

**REPORT TO THE BOARD OF TRUSTEES
April 2007**

**David L. Parkyn
President**

In chapel this morning we sang from Isaiah 6:

Holy, holy, holy, is the Lord God Almighty,
The whole earth is full of his glory.

One part of this “whole earth” is the corner of Foster and Kedzie Avenues, our home in Chicago. The Lord’s glory shines here.

Now that April is here we are rapidly approaching the end of the academic year. This is always a special time on college and university campuses. For many students it brings a sense of accomplishment and fulfillment of educational goals. For a few students it brings the challenge of asking some hard questions about their future in the academy, their selection of a major, and necessary changes in their social life and relationships. And for new presidents it brings a time for celebration as the first year comes to a close and reflection on the challenges and opportunities of the future!

This report will give an overview of the current semester, summarize some of what has kept us busy, and forecast some of the activities we’ll undertake over the summer months.

HIGHLIGHTS OF THE SPRING SEMESTER

- The intellectual and cultural life of campus has been augmented this semester by numerous out-of-class activities. These include:
 - concerts by various student ensembles, recitals by students in our Master of Music program, an evening of chamber music with Brazilian virtuosos and a violinist from the Vermeer String Quartet, and a recital by the famed Scandinavian violinist Henning Kraggerud;
 - the student theater production of Kung Fu Suburbia;
 - gallery exhibits of work by senior art majors; and
 - lectures by visiting scholars including the international human rights expert Douglass Cassel, the author Lauren Winner, Palestinian

Ambassador to the United Nations Afif Safieh, author Carol Swain, Covenant pastor Eugene Cho, author Robin Margaret Jensen, and philosopher Merold Westphal.

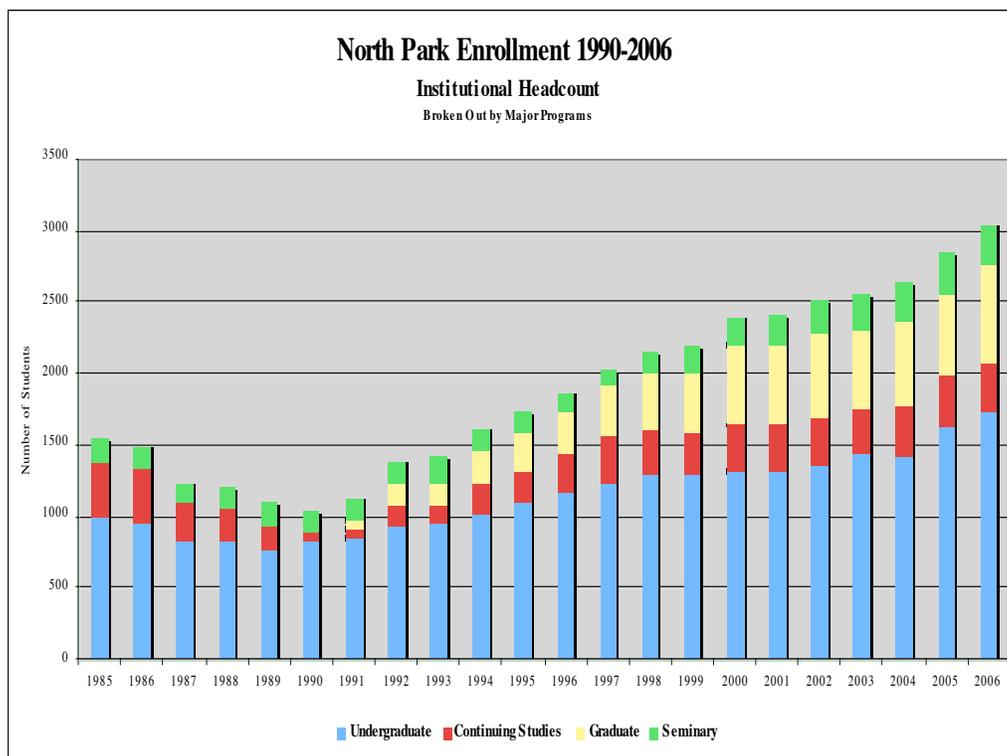
- The accomplishments of three students merit special mention:
 - Alicia Verhage ('02) has been awarded a Rotary Scholarship to pursue graduate work at the Rhodes University in South Africa;
 - Rachel Bergstron ('04) has been awarded a National Science Foundation Graduate Research Fellowship Award to support her graduate studies in molecular neuroscience at the Mayo Graduate School in Rochester, MN; and
 - Emily Johnson ('07) has had a paper accepted for publication in *Vita, Dulcedo et Spes*, a journal published by the Center for Ethics and Culture at Notre Dame University.
- Over fifty faculty and staff members have joined each week for a “Power Lunch” where they read to students in a third grade class at the Hibbard Elementary School in Albany Park. This program is undertaken in collaboration with a Chicago-based community organization, “Working in the Schools.” The full cost for the University’s participation in this program has been covered by a gift from Bruce and Joan Bickner, in memory of Bruce’s parents who were career-long teachers in the Chicago Public Schools.
- The Axelson Center is now under the leadership of its new director, Dr. Pier Rogers. With a Ph.D. from New York University, Dr. Rogers has taught at Yale University, Fordham University, and for seven years at the New School University Graduate School of Management and Urban Policy in New York City. Plans for the annual Axelson Center Symposium for Nonprofit Professionals, to be held on May 16, include keynote addresses by Peter Brinckerhoff of Corporate Alternatives and the School of Management at Northwestern University, and John Morse of Byron Media.
- During Spring Break NPU students traveled far and wide in various service programs. 56 students worked in 5 locations (Appalachia, New Orleans, Mexico, Bolivia, and Chile) through University Ministries; nursing students traveled to Guatemala; and track and field athletes worked with Habitat for Humanity in Tennessee.
- The most recent edition of *Hands On* is available online at www.handsonmag.org. It includes articles on urban public school systems, after school programs, and the challenges facing immigrant children. *Hands On* is an online social justice magazine written, edited and produced by NPU students through University Ministries.

