

**REPORT TO THE BOARD OF TRUSTEES  
October 2008**

**David L. Parkyn  
President**

---

Yesterday Samuel Betances spoke to the campus community gathered for our regular Wednesday Chapel service. He introduced himself by saying, "I'm a freelance trouble-maker!"

He had been invited by our University Ministries staff to speak on the theme of power and authority, and to join us as part of a month-long celebration of Hispanic heritage within our campus and across the nation.

What is the relationship between power and authority? Betances answered this way: Goliath had the power, but David had divine authority. King Ahasuerus had the power, but Queen Esther had divine authority. The jail keeper had the power, but Paul had divine authority. Pilate had the power, but Jesus had divine authority.

Betances is right, and remembering this biblical ideal can serve us well, especially in uncertain and challenging times. It doesn't mean life will always go like we want. It doesn't even mean we'll always get what we think we deserve or what we think we've earned. It does mean that if we, like the Psalmist, will wait on the Lord we will see the goodness of God.

**HIGHLIGHTS OF THE OCTOBER MEETING**

- As we gather for the October meeting of the Board of Trustees we will welcome several new members.
  - Ann Alvarez – President and CEO of Casa Central, Chicago, Illinois
  - Donna Erickson – Executive Producer/Host of PBS "Donna's Day," Minneapolis, Minnesota
  - David Hanson – Finance and Administration Managing Director at Bayside Covenant Church, Sacramento, California
  - Lori Lindstrom – Physician on staff at Providence Medical Center and Saint John Hospital, Kansas City, Kansas
  - Amy Rohler – Pastor at Bethesda Covenant Church, New York City, New York

- Efrem Smith – Senior Pastor at Sanctuary Covenant Church, Minneapolis, Minnesota
- Karen E Tamte – Homemaker and pediatrician, Minneapolis, Minnesota
- Louise Wilson – Faculty member in education at Bethel University, St. Paul, Minnesota

These new trustees will meet for an orientation session on Thursday afternoon preceding the full Board meeting. And then we'll officially welcome them to Board membership as our full meeting begins on Friday.

- For the second consecutive year, spouses of our Board members will gather during the October meeting. Several events have been arranged for this group, and a schedule of activities is provided with the information distributed to trustees. The spouses will join the Board for my report on Friday morning and we'll all be together for lunch and dinner on Friday. During Friday afternoon and on Saturday morning the spouses will gather for a special program and an intriguing tour of a couple of neighborhoods in Chicago. Both men and women are invited to this program.
- At each Board meeting we schedule a special session as part of our on-going effort at Board professional development. Nearly three months ago we decided to ask Carl Balsam, the University's Executive Vice President and CFO, to present a workshop on North Park Finances 101. This seemed timely when we made the decision. It seems even more appropriate today!

### **OVER THE SUMMER MONTHS**

- Our fiscal year ended on June 30, 2008 with very positive results. As directed by the Board of Trustees our year-end balance was transferred to a capital reserve fund to cover expenses for much needed capital projects on campus. The Finance Committee will receive a full report, and the entire Board of Trustees will note summary elements of the year-end report.
- The Annual Fund for 2007-2008 reached \$1,629,000, the highest total in four years. In addition, the number of donors contributing to this fund is now on an upswing for two consecutive years. A full report will be presented to the Development Committee.
- We welcomed an impressive group of new faculty and administrators over the summer months. These individuals have already begun to find their place on our campus and to leave their mark on the lives of our students. A full list of new appointments is provided in the materials distributed to the Board. You will have opportunity to welcome the new faculty at the Faculty Reception on Friday afternoon during our meetings, and several of the new administrators will be introduced in committee meetings. This is a particularly large group, with nine new faculty members and six new administrators. Undertaking these searches kept many of us

very busy last year, but the results are most impressive. North Park University is a better place today because of their presence among us.

Two of the administrative hires were for new positions. The Dean of Diversity and Intercultural Programs will help us achieve a more coordinated program of activities to support our identity ideal of being a University which is “purposefully multicultural.” And the Director of Institutional Research and Effectiveness will oversee our work in assessing student learning, measuring institutional effectiveness, and gathering institutional data.

