

REPORT TO THE BOARD OF TRUSTEES
February 2010

David L. Parkyn
President

The past few months have been exceptional in our community in an important way. We are a community of people, a community of learners. Our purpose is to mold those who study with us so that their lives are increasingly characterized by significance and service. We educate out of a commitment to life. So we celebrate life as the central context of our educational mission.

Yet, in the past few months we have, too often, written and spoken words we prefer not to have to write or speak. More often than we would like we have expressed, "Peace be to the memory of . . ." Peace be to the memory of loved ones who have made this community their home—students, a faculty member, and a staff member—and who have passed to life eternal.

Death has been present in our community this academic year more acutely than we are accustomed. So I begin my report with a note to the memory of five loved ones.

- Vernard Jones was much loved at North Park, some years ago as an undergraduate and more recently as a seminarian. As part of his student ministry at North Park Vernard worked in the seminary as coordinator of student housing, and he served this year as seminary chaplain to the undergraduate football team. Vernard died one evening in late November while alone in his campus apartment.
- Betty Johnson was the consummate fund raising professional. Throughout her career Betty worked with a number of nonprofit organizations and institutions in greater Chicago, and joined the Office of Development at North Park as a major gifts and planned giving officer just a few years ago. She brought a lifetime of mature experience to her work at North Park, and served effectively as a mentor to many who worked with her. Betty entered the hospital for surgery in mid-October and died a few weeks later while still hospitalized.
- Wendy Burgess served North Park as a faculty member in nursing and taught in the graduate program. Prior to joining the faculty at North Park she had worked as a nurse in a number of professional settings. She drew from this extensive

experience to educate several classes of graduate nurses, helping them become increasingly proficient in service to and care for others. Wendy died alone in her home overnight in December.

- Kathryn (Kat) Perez was 22 years old and longed to be a nurse. During her undergraduate years at North Park she lived at home with her parents in Chicago, commuting each day to classes on campus and field assignments in various clinical locations across the city. She was ready to graduate this spring, take her board examinations, and enter her chosen profession. Yet on the evening of January 28, while at home with her parents, she suffered a seizure and died shortly thereafter while receiving care at a local hospital.
- One week later Jessica Stotler, a sophomore, became ill on Tuesday and died on Thursday evening, February 4, while receiving treatment at Loyola Hospital. A student from Indiana, Jessica was an on-campus residential student. Throughout her life she had received treatment for an unstable heart condition. She was an unusually determined student, however, and was able to accomplish much during her semesters of study at North Park.

Peace be to the memory of Vernard, Betty, Wendy, Kathryn, and Jessica.

HIGHLIGHTS OF THE FEBRUARY MEETING

During our meeting in February committees will receive mid-year reports on a number of ongoing initiatives, some unique to this year and others more routine.

As the Board gathers collectively, however, we will focus our attention on two particular matters of interest and some urgency.

- Undergraduate Enrollment
 - We realize quite readily that the enrollment in all of our programs—undergraduate, adult, graduate, and seminary—is important to the missional and financial well-being of the University. It is for this reason that the Board receives periodic updates on enrollment data.
 - Both the number of newly matriculated students and total enrollment for the spring semester are provided in our meeting materials. We're pleased to report (a) a sizeable class of transfer undergraduates, (b) an increased number of new students in adult programs (SAL), (c) an average number of new students in most graduate programs with a slight uptick in nursing enrollment, and (d) a group of seminarians which is larger than has been recruited in recent years. In many cases the new students at mid-year help to off-set a slight decline in enrollment at the beginning of this academic year.
 - At the February Board meeting we will dedicate specific attention by the full Board to challenges we face in undergraduate enrollment. This topic will be addressed by several campus administrators in the Board's "Professional

Development Workshop.” Additionally, I will comment on the topic in my oral report to the Board and we will have opportunity to discuss this important topic in the full meeting of the Board as well.

- During the fall semester we enlisted the services of Scannell and Kurz, consultants in enrollment management, to assess our financial aid awarding structures and other components of our admissions processes. I will comment on aspects of their report when we meet as a Board.
- Seminary Leadership Search
 - During the fall semester a small group gathered on several occasions to consider the working relationship between the Evangelical Covenant Church, the seminary, and the broader university. The group’s deliberations were summarized in a brief document which has been made available to the campus community. This document is provided for the Board with our meeting materials; it will be discussed by the Seminary Committee and as helpful by the full Board.
 - Subsequent to the October meeting of the Board, a committee was appointed to lead the search for new leadership in the seminary, in response to Dr. Jay Phelan’s decision to step down from his leadership role and resume work on the seminary faculty. The fully constituted committee includes the individuals listed below:

Robert Hubbard (seminary faculty)
Soong-Chan Rah (seminary faculty)
Deborah Penny (seminary staff)
Stephanie Stultz (seminary student)
Gary Walter (ECC president)
Evelyn Johnson (ECC superintendent)
Dawn Burnett (ECC Pastor and ECC ministerium executive committee member)
Scott Bolinder (NPU trustee)
Tomas Ivens (NPU trustee and ECC pastor)
Efrem Smith (NPU trustee and ECC pastor)
Mary Surridge (NPU administrator)
David Parkyn (NPU president)

This committee has already met on several occasions. Early in the process an “Opportunity Profile” was developed and this document now serves as a means to communicate the nature of this leadership position to prospective candidates. The Opportunity Profile is distributed with the Board meeting materials. The Seminary Committee and the full Board meeting will receive an update report from the search committee.

