

Northwestern ILLINOIS UNIVERSITY

State of the University Address

PRESIDENT SHARON K. HAHS

SEPTEMBER 21, 2010



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Thank you Dr. Kaplan-Weinger. Thanks to you and to all members of the Faculty Senate for the invitation to speak to the University community and for your leadership.

Good afternoon—and welcome to the State of the University Address! And a special greeting to everyone who is viewing this from CCICS, El Centro, and CTC.

Appreciation

As we begin this afternoon, I would like to take a moment to express our thanks and appreciation for contributions to the life of the University as reflected in a variety of representative groups. As you are acknowledged, I would ask that you please stand.

Members The members of the University Planning and Budget Council, representing all shared governance groups and chaired by Tim Scherman, for the Council's first full year of the budget cycle

Newly Promoted and Tenured Faculty

Faculty Excellence Award Recipients

Sharron Evans, Veronica Rodriguez, Ian Shroud and all the SAO staff for planning and executing Class Act to welcome new students

Ivan Favelevic, editor-in-chief of the Independent, and officers Chakira Hamilton, Tracey Washington, Nada Jarad, Davra Franklin, Vicky Tullock, and Michelle Jacobson, for quality enhancements in our student newspaper and the creation of the first commencement edition

David Rubin for heading up the Energy Conservation Project

Scott Beller for shepherding the Science building improvements

Gary Bryan and John Murray for the facilities renovations leading to the Student Center for Science Engagement

Stephanie Levi, Coordinator, members of the Executive Board, and faculty and staff of the Student Center for Science Engagement for creating the Center

Mark McKernin and all Art Department faculty and staff for earning program accreditation by the National Association of Schools of Art and Design

Shane Cofer and all Music Department faculty and staff for earning program accreditation by the National Association of Schools of Music

ASK ME committee, Co-chaired by Antoinette McConnell and Judy Brewer

Damaris Tapia, our new Director of Alumni Affairs

Janice Mejia, our 2010 Summer Intern for the White House Initiative for Educational Excellence for Hispanic Americans

Kim Sanborn and the McNair scholars

Great Service Matters committee led by Murrell Duster, Yvette Lopez, Janice Harring-Hendon and Marta Maso, for excellent professional development programs (including the ConnectionsNow program) and for hosting the roof top celebration.

Maureen Gillette, co-coordinators Maria Teresa Garreton, Larry Berlin and Judy Yturriago and participants from the College of Education and the College of Arts and Sciences for the Chicago Teachers Partnership Project of \$2.2 million over 5 years with Loyola, National Louis and UIC

Louise Illian and Jonathan Teuber for three student support services grants totaling \$3.3 million over 5 years

Laura Sanders, Jean Hemzacek, Kenneth Voglesonger, Nancy Wrinkle, Ana Fraiman, Pamela Geddes for a group of grants from USDA and NSF totaling over \$700,000 in 2 years

The Audrey Reynolds Distinguished Teaching Award recipient, Dr. Hamid Akbari and The Bernard J. Brommel Distinguished Research Professor, Dr. Elyse Mach

And, everyone who is here today who has served the University for 25 years or more.

All of you are symbolic of so many who have done so much. We thank you for your contributions!

Opening

Let's begin today with our new television commercial. It highlights many great aspects of our University, such as diversity, different campus locations, excellent faculty and academic programs. The commercial is currently being aired on select Chicagoland Comcast stations and is featured on some of the University's social media sites. We will also be able to use it for future opportunities.

Creating this commercial was one of the tasks from the FY2010 Workplan—the annual list of activities we set out to accomplish as part of the overall Strategic Plan. All of the results for FY2010, and the new workplan for FY2011 are on our Strategic Planning website.

In prior years, I have presented the State of the University Address using the Strategic Goals as the frame. This year I plan to take a more topical approach. So I encourage you to check the website for the many things we have accomplished and have planned for this year since I will not be able to cover them all.

Important Trends

Each year we take a quick look at four graphs for you to see our progress in student enrollments. While official enrollments for Fall 2010 are not yet available, the unofficial data looks positive.

Graph 1, Undergraduate Enrollment and Credit Hours: These measures are continuing to improve.

Graph 2, Graduate Enrollment and Credit Hours: There is a small dip. We may wish to focus on this.

