

Oct. 27, 2014

Bond Rating: Financial Oversight Tool for Boards

Last week, I wrote about the Board of Trustees presentation by Senior Vice President of Administration and Treasurer **Tom Glaser** and Assistant Vice President of Financial Affairs/Controller **Lynn Sapyta**, who formally responded to the litany of allegations from Trustee **Kathy Hamilton**, Open the Books and Illinois Leaks regarding our financial stewardship of taxpayer dollars. I also mentioned that the College continues to maintain its Aaa/AAA bond rating from Moody's and Standard & Poor's, respectively.

I can't stress enough the importance of a strong bond rating. Interestingly, the September/October issue of Trusteeship magazine, which is published by the Association of Governing Boards of Universities and Colleges, contains an in-depth piece about this very topic. Written by Scott D. Pattison, executive director of the National Association of State Budget Officers, "[The Bond Rating: A Financial Oversight Tool for Boards](#)" provides three takeaways, and I quote:

- A bond rating is a useful way for board members to better comprehend their institution's finances, as it often includes analysis of the factors that result in a good or bad grade of debt.
- Board members can use the bond rating as a starting point for questions directed to the president and university officials about the financial management of the institution.
- Using bond ratings is not necessarily a panacea for what ails higher education, but they can be an extremely worthwhile tool within the governing board arsenal.

For those unfamiliar with Moody's ratings, there are 21 classifications and Aaa – which we have – is the top one. The fact that our bond rating is so strong says something extremely positive about the fiscal management at College of DuPage. For example, Moody's completed a positive assessment of College

of DuPage when we issued bonds in 2013, and it cited our large tax base, stabilizing enrollment trends, sound financial operations supported by healthy and growing reserves, and a manageable debt profile.

Moody's has cited our "prudent fiscal management and healthy reserves" as part of the reason for our Aaa rating, and Standard & Poor's states the College has a "very strong financial position paired with good financial management practices and procedures" in affirming their AAA rating of the College.

This past summer, the [Washington Post](#) wrote about Moody's downgrading three dozen four-year colleges and universities since 2013. The good news is that Moody's has assessed 398 of 509 rated private and public four-year colleges, universities and university systems as having minimal to low credit risk.

But [the Chronicle of Higher Education](#) also wrote that Moody's issued a negative outlook for higher education in general. Among the reasons cited is that one in 10 public and private colleges suffers what it calls "acute financial distress" because of falling revenues and weak operating performance. Again, there is good news. The U.S. Department of Education projects a 20-percent growth in master's degrees and a 9 percent growth in associate degrees.

So what does that mean for us? First of all, a strong bond rating signals our strength, which in itself should say something to the people who are questioning our financial health. Most importantly, it explains one of several reasons we maintain a strong reserve fund.

In terms of the impact of maintaining the AAA rating, if the College had the same rating as the U.S. Government (AA rating) when we issued our bonds in 2013, taxpayers would have incurred another \$2.4 million in interest costs. If the College had the same rating as the State of Illinois, taxpayers would have incurred an estimated \$6.2 million more in additional interest costs. Bond ratings matter.

State Funding

I have spoken often about the \$25 million that the state has promised to us for more than a decade. This goes back to 2002 when we were promised funding for building replacement on west campus, and our RAMP application (capital request to the state) for several years has asked for money to construct additional instructional space. This allocation has been promised to us, but we have yet to receive it. I have also said that the state will release the limited capital dollars it has when and where it benefits the person(s) releasing the money.

During the past several weeks, the governor has been releasing funds to a variety of schools: \$17.4 million for campus upgrades at the University of Illinois Chicago, \$6.1 million for an early childhood center at Southwestern Illinois College, \$1.5 million for technology upgrades and renovations at Quincy University, \$598,000 for construction projects at the University of Illinois Springfield, \$539,000 for renovations at Illinois College, and \$323,000 for roof replacements at MacMurray College. The funding comes from \$100 million set aside this fiscal year as part of the *Illinois Jobs Now!* capital construction program.

As the race for governor heads into the final stretch, it should not be surprising that the governor has chosen to distribute these funds throughout the state. However, there seems to be no rhyme or reason for the awarding of funds. I'm still hopeful, but it doesn't make our job any easier when promised funding is not disbursed. The unpredictability of state funding is why we keep our financial house so secure.