- Enrollment for the spring semester has been strong. The data are summarized in the following table.

Spring Semester 2007 Enrollment Summary

| | Spring 2006 | Spring 2007 | Comments |
|---|--------------|--------------|----------------------|
| <i>New Undergraduate Students</i> | | | |
| 1 st -year | 12 | 16 | |
| Transfer | 57 | 92 | |
| Visiting Students | 7 | 7 | |
| Total New Undergrads | 76 | 115 | 51% increase |
| <i>Exchange Students</i> | | | |
| Exchange Students | 28 | 25 | No tuition revenue |
| <i>New Adult Learning and Graduate Students</i> | | | |
| GOAL | 93 | 90 | |
| Graduate Programs | 95 | 105 | |
| Seminary | 35 | 33 | |
| Total New Adult/Grad Students | 223 | 228 | 2 % increase |
| <i>Total Returning Students</i> | | | |
| Total Returning Students | 2,467 | 2,615 | |
| Total Spring Semester Enrollment | 2,766 | 2,958 | 6.9% increase |

- Similar data are presented in the following chart for institutional headcount, across all programs, for the past two decades.



- For the first time we have surpassed 700 new traditional undergraduate students when both fall and semester start dates are considered. This number is up 43% over the past five years.

Total Annual Enrollment for New Students

| | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 |
|-----------------|---------|---------|---------|---------|---------|
| Fall Semester | 454 | 503 | 480 | 605 | 603 |
| Spring Semester | 45 | 49 | 59 | 69 | 108 |
| Total | 499 | 552 | 539 | 674 | 711 |

- Linda and I have added more than a few miles to our frequent flier accounts while visiting alumni/ae and friends of North Park in various sites around the country. The trips have included alumni/ae gatherings in Minneapolis, Seattle, Portland, Oakland, Hilmar (CA), and Cape Coral, (FL); visits to several ECC retirement communities including those in Minneapolis, Northbrook (IL), San Diego, Santa Barbara, Turlock (CA), and Seattle; visits to several ECC churches and camps along the way; and personal meetings (nearly always involving a meal or at least coffee and dessert) with over 75 individuals or couples. We certainly haven't met everyone who has a tie to North Park but we've made a good beginning. Our travels will continue in the months ahead with the summer dedicated to meeting with more individuals and small groups. Additional focused events for alumni/ae and friends of the University will be scheduled for the fall semester.

NEW AND CONTINUING INITIATIVES

- During the spring semester the campus community gathered on several occasions to discuss themes related to NPU@125. Dan Tepke provided good organization for these discussions. Information gathered through these sessions will help to shape a long-range plan we will draft for the university during the summer.
- The two task forces I appointed for the spring semester to consider certain pressing issues on campus have completed their work and have submitted reports to me during the past few days. The reports address (a) needed changes in the personnel manual for faculty and (b) an analysis of how we support faculty in hiring, professional development, and the tenure/review process. I will review these reports, and make them available to the faculty during the coming weeks. We can expect several initiatives to be undertaken in the coming school year as a result of the recommendations issued by these task forces.
- The success of last year's summer orientation program for new students has encouraged Academic Services to enhance these offerings even

further. The V.I.P. Program provides students and parents a summer opportunity to care for business office and registration items prior to their formal arrival on campus in August. An “Early Bird Special” allows students to move into campus residences one day early. These programs, combined with an enhanced mailing and communications track, help to alleviate aspects of the hectic pace students and parents (along with faculty and staff) experience during orientation for the Fall Semester.