Graph 3, New Freshman and New Transfer Enrollments: Both measures have decreased slightly after significant increases last year.

Graph 4, Degrees Conferred: This measure has decreased slightly. We must watch to see if it is simply a blip in an upward trend, or part of something yet unexplained.

Generally these data are heading in the right direction and we must all work to keep them there. We must have a sufficient number of course sections; we must coordinate services; we must have excellent teaching that includes new content and the latest approaches; we must have clear requirements; and we must have helpful, respectful interactions to assist all students on their paths to success.

Values were prominently displayed during the inauguration ceremony and have been a part of several University events since then, including today's address.

Fiscal Matters

Let me turn to fiscal matters. As you know these are challenging times. According to a report of the Delta Cost Project (Lumina Foundation for Education) called “Trends in College Spending,” the national fiscal picture is not improving for higher education in the near term. The Report describes the Great Recession that began in middle of 2008; funding has fallen, leading to budget cuts that are reported to be heaviest in the public sector. “Unlike earlier recessions, when revenues were expected to rebound within a few years, the consensus now is the ‘new normal’ means that higher education has seen a permanent reduction of roughly 10 percent of its revenue base—more in some areas of the country, less in others—money that won’t be coming back, and can’t realistically be made up in tuition increases.”

The development of our budgets and the stewardship of our resources need greater and greater care and attention. We have been working with our newly constituted University Planning and Budget Council to match priorities and funding. The FY2011 Operating Budget was presented to the Board of Trustees last Thursday, as were the Operating and Capital Request Budgets for FY2012. They reflect the work of the UPBC, and we are grateful. These Budgets are provided on the Board of Trustees webpages. They’re based on several parameters. Those budget development parameters are:

Support the Strategic Plan. We need to assure that our decisions support the specific action steps.

Support faculty and staff, protect jobs, and avoid employee furloughs.

Assure that enrollment levels are sustainable before adding the related revenues into the recurring budget.

Take a conservative approach to cash payments and salary and expenditure commitments. to preserve cash for salaries and required vendor payments.

In looking at the anticipated revenue and spending plan, you will see that our state appropriation has decreased by \$2.7 million dollars from last year. This is due to the loss of the stimulus funds and was anticipated. Our revenue from student tuition has increased by \$7.3 million dollars due to enrollment growth and new tuition rates. These changes are reflected in the two pie charts showing that last year student tuition accounted for 46% of the University’s operating budget; this year it accounts for 52%.

The net revenue gain of \$4.6 million dollars will be allocated using our budget development parameters. Nearly \$2.5 million dollars will be provided to support the academic colleges’ enrollment growth and related instructional costs, and to maintain and grow the faculty base. Over the last few years the number of tenure track positions has increased modestly from 251 to 255, and the ratio of tenure track faculty to all others has held steady.

In support of the Strategic Plan, \$400,000 will be allocated. Half is for what we are calling a permanent pool for non-recurring projects so it will be available over again each year. The other half is for a recurring pool, meaning that it will be directed permanently to on-going costs of agreed-upon activities or personnel.

We will create an institutional need-based financial aid program. Most institutions have one. Student financial aid is more critical each year given the uncertainty in MAP funding with more students needing aid. This program will help students and help the University to maintain our enrollment base. We will begin with a modest \$200,000 and hope to grow the program over time.

The remaining \$740,000 will be unallocated at this time, given the uncertainties in the budget.

Budget uncertainties have become a typical part of the process. For many years we have dealt with uncertainties in enrollments, utility costs, emergency repairs and cost increases. We have also managed cuts in base appropriations, and the occasional reserve requirement to hold part of our appropriation, sometimes resulting in a release of the reserve, sometimes resulting in a rescission (or return) of funds.

Unfortunately we have new uncertainties to deal with, particularly the delay in receiving our state appropriation. The graph provides a depiction of this. In past fiscal years, the University would have received our last state appropriation payments in January to March, and rarely later than June. For the fiscal year ending June 30, 2010, it is possible that the University may not receive its final state payment until December, up to ten months later than normal. In addition, Controller Hynes met with the public university presidents and informed them that it was unlikely that public universities will receive any FY2011 cash payments from the state until calendar year 2011, at least six months into the fiscal year. This delay may well be coupled with a reserve requirement or a budget rescission; further, the outcome of the gubernatorial election is predicted to have a significant impact on higher education funding. So we are facing many uncertainties.