- The renovation of Burgh Hall was initiated the Monday immediately following our May commencement program and was completed in time for students to move in as the academic year began in late August. The improvements have been very well-received by the students living in this hall. I encourage you to visit the residence during your time on campus for the Board meeting.
- As we completed one academic year and transitioned to the next, I gathered with our senior administrative team to assess our achievement of priorities from the past year and agree on those aspects of our life together which we would emphasize during the coming year. The priorities for 2008-2009 have been organized around the major objectives of the University’s strategic plan. The list of priorities was distributed to the campus community early in the fall semester and is provided with materials for this meeting of the Trustees as well. As is our tradition, the senior team will meet in January to assess our work-to-date on these priorities, and to rearticulate them as we deem necessary at that time.

## **FALL SEMESTER ENROLLMENT**

At the beginning of the fall semester we pay close attention to the enrollment report for all of our programs. Enrollment data for new students and our total student body in all programs are summarized in Exhibits A and B, attached to the end of this report. In particular, Trustees should note the following:

- University-wide enrollment continues to increase, though at a modest pace. Total enrollment between last year and this year increased from 3251 to 3288.
- Several factors are important to note for new student enrollment:
  - Enrollment of first-year undergraduates is at a record high of 415, an increase of 11% over last year.
  - Enrollment of transfer undergraduates is lower than last year by 38 students, or 17%.
  - Combined enrollment of first-year and transfer students is up slightly to 606 coming very close to our target.

- Enrollment of new non-traditional undergraduates is down by 27% from last year, but equal to the number two years ago. This is an area in which we must expect improvement.
  - Enrollment of new graduate students, over all programs, was down very slightly from the past year.
  - Enrollment of new seminary students was down 38% from the previous year, and down 47% from four years ago. The numbers are moderated somewhat by enrollment of new students in the summer term. Nonetheless, this is an area of considerable concern.
- As reported in a recent edition of the *Chronicle of Higher Education*, North Park University ranks near the very top in a list of private, residential colleges and universities for the percentage of students of color and international students enrolled in the undergraduate program. Additionally, 62% of those enrolled in the School of Adult Learning are students of color. These two data points speak favorably to our identity as a “purposefully multicultural” university.

#### **NEW AND CONTINUING INITIATIVES**

- Once again we opened the academic year with Gathering Day, a time for faculty and staff to greet each other after the summer months. I presented my annual State of the University Address and we also introduced faculty and staff who are new to the University.
- We introduced several qualitative changes to Threshold, our orientation program for new students. As a result, we received a considerable number of complements for this program from new students and especially from their parents.
- Early in the academic year we held our second annual University Convocation to install new administrators, congratulate recently tenured and/or promoted faculty, and honor authors of books published during the past year. This was a grand celebration and is much appreciated by the University community.
- One of the commitments of our new strategic plan is to identify ways to strengthen the connection between North Park and the city of Chicago. In this vein, we recently arranged for the University to be a host sight for the Chicago Children’s Choir. Founded in 1956, the choir is a multiracial, multicultural choral music education organization. The choir is structured through sub-choirs located in a number of Chicago neighborhoods which hold rehearsals and performances convenient to the respective parts of the city. The new arrangement between the University and the Chicago Children’s Choir supports the beginning of a new sub-choir in Albany Park. In addition to having rehearsal and performance space provided by the University the children in this choir will have opportunity to work with Professor Rollo Dilworth and to perform on occasion with University choral groups. This collaboration also provides North Park with another way to support the Albany Park neighborhood, it

brings students and families from the neighborhood onto our campus, and it provides us with a means to be affiliated with this highly respected choral organization in Chicago.

- All personnel in the Development Office were relocated to a Foster Avenue location adjacent to the University Health Center. This location provides additional space for this unit, and allows the phonathon activity to be adjacent to the main offices. This office relocation coincided with the introduction of Mary Surridge as the new Vice President for Development and Alumni Relations.
- In response to a continuing decline in the number of students choosing to live on-campus following their first two years we held two “housing summits.” The first brought together selective administrators from across the campus who have considerable out-of-class contact with students. The second included nearly all the student resident assistants from all types of student housing on campus. Building on the information gathered in these summits we will direct attention during the rest of the academic year to several important factors which we believe unduly influence student residential practices.
- From late September through the end of October we have gathered lead administrators from each of the University’s academic units (the College of Arts and Sciences, the five Schools, and the Seminary) along with selective other campus administrators in day-long planning sessions. This is providing an opportunity to assess program structures in each unit, review enrollment numbers, consider points of strength, weakness, and opportunity, and to selectively appoint follow-up steps. This activity also is providing important information to guide how we develop an economic model for all of our academic programs (which is one of our administrative priorities for the year).
- Early in the academic year two of our faculty members have had considerable success in their respective areas of scholarship.
  - Scot McKnight (biblical and theological studies) has published a new book, *The Blue Parakeet: Rethinking How You Read the Bible*, with Zondervan Publishers.
  - Nnenna Okore (art) is exhibiting her work in several venues this fall: (a) a collaborative show at the Tall Grass Arts Association in Park Forest, IL; (b) a collaborative show at the Museum of Arts and Design in New York City, with her work featured in a book publication produced as part of this exhibit; and (c) a solo exhibit, titled “Ulukububa – Infinite Flow,” at the October Gallery in London, England.
- By all counts, Homecoming 2008 was a grand success. Many traditional events were continued with good participation, the block party (begun two years ago) was expanded with increased attendance, football fans cheered the Vikings to a victory, and students gathered at the Shedd Aquarium for their annual fall dance.