- Housing retention for spring semester fell from 93% occupancy during the fall semester to 87% occupancy during the spring semester. This drop in retention is slightly higher than we’ve experienced in previous years. In response, Andrea Nevels has formed a task force to consider how better to retain residential students as well as to re-evaluate the university’s housing policy requirements. Our location in an attractive urban setting brings many good things our way, and into our students’ lives. One of these is a host of options for off-campus housing. We need to consider how best to take advantage of these possibilities while still maintaining the essential residential character of North Park’s undergraduate program.
- Both the Health Services and Counseling Services centers have had a busy semester. In addition, weekly consultations on decision-making and behavioral responsibility are conducted by Student Care. The service provided through these centers often is not apparent to our community-at-large, but it is an important part of our educational program nonetheless.
- Searches are underway for faculty in the College of Arts and Sciences (chemistry), the School of Education, and the School of Business and Nonprofit Management. Interviews are also underway for a new Director of the School of Music.
- A committee has been formed to guide the search for a provost. Applications are being reviewed with the expectation of hosting campus visits with a small number of finalists during the last week of April and first week of May. I chair the search committee which is comprised of six faculty members (Rachele Ankney – Mathematics, Nancy Arnesen – English, Rollo Dilworth – Music, Elizabeth Gray – Psychology, Boaz Johnson – Biblical/Theological Studies, Mary Trujillo – Communication Arts) and Andrea Nevels.
- Likewise, the committee overseeing the search for a Campus Pastor has received and is reviewing applications. Campus visits are expected by mid-May. The search committee is chaired by Rich Johnson, Director of University Ministries. Members of the committee include Christy Boydston (3rd-year undergrad), Andrew Freeman (2nd-year seminarian), Boaz Johnson (faculty), Andrea Nevels (student development), Ginny Olson (faculty), Glenn Palmberg (ECC), and Jay Phelan (administrator).

- The University Annual Fund is running ahead of 2005-2006 by about \$86,000. This is in part a result of a first-time gift of more than \$50,000 from an anonymous donor. We also believe the gain over last year is the result of (a) good faith support of new leadership, (b) revitalization of alumni programming, (c) more aggressive direct mail solicitation, and (d) strong results from Phonathon calling. With the hiring of a new Giving Club Coordinator in the development office we are enhancing our focus on recognition of donors through giving club levels. Changes will be apparent in the coming year.
- While unrestricted income totals for the University have been trending downward, the number of donors and the number of gifts received have increased. As of early April we have received over 2,600 gifts, up almost 45% from the approximately 1,800 gifts received in the same period last year.
- The Seminary Annual Fund is running behind 2005-2006 at this time by about \$88,000. Totals for last year were bolstered by bequests of \$110,000. While it may provide some comfort that this year's totals have been received without benefit of these matured bequests, and that therefore we are actually "up" in our broad support, it is still important to reach our dollar goals. Efforts to improve this include continued presentations at key Covenant gatherings, our spring challenge which matches new and increased gifts to the Seminary, continued focus on having Presidential Scholars visit churches, and personal visits by development and seminary personnel. The donor count has increased from 189 to 271 for the same period last year, an encouraging sign.
- As an important cultivation tool, we send out a quarterly memorandum titled "From the Desk of President David L. Parkyn" to all donors of \$1,000 and above.
- The cash flow for the Formation and Transformation campaign has been much more efficient than that of the library campaign, with almost \$20 million already received. The pledges that are outstanding are almost entirely on schedule.
- This year we have encouraged sports-specific fundraising efforts. This brings in additional revenue but it also brings in new or long-lapsed donors and (especially) non-Covenant alumni/ae who have not felt strongly connected to North Park. To date this has resulted in approximately 30 donors for football and a small number for baseball. We need to wait until the end of the fiscal year to assess whether these programs have raised new funds or simply moved gifts from the Viking Club or Annual Fund to sports-specific giving.