Regardless, the overall fiscal situation is manageable. Part of our revenue has been left unallocated. If the state economy improves or we receive our appropriation in a more timely manner, or our enrollments continue to grow, we will be able to consider additional commitments. Meanwhile, we will continue to take a very cautious approach, improving academic quality and protecting employees' jobs.

And we continue to develop additional funding sources. For FY2010, our fundraising efforts yielded overall contributions of \$1,488,046, with the Endowment growing by \$964,715. We launched an Alumni Association membership program and had 284 paid members join, 12 at the Golden Eagle \$350 level, and 272 at the Blue & Gold \$30 level. And our success at grant applications has been excellent. We have been awarded this year nearly \$7 million dollars to use in the next few years to support all aspects of the Strategic Plan. I believe we have a unique window of opportunity to compete for significant grants; I encourage all units to continue to pursue appropriate grant opportunities.

Key Performance Indicators Progress Report for the Strategic Plan

As you know, Northeastern Illinois University has developed and implemented an extensive strategic planning process, based on the University Mission, Vision, Values, and Goals. Additionally, each Goal has a series of Action Steps; specific activities are selected each year based on the Action Steps. Collectively these activities are called the annual workplan.

Progress in implementing the Strategic Plan is demonstrated in two ways. The first is the listing of Results of the activities each year. As I mentioned, both the Results of the FY2010 Workplan and the new activities selected for the coming year, the FY2011 Workplan, are posted on the Strategic Planning website.

The second way of demonstrating progress on our Plan is the Key Performance Indicators, or KPIs. These are specific quantitative outcome measures for each of the six Goals. The six Strategic Goals are Student Success, Academic Excellence and Innovation, Urban Leadership, Exemplary Faculty and Staff, Enhanced University Operations, and Fiscal Strength. The KPIs were developed over a two-year period with input from throughout the University, including the Strategic Planning Team, the Steering Committee, the President's Council, the strategic planning consultants who helped with the overall process, and the Office of Institutional Research. The KPIs will be updated annually and comprise the final measure needed for our Plan. They help to answer, "Are we making progress on our Goals?" Like the Plan itself, they guide decisions that are strategic rather than based on daily operations, and they promote campus alignment. Let's examine just a few.

Goal One, Student Success: *First-Year to Second-Year Retention*. Each KPI has a General Definition, a Frame of Reference in which a comparison group is given and a target is proposed, the Frequency of Measurement, and the Longitudinal Analysis. Here the comparison group is the Urban peers, and a target enrollment is set at 69%. Official data for 2010 will be available soon and will be posted on our Institutional Research website. Northeastern is doing reasonably well compared to our peers.

First-Year to Third-Year Retention is 48.4%. While there is no comparative from the Urban Peers, it would seem that the rate is still lower than it should be. We need to turn some attention to the sophomore year.

Preparation for Present Job. This is from the IBHE alumni survey of those who graduated one year earlier. The statewide average is 58%; NEIU is at 48.5% for graduates responding that the bachelor's degree prepared them well or very well. Perhaps this is also an area where we might need to focus. The Colleges have been asked in the FY2011 workplan to identify curricular innovations to address areas of high work force needs.

Preparation for Additional Degree is also from the IBHE alumni survey of graduates one year after graduation. The statewide average is 73%; NEIU is 76%. So the data look positive here. Many of our faculty, departments and colleges know of successful graduates who have entered graduate school, and we are proud of these graduates. In addition, our McNair Scholars Program has placed 68 first generation, low income and minority students into graduate programs since 2003. Twenty-seven have completed Masters degrees, and 16 are enrolled in Ph.D programs. And just a few weeks ago I met two students in the cafeteria who are graduating in mathematics and have been accepted into Ph.D. programs in mathematics at the University of Arizona, and the University of California Santa Cruz. So we want to keep up this good work. At the same time, we also need to consider that fewer of our graduates pursue an additional degree than a job. Most seek employment. So the previous measure of preparation for your present job does indeed deserve some attention.