New Homeland Security Training Center

College of DuPage has begun construction of the new Homeland Security Training Center, a 39,714 square-foot facility that includes a state-of-the-art indoor firing range and a call center training lab. The \$16 million center, funded by the 2010 capital bond referendum, is scheduled to open in summer 2015.

The firing range, which measures 100 feet by 50 yards, will feature 24 target positions, running man targets and a simulator to replicate a variety of scenarios for both proximity and tactical training. Squad cars can be driven into the range to teach police cadets how to properly and safely approach suspects and vehicles.

The building's design was created to maximize learning space and minimize sound. The ground outside the exterior walls of the firing range will be elevated to capture part of the sound. A firing range consultant was hired to specifically address the acoustics and minimize sound transfer.

The new facility also will contain several multi-purpose classrooms and a call center training room for employees working at dispatch centers. Because of the high cost to run a dispatch center, more municipalities are joining together to run a single operation, and these employees need training in a variety of different areas.

The Homeland Security Training Center is the second phase of the Homeland Security Training Institute, following construction of the Homeland Security Education Center, which opened in 2011. Both facilities will provide a unique training and educational environment that is unavailable anywhere else in the Midwest.

Construction Update: Traffic Disruption on West Side of Campus Oct. 27 to Dec. 1

Beginning Oct. 27 through Dec. 1, we will be erecting precast wall and roof panels on the west campus Homeland Security Training Center site. It is possible that, depending on the number of trucks we receive each day, we may temporarily stage those trucks on the northbound lane of the west campus connector road. During this time, we will have flaggers staged along the route to allow traffic to use the west side of the roadway while we temporarily close a portion of the east side. See the [attached map](#) for details.

Please call Senior Project Manager **David Lesniak** at ext. 2972 with any questions.

Being Human

Recently I held meetings for classified and managerial personnel, as well as administrators, engineers and our police officers, to offer information on the continuing attack by several political activist groups. The sessions also offered an opportunity to answer questions. The programs were very well attended, and the sharing, from my point of view, was both enlightening and constructive.

I do not know when the assault from these outside groups will abate. Defaming people, manipulating the

truth, distorting facts and so on are tools some people/ organizations use to further their cause. We will continue striving to always do the right thing and keep focused on our responsibility to the students we serve and the community at large. We will let our record of performance speak for us.

In an unmarked envelope late last week came three quotes.

- “Make sure you don’t start seeing yourself through the eyes of those who don’t value you. Know your worth even if they don’t.”
Thema Davis.
- “Sometimes the strength within you is not a big fiery flame for all to see, it is just a tiny spark that whispers ever so softly ‘You got this. Keep going.’”
- “Courage and perseverance have a magical talisman, before which difficulties disappear and obstacles vanish into air.” *John Quincy Adams*

All of us are human and we need affirmation and encouragement from time to time. To whoever sent them my way, THANK YOU.

Satellite Phone

Any good president would say they are never off duty. They are available 24/7, 365 days a year. Vacations are intended to revitalize and are generally a contractual benefit in which I hope all employees value and participate.

In 2012, 2013 and 2014, I traveled to remote parts of Africa: Namibia, Botswana and Mozambique, respectively, where there was either no cell service or very limited service. In order for the College to contact me should the need arise, **the College provided me with a satellite phone.**

The cost of the phone averaged out to \$12.53 per day or \$877.29 for the 70 days I would otherwise have been inaccessible. Some people would see this as being responsible by being available and willing to work through a vacation. Sadly, our political activist friends have chosen this as yet another excuse to criticize.

McGraw Wildlife Fund

Certain political action groups have criticized my College sponsored membership in the Max McGraw Wildlife Foundation. They refer to it as the “hunt club.”

In actuality the McGraw Foundation (Foundation) is a 501 c) (3) not-for-profit organization “dedicated to the heritage of hunting, fishing and the wise use of natural resources.” The Foundation “is the leader in the education of professionals whose careers are dedicated to conservation. Through its Conservation Leaders for Tomorrow program McGraw works with each American university offering wildlife management degrees. Plus, it is engaged in helping over 40 states as well as the U.S. Fish & Wildlife Service in advancing the training of key individuals as to the heritage and economic importance that hunting and fishing provides. No private sector entity knows more about wildlife diseases and the human/wildlife interface in an increasingly urbanized society than does McGraw.”

