

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

**David L. Parkyn
President**

As I've expressed to many of you, Linda and I were delighted this summer to celebrate with our daughter and son-in-law the birth of their son, our first grandchild. William (Will) David Cruikshank was born on July 17. Since we first heard of our daughter's pregnancy Linda has posted this brief prayer on a bulletin board in our home:

Almighty God, you have blessed us with the joy and care of children. Give Betsy and Calder calm strength and patient wisdom as they bring up our little boy that we may teach him to love whatever is just and true and good, following the example of our Savior Jesus Christ. Amen.

Though Will is just a baby, he needs now exactly what he will need in all his life: to learn to love whatever is just and true and good. This is our responsibility to him as grandparents, and this is our responsibility as educators to the students at North Park. What we pray for Will, our grandson, we also pray for each of the 3251 students who study with us this semester: that they learn to love whatever is just and true and good.

And it is to this end that we will gather with the Board of Trustees – to recall our mission and measure our effectiveness in approaching this mission. Perhaps this is the simple, yet complex, question we should always have before us: Do our graduates love whatever is just and true and good?

HIGHLIGHTS OF THE OCTOBER MEETING

- As part of our on-going effort at Board professional development, the October meeting will include a workshop on the role and responsibility of trustees for fund raising. This workshop will be directed by two consultants, both from The Alford Group. Our guests will be Brenda Asare, senior vice president and east division manager, and Sharon Tiknis, vice president. More complete biographies will be presented at the meeting. In preparation for this workshop, Board members should complete their reading of the book by Jerold Panas, *The Fundraising Habits of Supremely Successful Boards*, mailed earlier this summer.

- As we gather for the October meeting of the Board of Trustees we welcome five new members.
 - Mark Dennis is Senior Counsel with The Alford Group and Senior Pastor at the Second Baptist Church of Evanston, Illinois
 - Jonathan Heintzelman is Vice President for Advancement at Loyola University Chicago
 - Tomás Ivens is a Church Planter at Esperanza Covenant Church in Grand Rapids, Michigan, the first Latino church in the Great Lakes Conference (ECC)
 - Bonnie Pihl is a homemaker from Wheaton, Illinois
 - John Snow is the retired Vice President of the Auburn Corporation

Additional biographical information on these new trustees, as well as all returning trustees, is available in the membership materials recently distributed to all trustees. These new trustees will meet for an orientation session on Thursday afternoon preceding the full Board meeting.

- We often think of the spouses of trustees as “members” of our Board as well. With this in mind, we have planned a program for spouses as part of the October meeting. The full schedule for this program is distributed with other meeting materials. In addition to several events designed specifically for them, spouses also will be invited to participate in some of the Board sessions (including the President’s Report) as well as several meals shared in common with the full Board.

COMMUNICATING WITH THE BOARD OF TRUSTEES

In my first year at North Park I gave priority to improving communication with various audiences both on- and off-campus. As part of this commitment, we have introduced several new means of communicating with the Board of Trustees.

- With the October meeting, all materials prepared for each of our regular meetings will be distributed via a password-secured web page. This provides an efficient and convenient means to make all meeting materials available to all members of the Board.
- Early in the fall semester I distributed an “Update for Past Presidents and Recent Trustees.” This piece will be prepared on at least four occasions annually – at the beginning of the fall semester and immediately after each regular meeting of the Board. The goal is to maintain a regular communication link with these individuals who led the University in the recent past.
- Over the summer months a web page for the President’s Office has been posted. The page includes a number of elements, but central to these is a section on the Board of Trustees. We’ll add to this over the months to come as a means to

communicate with our faculty and staff, graduates, and many friends regarding the composition of the Board.

- Words are good, but pictures are often better. With this in mind, we have planned to take a photograph of each trustee at the October meeting. These will be used to enhance recognition of the Board both on- and off-campus. Bring a smile with you as you travel to campus for this meeting!
- If words are good and pictures are better, then perhaps graphs are best! And for this reason, we've prepared a set of annual Dashboard Reports. The reports, each in graph form, summarize several key performance indicators, each detailed for the past ten years. With this information, Trustees will be able to review a snapshot of the University's overall health. This year's Dashboard Reports are included in one of the exhibits which accompany this report. Please review this material carefully, and as you have questions we will be pleased to discuss these with you during our meeting.