- The development office continues to give attention to planned giving. Dan Tepke and Betty Johnson have scheduled several meetings regarding major prospects. Stewardship activities include a luncheon on April 18 at the Union League Club to celebrate North Park's women donors. Other activities include gatherings for donors in Chicago and Florida, and a planned giving mailing to 7,200 alumni/ae and friends.
- Several components of the Alumni/ae Strategic Plan are being implemented. These include developing new traditions, regular mailings of the *North Parker*, and increased alumni/ae networking opportunities both in the Chicagoland region and in selective locations nationwide.
- Men's (13-12) and women's (15-9) basketball teams completed successful seasons. The women's team shattered the team free throw shooting record posting a .758 percentage which was the NCAA-III national runner-up out of 408 schools. Track and field, women's rowing, softball, and baseball are all presently in mid-season.
- As a result of strong enrollment in both semesters we can state with some certainty that the fiscal year will end with a good surplus, perhaps close to \$1 million. The caveat, here, is performance of annual fund revenue (as discussed above). We have several immediate "calls" on this surplus for campus capital improvements as detailed later in this report. These projects could easily consume over 50% of the surplus. There are a plethora of other pressing physical needs which may need to be funded this summer. The surplus funds need to be invested in one-time expenditures rather than on projects or programs requiring continued funding.
- Development of the FY 2007-2008 budget continues. Using realistic revenue assumptions and building in known expense requirements (especially salary increases, critical new positions, and expense requirements such as utility increases) results in approximately \$500,000 of undesignated funds for the fiscal year. However, we have nearly \$2 million in personnel and program requests which chase these funds. The senior administrative team will need to prioritize requests and maintain a balanced budget. Our goal will be to present to the Board a budget for approval before June 30, 2007.
- A faculty and staff development day was held on April 9 which focused on issues of diversity and harassment. The emphasis was on our life together as a community and the ways in which we welcome and treat one another.

- Demands continue to be great in the area of information technology. A sample of the work that has either just been completed or is in progress includes:
 - installed a card reader at the entry to the Helwig Recreation Center to validate the IDs of patrons;
 - upgraded “Smart Classroom” technology in several locations;
 - installed a new video surveillance software system and consolidated many of our existing video systems to the new one;
 - in process of replacing backup and disaster recovery software;
 - in process of replacing the internet firewall and will begin scanning inbound web traffic for viruses and phishing;
 - will soon install an Intrusion Prevention System at the network core;
 - are evaluating selective new software with an implementation plan to follow.

- We anticipate that a number of physical plant improvements will be pursued this summer. We have been incrementally working on the Burgh Hall bathrooms for the past two summers and hope to complete this project. In addition, we are in the process of responding to a requirement by the Office of Civil Rights audit to provide accessibility to certain apartments for mobility-impaired students. These plans are currently undergoing permit review. Our deadline for completing this project is August 2007.

- We also have been actively engaged with the Army Corps of Engineers on the riverfront remediation project (i.e., restoration of the bank that is crumbling away and remediation of the severely leaning piling behind Anderson Hall and Magnuson). This project has been “on” and “off” the radar screen several times as the Army Corps gained and then lost federal funding. They believe that they have secured funds for the federal share (about \$1 million) and we are required to provide the non-federal sponsor’s share (about \$500,000). If all continues to proceed as planned, the project should get underway this summer.

- Shortly after the January Board meeting I presented to the campus community the proposal I developed for a modest restructuring of the senior administrative organization. Materials were distributed to all faculty and staff. Subsequently I held several open forums for broad-based discussion and also held smaller sessions with selective groups and individuals. Based on the input received, I have slightly modified the proposal and will confirm with the campus community a revised, and final, version of the proposal later this month. This final version will be distributed at the Board meeting for your information.

MAJOR ITEMS FOR BOARD DELIBERATION AND/OR ACTION

- At this meeting several of the major business items will be presented through the various committees.
 - The Academic Affairs Committee will consider a large group of faculty candidates for tenure and/or promotion.
 - The Development and Campus Development Committee will give attention to development of the NW corner of Foster and Kedzie, and will consider how Board members can/should be involved in fund raising efforts with special attention to the annual fund.
 - The Seminary Committee will consider a draft of the self-study report prepared for the accreditation review scheduled for this coming fall semester.
 - The Student Development Committee will hear a four-year retrospective on enhancement of our program in this area and consider potential further advances for the years ahead.
 - The Multicultural Committee will consider outcomes of the recent faculty and staff development day with workshops on diversity and harassment.
 - The Enrollment Management and Integrated Marketing Committee will review recent enrollment trends in graduate programs.

- We will also present to the full Board a summary of activities undertaken this semester to measure donor interest in and potential support for possible new capital projects, as introduced at the January meeting. This will require deliberation by the Board to determine appropriate next steps.

Along with my senior administrative colleagues and the faculty representatives, I look forward to this meeting of the Board. Should you require additional information on any of the topics discussed above, or others of interest to you, please be in contact with me at your convenience.

May God's caring hand be upon you as you travel to the campus, and may God's guiding spirit be with us as we gather.