State of the University Address

President Sharon K. Hahs
September 18, 2012
Thank you, Chair McKernin. 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 on behalf of the University community 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.

Newly Promoted and Tenured Faculty

The Audrey Reynolds Distinguished Teaching Award recipient, Dr. Shelley Bannister and

The Bernard J. Brommel Distinguished Research Professor, Dr. Zachary Schiffman

Maria Luna-Duarte, selected as one of twenty-seven E. Kika de la Garza fellows of the United States Department of Agriculture

Members of the Graduate Education Task Force, chaired by Acting Dean Marcelo Sztainberg.

Faculty Senate Steering Committee, led by Chair Mark McKernin and Vice Chair Joyce Jennings, for their leadership and work in improving shared governance.

Members of the Office of Institutional Research, under the leadership of Director Blase Masini, for the excellent research work they always do, and for their careful analyses this year related to Performance Based Funding.

Members of the Working Group for the Ombuds Program, and members of the Search Committee for the University Ombuds. Brad Ginn, would you please stand with them.

Members of the Search Committee for the Assistant Vice President for Diversity and Intercultural Affairs, leading the Pedrosa Center. Juan Guardia, would you please stand with them.

Members of the Search Committee for the Director of the LGBTQA Resource Center. Anthony Papini, would you please stand with them.

Members of the Search Committee for the Director of the Women’s Resource Center. Joanna Snawder, would you please stand with them.

John Butler-Ludwig, Coordinator of Research Compliance and Grants Services in the Office of Research and Sponsored Projects. This last year NEIU received over $20 million in grant awards, a six-year high.

Members of the Ask Me Campaign Committee

And now I would like to recognize all new members of the University and have you stand and remain standing. Next I would like to ask everyone who has served Northeastern for 1-5 years to stand and remain standing; next, those who have served 6-10 years; and 11-20 years; and more than 20 years. All of you, collectively, have earned for Northeastern the Newsweek College Ranking of Top 10 in the country for Best Investment! We thank you ALL for your contributions!
Opening

Each year we gather to consider the State of the University—How are we doing? Are we making progress? What is our future? The answers to these questions are based on Northeastern's Strategic Plan—our 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. First, what do we say we are going to do, and what do we actually do? These are the annual workplans and their results. Both the Results of the FY2012 Workplan and the new activities selected for the coming year, the FY2013 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 KPIs are updated annually and are posted on the Strategic Planning website as well as on the Institutional Research website. I encourage you to check the Strategic Planning website for the full array of things we accomplished last year, things we have planned for this year, and the progress we have made on accomplishing our Goals.

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 2012 are not yet available, here is the unofficial data:

Graph 1, Undergraduate Enrollment and Credit Hours: Enrollments have taken a dip from last year and the year before. While they are still reasonably high, we must work to understand what is occurring and take action to restore the general upward trend.

Graph 2, Graduate Enrollment and Credit Hours: The trend remains a downward one. Again, we must work to understand this and take action as part of the renewal of graduate education.

Graph 3, New Freshman and New Transfer Enrollments: New transfer students are close to level. New freshmen are up substantially. This is good news. We must take advantage of this.

Graph 4, Degrees Conferred: This measure is up for the second year in a row. This is, again, the greatest number of graduates in NEIU's history. This is great news.

Certainly the increase in the number of graduates explains part of the decrease in headcount enrollments in Graphs 1 and 2, but only part. As further information becomes available, I will provide it so that we can analyze it and act on it. We must build on the new freshman enrollments; they are critical to our future. Overall, there is cause for concern, and for action, but not cause for alarm. We must be vigilant, ensuring that we have a sufficient number of course sections; that we coordinate services; that we continue to have excellent teaching that includes new content and the latest approaches; that our requirements are clear; and that we have helpful, positive, effective interactions to assist all students on their paths to success.

Fiscal Matters

Let me turn to fiscal matters. We continue to live in challenging times. The development of our budgets and the stewardship of our resources need greater and greater care and attention. We have been working with the University Planning and Budget Council to match priorities and funding. The FY2013 Operating Budget will be presented to the Board of Trustees on Thursday, as will the Operating and Capital Request Budgets for FY2014. They reflect the excellent work of the UPBC. 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 and annual activities.)
- 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.

Our state appropriation for FY2013 decreased by 6 per cent from last year, a loss of $2.4 million. We anticipate we will have increased tuition revenues in the Income Fund of $4.5 million if we can maintain at least level enrollments. (In tuition guarantee programs,
there is some increase in revenue each year as new students enter at higher rates than the rates paid by those who graduate and leave.) However, this increase is nearly a million dollars less than last year’s increased revenue from tuition, due to no increase in tuition rates for incoming students. This tuition revenue is not sufficient to offset the loss of state appropriations, cover salary and pension obligations, and address critical strategic priorities. Therefore, general budget adjustments were implemented across all administrative areas. The budget reductions initially totaled 7 per cent, with 2 per cent returned to each administrative area to address high priority needs in those areas. The reductions totaled $3.8 million. The net revenue from budget adjustments, tuition revenue, and the appropriation decrease, generated a total of $5.9 million for university priorities.

