

DR. W. P. BEHAN DESCRIBES FINANCIAL CONDITIONS AT OTTAWA UNIVERSITY

Following is a summary of conditions in Ottawa University as Dr. Behan, President, states them. This article was written for and published in Taub Talk, monthly publication of Ottawa University. It is an honest statement of conditions and is sure that it will be interesting to students and alumnae alike.

(What about Ottawa? That query has come into the alumni office in some fashion or another several times. Here is an accurate and frank summary of the situation.)

The spirit of the student body is excellent. Everyone on the campus is optimistic and satisfied. This feeling has been brought about, no doubt, by the splendid attitude of the administration, of the faculty, and of the Board. Students seem to realize that there is a need for cooperation.

The fact that the enrollment has increased rather than decreased is also a reason for the good spirit. The first semester of last year there was a total of 229. As this goes to press there are already 245 enrolled with prospects of several more. This is the first year since 1925-26 that the college has shown an increase.

The increased interest in football and the spirit in the practice is also partly responsible for the fine spirit.

Ottawa's scholastic standing is certainly all that it should be. The school is a member in good standing of the Association of American Colleges, and of the North Central Association of Colleges. The faculty at Ottawa is well fitted for their posts. The number of teachers at any school might well be increased, but O. U.'s is adequate for the time being.

Our instructional buildings are entirely adequate and in good shape. The equipment of these buildings is in good order and is present in sufficient amounts. O. U. does need housing facilities. At present Charlton Cottage is the only university house. There are, however, many houses near the campus which are practically student dormitories.

Naturally in these times of depression the financial side of the university draws much interest. In order that the alumni may have an accurate knowledge of the situation at Ottawa, Dr. Behan was asked for the following summary:

"It is due the alumni to know the financial condition of their Alma Mater. Financial and business leaders everywhere are telling us that the time has come when we all should face the exact facts as they

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O. U. FINANCIAL CONDITIONS

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are and no longer 'kid' ourselves into any false security.

"Ottawa University is not closing its doors; it is not in the perilous straits that have caught some schools, but is not out of danger. The following figures for last year reveal something of the seriousness of our condition. We closed the year ending May 31st with a deficit for the year of \$22,000, our total expenditures being around \$112,000 and our total income around \$90,000.

"Factors in the reduced income were (a) a smaller return from our investments—practically \$200,000 of our endowment fund proving unproductive. In this we shared the experience of all other corporations and organizations having investments. (b) Income from the student fees was \$42,000. Our peak year with an enrollment in the regular session of 406 was 1925-1926. Since that date attendance has gradually decreased until we reached the low level last year of 240 for the same period. An enrollment of even 400 would have given us an income in student fees of \$56,000 instead of the \$42,000 which we actually received, while a student enrollment of 500 would have more than wiped out our deficit even though no change were made in other types of income. (c) Then, too, gifts, which the preceding year accounted for \$29,000 of our income (including payments on pledges) brought us only \$22,500. (d) On the other side of the ledger our expense column had to carry a heavy interest charge of \$8,700.00 on indebtedness and \$7,000.00 addition upon annuities.

"The last of August found the Board of Trustees facing the trying situation of balancing a budget as well as the more immediate problem of meeting our indebtedness. At the end of the fiscal year, May 31st, we owed \$142,000 in notes. As there is practically no income during the summer months and a good part of our expense continues through the summer, by August 31st this \$142,000 indebtedness had been increased by \$10,000.

"Through the generosity of Mr. C. Q. Chandler, of our Board, and Dr. F. W. Padelford, representing the Northern Baptist Board of Education, each offered to give \$3,500.00 if the trustees would give or secure a like sum the above current indebtedness of \$10,000 was arranged for and is now in the process of being liquidated. To make a balanced budget, however, and be able to run a university on even a minimum basis of efficiency, has been a difficult and a painful task but one which was absolutely inevitable. A saving of over \$5,000 in the administrative expenses was immediately effected; departmental and library budgets were pared to the quick; a new budget for maintenance and operation involved a reduction of student helpers in buildings and grounds and of all laboratory and library assistants, office and clerical services were re-adjusted and curtailments made and still there was to great a discrepancy between the probable income and the necessary expenses. In view of the whole situation the faculty, in its first fall meeting, realizing the difficulties the trustees were facing in making a balanced budget, generously and unanimously voted to contribute one tenth of their salaries this coming year to the current expenses of the school.

"Thus by varied means and measures, a budget was finally adopted which gives a possible and probably income of \$80,000 and an expense of \$82,000. If the income from gifts and from payment on pledges can be made to reach \$16,300 (\$22,000 was received from these sources last year) the budget will be balanced provided no new or emergency expenses develop which are

not now on the horizon. Furthermore, by the generous offer of the Board of Education a gift for 1931-1932, which would ordinarily go into the endowment fund, may be used if necessary this year for current expenses. We are greatly in hopes, however, that this will not be necessary. It will be remembered that some months ago Mr. C. Q. Chandler promised to give the last \$50,000 of the \$150,000 indebtedness if the Board of Trustees would secure the other \$100,000. That promise still holds and the State Convention has given the right of way to Ottawa University for a financial campaign during the next two years.

"In view of the whole situation, then what must we all do this year—trustees, faculty, students, alumni, friends?

"(1) Complete payments as quickly as possible on all unpaid pledges. There are \$185,000 of these pledges unpaid, which if paid, would not only more than wipe out our indebtedness of \$150,000 but automatically with it an interest amount of \$10,000.

"(2) Secure new gifts from every source and dare to attempt this even in this time when the economical thermometer is low and by so doing help to wipe out the debt and increase our endowment to the place where endowment income will have a larger share in the total income.

"(3) Secure more students; this will not only make for more interesting and effective class and activity life on the campus but will naturally increase our income from tuition fees. We can take care of 400 students without any more financial outlay than we carried for 240 students last year and the tuition from 160 new students will materially increase the income.

"The trustees are employing a field secretary to collect unpaid pledges, they are earnestly considering the appointment of a high grade man for the big job of securing new gifts toward endowment and indebtedness and also the launching of a worthy student enlistment campaign.

"It is none too early to begin in earnest both of these big enterprises and the school covets your interest, your suggestions, your co-operation in securing funds and students, and your ceaseless prayers.

"We are not out of the woods, we are not beyond danger, but we are determined to press on and not stop until we achieve release from debt, increase in endowment, a student body of 500 and the erection of sadly needed buildings,—library and student dormitories. Already we feel the tide has turned. For the first time since 1925-1926 we report, instead of a decline, an increase in the student body and this increase has reached 10 per cent over last year. This means that the campaign for students is on, that the faculty and trustees and students

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