Goal Two, Academic Excellence and Innovation: *Active and Collaborative Learning*. The comparison data is from the National Survey of Student Engagement (NSSE). While our response of 43.7 from 2010 is lower than our response of 45.2 in 2009, it is the product of a significantly better response rate. The margin of error with a smaller response rate is much wider. This was the case in 2009. This year's response and margin fit within last year's and they are more accurate.

Critical Thinking Ability is from the IBHE survey of graduates five years after graduation. Northeastern's 74% is well above the state average of 69%. Regardless, we have set a new target higher than current performance, at 76%.

Goal Three, Urban Leadership: *Understanding Differences in People*. This comes from the IBHE survey of alumni five years after graduation. Northeastern's response of 81.6% compares to the statewide average of 65%. We will strive for 84%.

Goal Four, Exemplary Faculty and Staff: *Supportive Campus Environment*. This is NSSE data from First year students at 64.2, down from last year at 68.1, with peer average of 61.7. Here again last year's margin of error with a smaller response rate is much wider. This year's response and margin fit within last year's. In this particular KPI, like many but not all, we can review our own results over time, or compare our results with peers.

Goal Five, Enhanced University Operations: *Comparative Instructional Costs* comes from a report compiled by the IBHE from data provided by all Illinois public universities. The IBHE goal is a window of 5% above or below the state average. NEIU results are well within the window.

Goal Six, Fiscal Strength: *NEIU Tuition as a Percent of State Average* is most recently at 84%, well within our desired range. We were also pleased to learn that Northeastern students graduated with the least debt for all Midwest regional universities, with only 16% of the 2009 graduates borrowing for an average total indebtedness of \$10,903.

There are several more KPIs. They can be accessed on the Institutional Research webpages. I encourage you to review them all.

Angelina Pedrosa Center for Diversity and Intercultural Affairs

As an institution we are deeply proud of the cultural and ethnic diversity of our students, staff and faculty. Our goal is to celebrate this and to balance the unique identity of various groups with common membership in our University community. As we developed our strategic plan in 2007 and 2008, we identified one of our priorities as the creation of a cultural center. In 2008 we constituted the Program committee of faculty, staff and students representing many cultures and ethnicities. They completed their report in early 2009. As I reported to you in my State of the University Address last year, the Vice Presidents, the Co-Chairs, and I have worked to address the report's recommendations and to overcome the space limitations. Now that the space has been identified (the former home of the Graduate College), we are proceeding with the Angelina Pedrosa Center for Diversity and Intercultural Affairs. Recently Dean Murrell Duster was named as founding head of the Center, and searches are underway for staffing.

Some concern has been expressed that we would be better served to wait on implementing the Pedrosa Center in these fiscally challenging times. While this is understandable, and I appreciate those who are willing to voice their concerns, I think it is important to recognize the need to move forward with our plans whenever possible. In this case, the incremental costs are modest even with some new positions. We must work to support initiatives that have an important influence on student success.

Goals for the Baccalaureate Degree

Part of the workplan for FY2010 was to develop the NEIU Baccalaureate Goals. I want to thank the committee and our Provost for their leadership in accomplishing this significant task.

The Baccalaureate Goals statement begins, "Northeastern Illinois University prepares a diverse community of students for leadership and service in our region and in a dynamic multicultural world. This is achieved through pursuit of the following:

1. *Intellectual and Practical Skills*. These are listed as Inquiry, evaluation and analysis; Critical and creative thinking; Written and oral communication proficiency; Original design and performance; Quantitative literacy; Information literacy and research experience; Teamwork and problem solving.

2. *Immersion in Disciplines and Fields of Study.* Here are listed Knowledge of human cultures and the physical and natural world; Mastery of different modes of knowing and integrative learning in a student's major, with a broad awareness of other areas of study; Ability to synthesize general and specialized studies both within and across disciplines; Use of classroom knowledge to identify and tackle big questions and the practical issues of everyday life.

3. *Learning within the Resources of Community and Diversity at NEIU.* The list includes Application of knowledge through internships, volunteerism, service learning, student teaching, applied research and writing, creative work and performance, etc.; Engagement at the personal and community level; Local and global civic knowledge and participation; Understanding of the complexities of individual identities; Intercultural knowledge and competence.

The statement concludes with "These goals promote intellectual development and mastery of knowledge across the curriculum. The experiences of applied learning and engaging diversity foster life-long learning, social responsibility and ethical professionalism in the NEIU graduate."