Some college and university presidents have college-sponsored memberships at country clubs. Country clubs have a social focus. Most club (or other) memberships are used by presidents to further their college’s agenda. Golf, tennis and dining are amenities country clubs offer that provide opportunities for members to conduct business and develop relationships.

McGraw has available hunting, fishing, educational seminars and special events for its members; all are intended to promote the Foundation’s purposes of which education is primary among them. Costs to partake in these experiences directly support the mission of the purpose of the McGraw Foundation.

Since 2009, \$26,133.83 has been spent, in accordance with College protocol, by College of DuPage for offsite meetings and fundraising events for the primary purpose of raising money and developing friendships that can benefit COD. Over these six years, hundreds of thousands of dollars has been raised for our Foundation that directly benefit of our College. The ROI in terms of money spent versus either dollars raised or friendships created and solidified is significant. And, as traditional sources of funding are not guaranteed, funding through philanthropic efforts plays a greater role in helping to ensure academic excellence.

Wine: Health and Economic Benefits

The French Paradox told the world that wine, primarily red wine, when consumed in moderation has significant health benefits, among them being reduced coronary heart disease and treating some forms of cancer. Resveratrol is the main compound found in grapes that offers this benefit.

All things being equal, what do these items: car, boat, lawnmower, skidoo, etc., when purchased new, have in common? All are likely to have decreased in monetary value when you go to sell them.

Wine is a different story. Personal collectors who know what to buy often make money in resale. Restaurants, like Waterleaf, purchase product to sell, not store, at wholesale cost and mark it up 2.5 times, on average, to make a profit. If Waterleaf purchases \$50,000 at wholesale cost, it can sell its investment over time for \$125,000. Most of us would take that deal on everything we purchase.

It's hard for me to understand why our critics can't understand how this works. It doesn't seem all that complicated. If, however, their agenda is to criticize, then understanding this fiscal reality doesn't align with their purpose.

In the weeks ahead there will be more to come on Waterleaf, a recent addition to our non-traditional repertoire to market College of DuPage. The latest in our marketing ensemble is the Lakeside Pavilion.

Check out the new campus signage and note the east end of campus is now designated Dining and Entertainment.

Noel-Levitz Student Satisfaction Inventory

For me, enrollment growth has always been a priority. As stated often, it is a sign of institutional vitality. Enrollment growth helps validate the College's belief that it is meeting community needs. Below is a chart comparing College of DuPage and Harper enrollment changes over a 15-year window (I joined College of DuPage in 2009).

Another means we employ to judge student satisfaction is the Noel-Levitz Student Satisfaction Inventory. If you are inclined, please review the results of the Noel-Levitz Inventory on the [employee portal](#) under the Documents

tab. The Inventory reveals that students are very pleased with their education and experience at COD. Inventory findings that resonated the most with me include:

- Eighty-three percent of students indicated that COD was their first or second choice for higher education.
- Cost (86 percent of the students) and academic reputation (69 percent of the students) were the most influential factors for why students choose to attend COD.
- "Met Your Expectations" is at an all-time high.
- "Overall Satisfaction" tied the all-time high achieved in 2004.
- "Would Enroll Here Again" is at the highest level since 2004, when it scored 0.05 higher than the current 2014 rating.

Thanks to all who help make these successes possible. It doesn't just happen.

Fall Term	Harper College		College of DuPage	
	Headcount	FTEs	Headcount	FTEs
1999FA	14,817	7,751	29,032	15,657
2008FA	15,250	9,187	25,668	14,913
Change from 1999FA to 2008FA	433 or 2.9%	1,436 or 18.5%	-3,364 or -11.5%	-744 or -4.7%
2008FA	15,250	9,187	25,668	14,913
2014FA	14,723*	8,696*	29,477	16,857
Change from 2008FA to 2014FA	-527 or -3.5%	-491 or -5.3%	3,809 or 14.8%	1,944 or 13%

*Unofficial (self-reported)

College Fair Success

The College of DuPage College Fair held last week brought 239 college and university admission representatives to campus, reaching more than 2,000 prospective college students and their families. The event not only connects students with prospective baccalaureate institutions but also gives us an opportunity to show what College of DuPage has to offer in terms of facilities and programs. [Click here](#) for photos from the event.