OVER THE SUMMER MONTHS

- Our fiscal year ended on June 30, 2007 with very positive results. As directed at the April Board meeting we used a portion of the year-end balance to fund much need summer capital projects. The balance was stronger than expected, however, due to summer revenue and other budget savings. As a result we were able to reserve approximately \$500,000 for additional residence hall work next summer. The Finance Committee will receive a full report, and the entire Board of Trustees will note summary elements of the year-end report.
- Joseph Jones first sat at his new desk on August 1, 2007. We're delighted to welcome Joe to North Park University and to embrace him as part of the senior administrative team. As Provost, Joe serves as the University's chief academic officer and in this capacity works closely with our faculty to assure the learning effectiveness of all our educational programs. Joe's office is located on the second floor of Old Main. He soon will be joined in this location by Charles Peterson, academic dean, and Susie Olson, administrative assistant, who will move to this office suite from their present location in the Student Services Building.
- In mid-summer we reached the difficult decision to close the Master of Arts in Community Development (MACD) program. Offered for 10 years, this programs was jointly sponsored by NPU and the Seminary Consortium for Urban Pastoral Education. Since the program's inception, we were challenged to enroll sufficient numbers to assure both its pedagogical and financial viability. Attrition has also been higher than is desirable. At the same time, those students who completed the program have spoken very positively about their course of study, the commitment and expertise of the faculty, and the overall quality of the program and its relevance to their career interests. There has always been a strong missional fit between the

MACD program and the larger commitments of the University. I am also confident that many people have worked hard to help this program succeed. Nonetheless, our recent review of the program led my administrative colleagues and me to believe that the necessary and prudent decision was to close the program. We will continue to offer sufficient courses over the next two years to assure that those students presently enrolled in the program can complete their degrees by May 2009.

FALL SEMESTER ENROLLMENT

- At the beginning of each fall semester we pay close attention to the enrollment report for all of our programs. This year the report is quite positive in nearly all areas. This is great news, and a good point of celebration! Enrollment in several areas is at a record high, including both the traditional undergraduate program and the GOAL program. Overall enrollment has also reach a record total of 3251 students. Specific numbers are included in the two tables attached to the end of this report. We often say that student recruitment is everyone's business. This enrollment report then is reason for us all to celebrate. And special recognition goes to members of our student recruitment staff – for undergraduates, graduates, GOAL students, and seminarians.

NEW AND CONTINUING INITIATIVES

- In mid-September we invited faculty, staff, and students to gather for a University Convocation. The purpose of this program was to formally install the University's new provost, recognize other new administrative appointments, and celebrate with those faculty members who were recently approved for tenure and/or promotion in academic rank. We expect that this will become an annual event (however, it won't always include installation of a new provost!). A copy of the printed program will be distributed to trustees at the time of our meeting.
- As a means to advance our work in fund raising, we have solicited the services of an external consultant to review the work of our development office. The goal of the review is to identify areas of strength and effectiveness and to ascertain means to better position the work of the development office in preparation for the University's next campaign.
- Faculty and staff in the seminary have worked for the past year to write a self-study report in preparation for an accreditation review by the Association of Theological Schools. The visiting team has been on campus during October 9-11, and will submit a report in the near future. Final action by the ATS Board of Commissioners will take place early in 2008.

- Consistent with the practice we initiated last year, the senior administrative team has identified a set of priorities for 2007-2008. These are presented in an exhibit which accompanies this report.
- The University Council is continuing a practice introduced last year. For our own professional development and as a means to prompt our thinking about our work at North Park members of the Council read and discuss a book. This year our attention is focused on our home – the city of Chicago – through a recent book by Alex Kotlowitz titled *Never a City So Real*.
- After verification of fall semester enrollment numbers we completed a variance analysis of anticipated revenue streams versus the projected budget. It appears that revenue net of student aid and other expense variances should, in the aggregate, exceed the projected budget by about \$640,000.
 - About \$775,000 of this variance is due to strong undergraduate enrollment, especially returning students (with nearly a 94% net retention from the spring semester).
 - We have an unfavorable variance in student room and board revenue of about \$315,000.
 - The aggregate net revenue variance for graduate and adult programs is a favorable \$300,000. This reflects strong results for the education certification program and the RN completion program, as well as some increase in GOAL revenues. In contrast, the variance is negatively impacted by lower enrollments for SBNM (business) programs, attributed to a fall-off in continuing students, and lower-than-projected course enrollment in the seminary.
 - We anticipate an increase in the number of traditional undergraduate December graduates, perhaps by as many as 50. These students will be hard to replace mid-year. In addition, the annual fund has fallen short in recent years of its revenue goal by about \$300,000-\$400,000 annually.
- Our auditors have completed their on-campus work for the June 30, 2007 audit. We expect a final report for review by the Finance Committee at the October meeting. At this time we anticipate a clean audit.
- We are experimenting this year with an earlier budget preparation cycle. Materials for developing the FY '09 budget have already been distributed to budget managers. We have also processed requests for faculty hiring and will initiate several searches yet this month. Our goal is to have a budget proposed for adoption by the Board at the May meeting.
- Summer facilities projects included a number of renovations including:
 - The final phase of bathroom renovations in Burgh Hall
 - Further work on apartment accessibility
 - Selective improvements to the entry level of the Magnuson Center