CAMPUS UPDATES

Improvements to the First Floor of Old Main

During the semester break contractors completed some improvements to the first floor of Old Main. Brorson Lounge, which serves a broad segment of the campus community as a central campus meeting and seminar location, was modestly renovated. This room is now better equipped for light food service, the lighting has been improved, and the room's media capability has been increased with the installation of a ceiling-mounted video projector. A fresh coat of paint and some new furniture also make the room a more pleasant and effective place to hold campus meetings and seminars.

Additionally, a Transfer Center for the Admissions Office has been located in renovated space in the southwestern corner of the first floor. The Transfer Center includes a conference room for meeting with prospective students, work stations for three full-time admissions counselors, and workspace for student assistants. About one-third of North Park's new undergraduates each year are transfer students. We expect that this student population will continue to be important to North Park in coming years, and the opening of a Transfer Center will enhance the assistance our Admissions Office is able to provide for those interested in moving to North Park as undergraduates.

Chicagoland Advertising and Marketing Campaign

January is the traditional month for us to launch North Park's annual Chicagoland advertising and marketing campaign. The 2010 series features current North Park students and introduces the community to www.mystory.northpark.edu, a website where through short video segments students discuss the impact of a North Park education on their lives, goals, and aspirations.

The student stories, and the specific message provided in each segment of the advertising campaign, introduce the audience to North Park's core institutional identity—we are “distinctively Christian, intentionally urban, and purposefully multicultural.” The campaign is presented on highway billboards, at CTA bus stops and El stations, and on CTA vehicles including buses and subway trains.

Additionally, the 2010 campaign is presented in a series of new banners located along Foster and Kedzie Avenues and along the central campus walkways. These banners mark our space in the neighborhood and remind us of our core institutional identity as we walk across the campus (especially as the weather warms!).

Development Activity

We press ahead with work on the campaign. Mary Surrige and I have dedicated much of our time in recent months to visiting with prospective lead donors and soliciting the active involvement of each member of the Board, consistent with your collective decision at the fall meeting for 100% Board participation. I expect that by the time of our spring meeting we will be able to report that we have achieved this goal for Board involvement.

Volunteers are active as members of the Campaign Executive Committee and the President's Club Executive Committee. In addition we have engaged members of the faculty in the sciences to consider how the teaching of science in the future should influence the design of the building.

Our campaign co-chairs are active in calling donors who make commitments to the campaign, encouraging full participation of the Board, meeting occasionally with donors, and attending several donor gatherings and events. In addition, Dr. G. Timothy Johnson has assisted us in producing a brief video to introduce the major campaign project to prospective donors.

Operating Budget

Our budget for the current year is in good order. Carl Balsam will provide a mid-year analysis for the Finance Committee. On January 1 we provided a 3% salary and wage increase for all full-time faculty and staff, as planned in the budget model. This was our first compensation adjustment in the past 24 months, and was possible due to the careful and deliberate effort we engaged a year ago in preparing the budget for the current year.

Though the present budget is in good order we recognize a significant challenge in preparing the budget for the coming year. Potential decline in enrollment coupled with pressing needs in several areas create a challenging environment for budget planning. We will work carefully on this and be prepared to present a budget model for FY '11 when the Board meets in May.

We have known for some time that North Park's recent and current economic model is dependent on growth in enrollment and is also burdened by inefficiencies in certain program and staffing areas. It is increasingly apparent that this economic model will not serve North Park well in the years ahead, and so we must revisit this especially as we plan for years beyond FY'11. Though we will continue to seek some enrollment growth in the near future we also realize this growth will be exceedingly hard to achieve, as we are already experiencing, especially in light of changing demographics for students of traditional college age.

The University's financial history suggests that our budget has been effectively balanced when enrollment is growing each year; however, leveling of that growth or even slight declines have resulted (in previous decades) in burdensome deficits. This means, among other things, that we did not have in place an expense structure and program efficiencies that allowed the University to succeed fiscally in the context of declining enrollment. This continues to characterize our present economic model; we can balance the budget when enrollment grows but we continue to maintain an expense structure and select program inefficiencies that will lead to an unbalanced financial portfolio if left unaddressed in the context of level or declining enrollment.

This is a significant challenge, one which requires the full embrace of the university's Senior Leadership Team and which requires diligent leadership from me as president in collaboration with Carl Balsam as CFO. It also is a task which will require deliberate Board attention as modifications to our present economic model are presented. It will require careful planning and challenging decision-making, but it also presents an opportunity to provide the wherewithal for us to be confident that we are not only fulfilling our fiduciary responsibility but also planning effectively to extend the legacy of North Park University for generations to come. I expect the Board to hold me and the senior leadership team accountable for this and to provide the necessary review and endorsement as appropriate.

AS WE GATHER

May God grant us the grace and wisdom to know what path we ought to follow, that in this path we may see light and journey with confidence into the future of North Park University.