Employees from Admissions and Outreach and Counseling and Advising, as well as the Student Ambassadors, staffed the event and were busy the entire night discussing educational options. The Office of Financial Assistance, along with the Illinois Student Assistance Commission (ISAC), provided financial aid presentations to families throughout the evening. A high

school counselor center was available for students to inquire about potential institutions that may offer their major.

This year, the event was held in the newly renovated Physical Education Center, and many of the staff heard positive remarks from the students and families who attended. Many times we heard how incredible the campus looks and how impressive it appears upon arrival. Admissions representatives from other institutions attended a dinner in the McAninch Arts Center lobby and also shared positive comments about the aesthetics of our campus.

My thanks goes out to Admissions and Outreach, Counseling & Advising, Financial Assistance, Student Ambassadors, the MAC, Conference and Event Services, the Police, Custodial Operations and the many others who assisted in promoting the event. This is yet another example of how we can bring people to our campus and show them what we have to offer.

Laps with Chaps

Nearly 1,000 people gathered on the COD campus for the fourth annual Laps with the Chaps 5K Run/Walk and inaugural COD Food Truck Rally. Attendees enjoyed the fall weather and free activities in Race Village and Kid Zone such as a bounce house, bag toss games and face painting. This year's event drew the largest turnout to date, resulting in more than 400 registered participants and corporate sponsors at all levels. Making its debut, the COD Food Truck Rally featured popular Chicago and DuPage mobile eateries, such as Babycakes, Bridgeport Pasty, The Calle Wagon, Chicago Pizza Boss, The Grill Chasers, Mariani's Gelato Italiano, Pop-A-Harrys, Sweet Ride, Toasty Cheese and Yum Dum. During the 5K, **Brian Golden** (age 10) and **Clara Skarin** (age 7) were the first male and female young athletes to cross the finish line. The Top Overall Male was **Brett Lustgarten** (16:04) and the Top Overall Female was **Kate Deprosperis** (19:04). COD Finance department's "Why Walk When You Can Run: FY15" team was awarded Fastest Team. Covering the entire main campus, the Laps with the Chaps course is certified by the USATF and the event itself is certified by the Chicago Area Runners Association. All proceeds from the race benefit the Foundation's College of DuPage Student Emergency Fund, established to

alleviate day-to-day expenses for COD students who are at risk of dropping out. Click here for more [photos](#) and a [video](#) from the event.

Recognizing Our Veterans

In conjunction with our upcoming Veterans Day activities on Tuesday, Nov. 11, we want to recognize COD employees who served as veterans and military personnel. We will gather our COD military personnel together for a photo and will provide each person with a recognition item that can be displayed in honor of their service to our country. An article will also be included in this newsletter. If you are a veteran and/or are serving/have served in the military, please let us know your name, position at COD and branch of the military. Send this information by this Friday, Oct. 31, to **Jackie Campagnolo** at campagnoloj262@cod.edu. Please note: If you responded to our request for this information last year, you do not need to resubmit the information.

Call for Veterans Day Open Mic

The eighth annual **College of DuPage Veterans Day Open Mic**, sponsored by the College of DuPage Veterans Association, will be held from 11:30 a.m. to 1 p.m. on Tuesday, Nov. 11, in SSC 2201.

Employees and students are invited to read their favorite writing from war and military literature, including a poems, excerpts from short stories, essays, memoirs or public letters. Readers can also share a personal story, memory, private letter or show pictures to honor a veteran they know. Each presentation should be five to 10 minutes and include an introduction of the author or veteran.

If interested, please contact Professor Bob Hazard at hazard@cod.edu by Nov. 1. Include when you are available and what you plan to present.

Great Pumpkin Decorating Event

I invite anyone interested to participate in the Great Pumpkin Decorating Event, which will take place this Thursday from 11:30 a.m. to 1:30 p.m. in SRC 1144. People can participate as either an individual or in teams of four, and they can bring in a decorated pumpkin or decorate one of 20 that have been donated by Jewel in Wheaton. COD Cares will distribute the decorated

pumpkins to local organizations for their offices or client living quarters.