The creation of the Baccalaureate Goals is an important milestone for the University. Like all of our guiding statements, these goals help us in fulfilling our mission, especially with respect to curriculum development, pedagogical approaches, and student life experiences. Three new degree programs are being developed—Latino and Latin American Studies, Global Studies, and Environmental Science. They should all reflect the new goals.

Going forward, the Baccalaureate Goals should help frame our plan for new general education requirements, an important task for FY2011. Two other task forces for FY2011 also deserve mention. The first is the University-wide task force on Graduate Education—to develop the Statement of Goals for the Masters Degree (which follows nicely from the Baccalaureate Goals), to determine workforce demand and interest for current and future programs, to examine the organizational structure, and to explore the feasibility of doctoral degree programs within the College of Education. And the second is the review of undergraduate admissions requirements and the relationship of those requirements to predicting student success.

Energy Conservation Project

Let me tell you about our Energy Conservation Project. In early spring of 2009 the University developed a plan to reduce energy consumption. This is part of Goal Five, Enhanced University Operations, to establish environmental sustainability as a key element of NEIU's identity, as well as Goal Six, Fiscal Strength. The process has been lengthy and complicated, but successful. The steps began with discussions with the Board of Trustees regarding increases in utility costs, opportunities for utility savings, and the need for a comprehensive energy audit to identify those opportunities. The University then undertook a competitive selection process to hire NORESKO as the University's energy services company. NORESKO conducted a comprehensive energy audit from September 2009 to March 2010 and recommended a series of potential energy conservation measures. After review of those measures with estimated costs, savings and payback, the Board approved eleven measures and authorized the University to proceed with project financing for \$6 million dollars.

In June 2010, the Board approved a series of resolutions that authorized the University to proceed with the issuance of Certificates of Participation to finance the Energy Conservation Project. The financing with Certificates is specifically authorized in state statute and is the most typical means used by public universities to finance these types of projects. The University then executed a series of steps for approval of the financing and for the competitive sale of the Certificates. The sale took effect on September 8. We obtained an excellent interest rate for the Certificates. Work will begin on the implementation of the actual energy conservation measures this fall with an estimated construction period of approximately 15 months. The resulting energy savings will generate money savings greater than the amount needed to pay off the Certificates (the savings is estimated to be \$1.5 million over the 18 year period). This positive cash flow will result in even greater savings, or being able to use funds for other needed projects.

And lastly, NORESKO, our energy services company, guarantees that we will save as much energy as projected or it will, in effect, reimburse the University for the difference. This project supports our sustainability efforts in a significant manner; we are grateful for all the work that was done to launch it.

Science Building

Good things are happening in the Science Building! Beginning with the grants I reported to you last year, the University has received funds to completely renovate four labs and create two new spaces from the old unused

machine shop. Grants last year and currently are providing student research opportunities, new equipment, travel to conferences, peer mentoring, specialized advising, and enhanced career and graduate school opportunities.

This has been coupled with building upgrades by our own Facilities Management team that have improved safety with new lighting and flooring on the ramp, and new paint and flooring on the first floor hallways, with plans to do the second and third floors over the holiday break. New curricula are also being developed, including the new degree program in environmental science. So many things have come together to make the study of sciences at NEIU more enriching, pleasant, and rewarding. Thank you to everyone who has helped to accomplish this.

And the building has a new benefactor, Dr. Bernard J. Brommel. Thanks to a generous seven-figure gift through his estate plan to establish and underwrite an endowment in perpetuity, there will be funds to help maintain, enhance and renovate the science building. By action of the Board of Trustees last Thursday, the building is renamed Bernard J. Brommel Hall.

Closing

And so, what is the state of the University? How are we doing? We all know the challenges are great. These are difficult times—not just for Northeastern, and not just for our state and our nation—but for the entire world. But we are making steady progress. Our greatest asset is—as it always has been—the people whose commitment makes Northeastern Illinois University possible. It continues to be my honor and my joy to share in that collective commitment. And it's a commitment we pass on to our students: Learn in the City. Lead in the world.

Therefore, let the word go forth—and in the spirit of affirmation and celebration, let's once again enjoy the message that we are—literally—broadcasting to the world. . . . Thank you.