## CHALLENGES

At the beginning of this academic year we have faced (and continue to face) two unexpected challenges. The first is unique to North Park – the flooding of the North Branch of the Chicago River with damage resulting to a small number of buildings. The second is common to all educational institutions – the need to respond to a national (and international) economic environment in significant disarray.

- Responding to the Campus Flood
  - We gave careful attention to the rising flood waters during the weekend of September 13-14 and responded as we deemed necessary. High priority was given to student safety and to effective communication with all interested constituencies.
  - Through the diligent effort of our physical plant staff and several contractors we were able to return students to both Burgh and Anderson Halls following two nights of dislocation. Shortly thereafter we also installed a new hot water heating system in Anderson Hall.
  - Considerable damage took place to mechanical and electrical equipment in the Magnuson Campus Center which required us to close this building. Classes originally assigned to this building were relocated in several buildings and the dining service was relocated to Hamming Hall. For several days meals were prepared in the kitchens at Northwestern University and brought to our campus. Subsequently, our contractors were able to make temporary provision for restoring use of the kitchen in the Magnuson Center, though the dining service has remained in Hamming Hall.
  - We will re-open the 1<sup>st</sup> and 2<sup>nd</sup> floors of the Magnuson Center on Monday, October 20, at the beginning of Quad B. Classes will return to this building and full dining service will be restored. This re-opening of the building is possible through temporary restoration of selective mechanical and electrical systems for the building. Much work remains to be completed before the building will be fully operational.
  - Because the repairs have not yet been completed to the Magnuson Center we do not have an accurate estimate of what the flood recovery will cost. We will report further details on this effort as we meet with the Board, and Carl Balsam will present a full report to the Finance Committee.
  
- Responding to the Economic Environment
  - The economic environment continues to change on a day-to-day basis. It is important for us to follow these changes carefully and inform our actions as needed.
  - Our most immediate focus will be to monitor cash flow, review the impact of the decreased value of our investments on the ratios required for our debt agreements, and consider how the evolving environment will impact the ability of students to finance their education.

- Based on fall semester enrollment the FY 09 operating budget remains strong. We will continue to monitor this carefully especially as spring semester enrollment is confirmed. In addition, we know that expenses from the flood recovery will impact the FY 09 budget. We will place high priority on meeting our payroll obligations and be appropriately cautious with other expenditures. We also are being attentive to assure adequate funding for activities and projects (e.g., marketing communications, recruitment personnel, and website technology) which have an immediate “return on investment” in terms of strengthening enrollment for the year(s) ahead.
- Unless the investment markets recover very rapidly in the next two months the loss of assets will challenge our required debt ratios. Carl Balsam will review the implications of this with the Finance Committee.
- The downturn in the economy may also impact fund raising. As reported recently by the Giving USA Foundation at the Center on Philanthropy at Indiana University historical trends suggest that “down” markets do not generally have a significant negative impact on charitable giving, especially to educational and religious causes. However, the depth and breadth of the current decline in market values may suggest that historical trends will not apply in our present circumstances.
- In the University’s development effort we will continue to move forward (though we may not “charge ahead”). The times call for sensitivity to donor circumstances, flexibility in implementing campaign plans, and reassurance to our donors of our institutional mission and strategic direction. The University continues to have strength of purpose and direction, even during these times, and we will communicate this with our donors.
- Our development efforts will be both patient and proactive. In the immediate months ahead we will focus our time and attention on meeting with donors and prospects, building relationships in this questionable economic time. Doing so will enhance our investment with donors over time. We may face an economic slowdown but we will not allow this to evolve into a donor relations slowdown.
- Regarding our planned campaign, we will confirm our case statement and gather with the campaign leadership team to build relationships with our lead prospects and introduce our campaign projects. Some gift commitments no doubt will be delayed, but this provides additional time for cultivating and stewarding donor relationships.
- Changes in the University’s investment portfolios and the projected pace of campaign solicitations suggests that we should identify the summer of 2010 as the projected target for beginning construction on the new building. This does not mean that we have decided to build on this schedule. Rather it means that we will target our efforts toward this end—both in terms of the building design process and the campaign solicitation calendar.
- Over the next two weeks Carl Balsam and I will draft a statement of guidelines for responding to the economic environment, especially as the financial conditions impact our current operations. We will present this statement, as well as any additional information which is available during this