Glitter glue, color sharpie markers, and random fabrics and stickers will be available for use. No carving will take place, but participants can bring in other supplies. All decorated pumpkins will be put on display in the cafeteria for judging at 1 p.m., and first, second and third place finishers will receive Culinary Market gift certificates.

To reserve a Jewel pumpkin, email CODCares@cod.edu.

Employee Benefits Bash Oct. 28

Stop by the Employee Benefits Bash on Tuesday, Oct. 28, from 10 a.m. to 3 p.m. in SRC 2000. Meet the College's vendors and gather information about your benefits. Reps will be on hand to discuss their services and answer your coverage questions. As a reminder, Open Enrollment takes place Nov. 3 to 14. For more information, please call [Lauren Scott](mailto:Lauren.Scott@cod.edu) at ext. 3957.

I Am COD Group/Team Award Nominations

If you know of an outstanding group or team effort, nominate them for an I Am COD Group/Team Award. Nominations are due on Wednesday, Dec. 10, and the winner of the Spring Group/Team Award will be announced during Spring In-Service. Information and nominating forms are available on the employee portal under the forms tab or on the [Human Resources/Employee Recognition Program website](#).

Enhance COD

Keep the ideas coming! Put "Enhance COD" in the subject line and email me your idea – what it is, how it can be implemented, what the timeframe is, how and why it benefits the College, and any other pertinent information. Submissions will be evaluated each month, and the winning idea will appear in the first COD This Week of every month.

COD in the News

- [Naperville Community Television](#) covered the recent cardboard boat races held by the College of DuPage Engineering Club in the pool at the P.E. Center. In the week leading up to the event, club members formed eight teams and honed

their design skills and knowledge of buoyancy and physics dynamics to construct the best watercraft. The rules of the competition include three roles of duct tape and as much cardboard as the teams could obtain to create a viable boat for a relay race. [Click here](#) for photos from the races.

- The [Chicago Sun-Times](#) previewed "A Steady Rain," which played at the McAninch Arts Center this past weekend.

Excuse Us for Bragging

- The 2014 Prairie State CERT (Community Emergency Response Teams) Challenge was recently held at the Homeland Security Education Center. This training conference included 11 CERT teams from different areas within the state of Illinois. They competed against each other in such areas as interior searches, exterior searches, team building, triage/treatment, fire/utilities and transport. Scenarios were set up throughout the HEC: the mock courtroom, the street scene, the outdoor training tower, several classrooms and the smoke room. This training conference was presented by the Illinois Emergency Management Agency (IEMA) and this was the first year COD was the host.
- The **Office of Admissions and Outreach** had more than 450 prospective students and their families attend the Columbus Day visit last week at the Belushi Performance Hall in the McAninch Arts Center. Before the presentations kicked off, representatives from the admissions office used a T-shirt launcher to send shirts into the crowd. Those who caught T-shirts were excited to leave with College of DuPage memorabilia, and those who didn't made their way to Follett's bookstore where they could use a coupon for COD merchandise. Presentations were provided on admissions, financial assistance, Pathways to Engineering and selecting a major or a career, which was a new session presented by Career Services and Counseling and Advising. Many of the students and their families took part in the self-guided tours around campus

and were amazed at all we have to offer. Congratulations to Vice President of Student Affairs **Earl Dowling** and his team.

- During last week's In-Service Day, the Student Leadership Council invited students to volunteer at the Northern Illinois Food Bank in Geneva. Participating were 30 students from a variety of clubs, including visiting international students. They sorted and repacked more than 11,000 pounds of potatoes for our hungry neighbors. Their enthusiasm was contagious even though it was an early morning for them on their "day off."

Rumor

If you've heard a rumor or have a question, please send it to [Brian Kleemann](#).

Finally, with Halloween on Friday, we discovered something truly scary: COD has a doppelgänger! College of the Desert is a community college in Palm Desert, California. Known as COD, the school's mascot is ...the roadrunner, and the student newspaper is called The Chaparral. This is worthy of the Twilight Zone.

Have a nice and productive week.



Dr. Robert L. Breuder, President