- New office spaces in a recent two-flat purchase at 5049 N. Spaulding Ave., to be used by External Relations on the first floor and the Axelson Center on the second floor
 - New cushioning and fabric replacement on the chairs in Anderson Chapel as well as upgraded sound system and stage lighting.
- The External Relations Office continues to give considerable attention to designing materials for our annual Chicagoland marketing campaign. We look forward to the attention this brings to the University as we seek to increase brand awareness among diverse audiences in the Chicago area.
 - We have experienced an increase in the number of returning residential students who opt to live off-campus. A similar phenomenon has occurred at other colleges and universities, though generally it is more accentuated here at North Park. Andrea Nevels and Carl Balsam, along with a small number of colleagues, are reviewing our experience, seeking to learn more about the particulars and changing student interest. This enrollment trend brings certain challenges to us (such as lost revenue through empty beds) but it also provides us with new opportunities (for enrollment and educational programming). This change also reflects positively on the immediate neighborhoods surrounding the campus. The Student Development Committee will discuss this developing trend, and we'll likely bring it to the attention of the full Board at the winter meeting.
 - We have received very positive response for the most recent issue of the *North Parker* magazine, with special attention to the feature on "40 Under 40" which highlighted the life and work of approximately 40 alumni/ae in the Chicago area. With the improved quality of this publication we need to identify budget resources to increase our distribution list to all alumni/ae and parents of current students.
 - Homecoming 2007 was a grand success. Events stretched from small receptions to a more formal dinner dance, from breakfast for reunion classes to a block party on Carmen Avenue, from art exhibits and music recitals to athletic contests. Hundreds of volunteers led the way in assuring the success of the weekend...and having great weather contributed in its own way as well!
 - As a follow-up to the spring in-service training day for faculty and staff on the topics of sexual harassment and diversity we have addressed needed improvements in several employee policies. We are also close to implementing an online tool for training that can be accessed by all faculty and staff to refresh their understanding of harassment issues.
 - Technology on campus has been improved in several ways, including increased internet bandwidth, new ID cards and security systems, several software upgrades, and expansion of the wireless network on campus.

MAJOR AGENDA ITEMS

As the Board gathers, we'll discuss several important items, including the following:

- We will consider a recommendation for initiating the University's next campaign, based on a report from the Board/Administrative task force appointed at our last meeting. The report from the task force is being distributed with other meeting materials.
- We will receive an update on initial planning for the University Commons project, with a presentation by building and landscape architects who have been engaged for this purpose.
- We will consider a working document which explores potential modifications in the language we use to describe the University's identity, mission, values, and vision. A draft document is being distributed with this report. Following discussion with the Board we may revise this document and then potentially engage a broader discussion with campus groups before presenting a revised statement for Board approval, potentially at the winter meeting. Conversation about mission and identity is an important step in our strategic planning process.

Other items will be reviewed by the various committees, and in some cases these will be presented for endorsement by the full Board.

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.

Table A
New Student Enrollment Summary
Fall Semester 2005, 2006, and 2007

	2005	2006	2007
<i>Undergraduate (traditional)</i>			
First-Year	359	374	373
Transfer	246	229	217
TOTAL	607	603	595
<i>Undergraduate (non-traditional)</i>			
College Bridge	2	0	0
ESL	53	20	22
RN Completion	34	11	33
GOAL	66	41	61
Education Certification	12	26	48
TOTAL	167	98	137
<i>Graduate</i>			
MBA	85	95	88
MS Nursing	40	32	30
Adult Nurse Practitioner	2	5	10
MA Education (all sites)	40	55	61
MA Community Development	10	7	10
Master of Music	7	7	5
TOTAL	184	201	204
<i>Seminary</i>			
Traditional	75	47	61
Cross Registered	0	3	3
TOTAL	75	50	64

Table B
Headcount Report (Total Enrollment)
Fall 2006 and 2007

	2006	2007
<i>Undergraduate (Traditional)</i>		
Returning	1133	1255
First-Year	374	373
Transfer	229	217
Visiting	0	9
TOTAL	1736	1854
<i>Undergraduate (non-traditional)</i>		
ESL	31	29
RN Completion	47	83
GOAL	210	237
Education Certification	42	69
Special (students-at-large)	7	0
TOTAL	337	418
<i>Graduate</i>		
MBA	344	329
MS Nursing	144	136
Adult Nurse Practitioner	15	21
MA Education (all sites)	141	162
MA Community Development	30	28
Master of Music	13	15
TOTAL	687	691
<i>Seminary</i>		
Traditional	287	284
Cross Registered	4	4
TOTAL	291	288
GRAND TOTAL	3069	3251
<i>Other Students (Non-Revenue)</i>		
International Exchange	0	9