time, for Board deliberation. The timing for our Board meeting allows the opportunity for us to gather and together reflect on the steps which ought to be taken. We must move forward, but we must do so deliberately and with the appropriate caution. We must be sober, but not despondent.

## **POWER AND AUTHORITY**

It is easy to feel that the future is out of our control. Indeed, the future is not in our control. The future has always been out of our control, but good times lend a mistaken sense of human control on our future. We have little power to influence many of the forces around us. Yet we also have faith in divine authority. North Park University does not belong to us; it is part of God's Kingdom. God's caring hand will be upon this school; our task is to "wait on the Lord."

Waiting on the Lord, however, is not a passive response. Even while we "wait" we will be active. We have students to teach, counsel, and mentor, and we will fulfill these responsibilities. We have a strategic plan to follow, and we will heed this compass. We have priorities to address, and we will satisfy them. We have budgets to monitor and students to recruit, and we will busy ourselves to these ends. We have donors to contact and we will steward these relationships.

We will labor with our heads and hands, and we will trust on the Lord with our hearts. It is to this end that we have been called, and it is to this end that we will be faithful.

May God's guiding spirit be with us as we gather.

**Exhibit A**  
**New Student Enrollment Summary**  
 Fall Semester

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<i>Undergraduate (traditional)</i>				
First-Year	359	374	373	415
Transfer	246	229	217	179
Visiting				12
<b>TOTAL</b>	<b>607</b>	<b>603</b>	<b>595</b>	<b>606</b>
<i>Undergraduate (non-traditional)</i>				
College Bridge	2	0	0	1
ESL	53	20	22	19
RN Completion	34	11	33	15
GOAL	66	41	61	45
Education Certification	12	26	48	19
<b>TOTAL</b>	<b>167</b>	<b>98</b>	<b>137</b>	<b>99</b>
<i>Graduate</i>				
SBNM	85	95	88	88
MS Nursing	40	32	30	39
Adult Nurse Practitioner	2	5	10	2
MA Education (all sites)	40	55	61	61
MA Community Development	10	7	10	0
Master of Music	7	7	5	4
<b>TOTAL</b>	<b>184</b>	<b>201</b>	<b>204</b>	<b>194</b>
<i>Seminary</i>				
Traditional	75	47	61	40
Cross Registered	0	3	3	0
<b>TOTAL</b>	<b>75</b>	<b>50</b>	<b>64</b>	<b>40</b>
International Exchange (non-revenue)		18	10	21

**Exhibit B**  
**Headcount Report (Total Enrollment)**  
 Fall Semester

	<b>2006</b>	<b>2007</b>	<b>2008</b>
<i>Undergraduate (traditional)</i>			
Returning	1133	1255	1276
First-Year	374	373	415
Transfer	229	217	179
Visiting		9	12
<b>TOTAL</b>	<b>1736</b>	<b>1854</b>	<b>1882</b>
<i>Undergraduate (non-traditional)</i>			
College Bridge	0	0	1
ESL	31	29	24
RN Completion	47	83	81
GOAL	210	237	240
Education Certification	42	69	63
Special (students-at-large)	7	0	0
<b>TOTAL</b>	<b>337</b>	<b>418</b>	<b>409</b>
<i>Graduate</i>			
SBNM	344	329	353
MS Nursing	144	136	151
Adult Nurse Practitioner	15	21	20
MA Education (all sites)	141	162	169
MA Community Development	30	28	13
Master of Music	13	15	14
<b>TOTAL</b>	<b>687</b>	<b>691</b>	<b>720</b>
<i>Seminary</i>			
Traditional	287	284	269
Cross Registered	4	4	5
<b>TOTAL</b>	<b>291</b>	<b>288</b>	<b>274</b>
<b>GRAND TOTAL</b>	<b>3069</b>	<b>3251</b>	<b>3285</b>
International Exchange (non-revenue)	0	9	23