established Office of Online and Distance Education, led by Dr. Rui Li. This year, we received \$2M in grant funds targeted at enhancing our online capabilities as part of a wider EDA grant awarded in partnership with ICC and Eureka College. This fall, the College of Liberal Arts and Sciences launched a collaboration with Illinois Wesleyan University where Bradley students interested in studying Japanese can do so through Illinois Wesleyan. Illinois Wesleyan students interested in studying Arabic or Chinese can do so through courses at Bradley. This model of collaborating with other area universities to better compete in our hyper-competitive environment is something I expect you'll see more of moving forward. And all of this is just a small sampling of the great work being done to clarify, identify, and develop flexible academic pathways.

Action item 8 talks about developing a more systematic approach to engaging with community partners. On this front, we've developed a formal research partnership OSF. We're also working with them on a possible joint physician's assistant program. We worked with ICC and Eureka to obtain a \$14M IT workforce development EDA grant for the region. This includes the \$2M specifically for Bradley University that I previously mentioned. We're in discussions related to creating a Regional Healthcare Education Consortium and we're working with the Dirksen Center to create a Bradley University specific Washington D.C.- based Congressional Internship Program.

Professor Jennifer Robin has been leading an effort to develop a comprehensive Life Design plan for our students in response to strategic action item number 9. We're in the very early stages here, but I'm very excited about the work Dr. Robin is doing. I genuinely believe this is one of those areas where we could be truly distinctive by assuring the success and well-being of our students. Stay tuned for more information on this topic.

We've put a temporary pause on executing the Gallup Alumni Survey as outlined in strategic action item 10. We have intentionally done so to allow greater investment in other areas of the strategy.

Action item 11 talks about developing work study programs tied to undergraduate research and other experiential learning opportunities. We now have a comprehensive plan for executing this strategic action item and are currently mapping out the time and resources needed to be successful.

Hopefully you can see by what I've shared we've made significant progress in executing our strategic plan. None of this is happening by accident. I know there was a tremendous amount of work happening all over campus to get us where we are today. There's still work to be done, but I just have to pause and say a collective thank you for all that you have done to help us move forward with the strategy. Again, I remain optimistic about our future despite the highly competitive environment in which we operate. I'm optimistic because I can feel the progress, and I know the impact it's going to have long term. We're shaping the future of higher education, and I can't thank you enough for doing so.

To be clear, I'm not naïve to challenges we still face. I know there is still a significant amount of fatigue all around campus after two of the most challenging years most of us have ever faced. And we're asking people to do more with less than we have ever before. We must do a better job of supporting the talented people who make up this great university.

I'm pleased last year we were able to finally complete the Faculty Salary initiative. It's now time we do the same for the amazing staff of the university. This year, we'll execute a comprehensive Staff Salary Initiative, part of which will include an assessment of our hourly positions. This will be a yearlong process, beginning with modernizing our classification and compensation structures. The design process will continue through the remainder of the 2022 calendar year with changes taking place in phases over the next few years. We'll share significantly more information about the Staff Salary Initiative in the coming months. Today, I just wanted to let you know this is coming soon. We'll also share more information about the creation of a Staff Council. The purpose of this council is to provide a distinct platform for making sure the staff voice is heard in shaping the future direction of the university.

You'll also see big changes in Advancement and Marketing and Communications. We're currently searching for a new VP of Advancement for the university. We're working with Witt Kieffer as our search firm for this process. Witt Kieffer was our partner in the hiring of our three newest deans. They know us well and have a great track record as evidenced by our three outstanding new deans. The search committee consists of four trustees, including Board Chair Kathi Holst, Board Vice Chair Jon Michael, Chair of the Advancement Committee Kevin Schoeplein and trustee Ray LaHood. Kevin Schoeplein and I co-chair the committee. This high level of involvement by our trustees in this search process is a strong signal to potential candidates as to the strategic importance of this position. Other search committee members include Jessica Clark, Chris Jones, and Chris Reynolds. The applicant deadline for full consideration is actually today. The committee will meet later this afternoon to get a first look at our candidate pool. We'll hold interviews later this month and into November with the target of making an offer in December and having the new VP of Advancement start in January 2023. I'll continue to provide updates as we move forward with this search process.

We're also in the process of identifying a new Associate Vice President of Marketing and Communications. This is a great opportunity for us to rethink our marketing and recruiting approach in general. The days of merely opening the doors to attract new students are over. We need to get much more refined in how we attract students to Bradley University. The opportunities to get better here become clear when you look at the recruiting funnel. Applications and admittance to the university sit at the top of the funnel. This is space where we do fairly well. Prospective students are aware of Bradley University and are including us in their consideration set. We lag behind many of our peers when it comes to yield rate, the percentage of admitted students that ultimately enroll at Bradley University. Our opportunity moving forward is to become more active in how we recruit our students after they've applied and been accepted. This is something we'll look at in

great detail as we launch our search for a new Associate Vice President of Marketing and Communications and reconceptualize our marketing and recruiting efforts in general.

I would be remiss if I didn't talk about the significant change in how the university is ranked in the national media. Let me begin by saying The Princeton Review has again recognized Bradley University as one of the nation's best institutions for undergraduate students. Bradley University was named as one of the top 20 best schools for internships among private schools in the nation.

The big change comes with how we rank in U.S. New & World Report. This year, Bradley University was classified as a National Professional Doctoral Granting institution due to the number of doctoral degrees awarded in the area of health sciences. Nationally, we rank 166th. This puts us tied with schools like Xavier, St John's, and Mercer. We ranked higher than schools like Belmont, Valparaiso and Illinois State (I'm particularly excited about that one). Schools ranked higher than us include the likes of Drake, Loyola, and Creighton. I'm excited about our national ranking since it allows us to compete better on a national stage. Of course, it's a lot easier to stand out in the smaller pond of Midwest regional schools. Our opportunity moving forward is to create a level of distinctiveness that allows us to stand out on a national level. This is exactly what we're doing with our strategy and demonstrates yet again the importance of continuing to execute on our strategic plan.

We operate in a hyper-competitive environment and now with our national ranking, we're competing at the highest level. We compete at this high level by remaining laser like focused on our strategy of responding to the needs and interests of today's students. What I love about our strategy is that it is not a deviation of who we are. Our strategy is an articulation of who we are, who we have always been at our very best. 125 years ago, Lydia Moss Bradley created an institution focused on uniquely serving the needs and interests of students at that time. Today, we are reliving her legacy by focusing on the needs and interests of today's students. I stand here today and confidently say if we stay the course and remain focused on genuinely responding to the needs and interests of today's students, we'll take Bradley University to new heights and lay the foundation for next 125 years of success.

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