Of this total, $2.8 million has been allocated to salary and pension costs, $400,000 to increase institutional need-based student financial aid, $350,000 to support new faculty with a workforce focus and enrollment incentives to be allocated by the Provost to the academic colleges. A recommendation from the Innovation Summit is funded with $490,000 to implement a competitive innovation grants program. Improving student services within the Division of Student Affairs will be funded with $329,000, and facility repair and renovation will receive additional funding of $250,000. A total of $85,000 is allocated for our high school partnership, and $50,000 is allocated for marketing initiatives to improve student recruitment. Finally, because of enrollment uncertainties, a budget reserve is established equal to 2 per cent of estimated tuition revenue, approximately $1.0 million, in the event enrollment projections are not met.

We will continue to focus on the stewardship of all of our resources. We are realizing monetary savings in the implementation of our energy conservation measures. Last year our Institutional Advancement Division raised $1.1 million in private donations, as well as establishing two endowed lectureships and eleven new scholarships. We extend our thanks for their good work. And, for the third consecutive year, we have anticipated and planned for the delay in receiving our state appropriation. At the beginning of this fiscal year, July 1, the state of Illinois still owed Northeastern over $12 million from last fiscal year. We recognize and appreciate the careful fiscal stewardship of the Division of Finance and Administration.

**Legislative Requirements**

I spoke with you last year about the State of Illinois legislative requirement to implement Performance-Based Funding for higher education, and the steps that were taken by the Illinois Board of Higher Education to develop the process. Part of our FY2013 appropriation was based on the outcome of this process. The was a complex calculation of factors such as the number of degrees, the number of minority and STEM graduates, and cost per degree. I am pleased to report that Northeastern received the best rating of the public universities, based on these factors. This translates as the lowest percentage decrease in our appropriation. Cuts ranged from 6.02 per cent to 6.24 per cent, with the average at 6.08 per cent. Northeastern’s decrease was 6.02 per cent. While this resulted in additional funding of only $45,000, it is still encouraging to have the best results. We will continue focus on student success.

In last Spring’s legislative session, the General Assembly passed a new requirement for state universities through the IBHE to report annually on programs of instruction, research or public service that have been terminated, dissolved, reduced or consolidated, and those exhibiting low performance trends in enrollments, degree completions, and high expense per degree. For the present, the IBHE is to define and determine relevant terms and timelines, and compile the report to submit to the General Assembly. There has been no determination regarding whether the General Assembly will take action on the report. However, it would seem that this has potential to impact future appropriations.

As state support dwindles and we are presented with more and more operational challenges, we must take steps to become ever more self-sufficient—increase our recruitment efforts for enrollment growth, strengthen retention efforts, build institutional financial aid for our neediest students, continue with limited increases in tuition for incoming students, and raise additional private funds for student scholarships and other strategic initiatives. In order for Northeastern to thrive in this difficult climate and economy, we must proactively build our financial security.

We must also maintain and improve our degree offerings. Last year we had three new degree programs approved by the IBHE: The BA in Latino and Latin American Studies, the BA in Global Studies, and the MAT in Early Childhood Education. We also created the minor in LGBTQ studies. The BS in Environmental Science is in the University curriculum approval process; and we have plans to develop the Master of Social Work, and undergraduate degrees in Graphic Design, and Creative Writing. It will be critical to strengthen and evolve our curriculum, with an eye toward workforce needs. Each year the IBHE conducts a survey of alumni one year after graduation. Northeastern graduates tell us that we do better than our peer institutions in preparing our graduates for the degree. But they also tell us that we do significantly worse than our peers in preparing our graduates for a job. We must address this.

**Initiatives for the Future**

As I said earlier, the State of the University Address is an opportunity to pause and consider—How are we doing? What is our future? I hope I have given you a sense of how we are doing. Let’s turn to “What is our future?” To frame our thinking, I would like to review
Northeastern's Statement of Vision. It is part of our Strategic Plan and charts our future direction. It is meant to reflect optimism and the aspirations of the University.

Northeastern Illinois University will be a leader among metropolitan universities, known for its dedication to its urban mission, for the quality of its programs, for the success of its graduates, and for the diversity of its learning environment.

Certainly Northeastern’s recent Top 10 ranking by Newsweek for Best Investment is a celebration of our urban mission, the quality of our programs and the success of our graduates. Rankings were developed from data on tuition costs, financial aid, amount of debt upon graduation, and average salary of first jobs and mid-career. While we have many indications of success in fulfilling our mission and realizing our Vision, it is exciting to receive national recognition and share the rankings with Harvard, Princeton, MIT, and Stanford.

What steps will we take to continue to realize this Vision of leadership among metropolitan universities? Let me outline some of our initiatives for the future.

**Innovation Initiatives**

On June 21 Northeastern faculty, staff, students, board members, and community partners participated in *Imagine the Possibilities: Innovation Summit at NEIU*. The purpose of the Summit was first to discuss the “new reality” that Northeastern and all of higher education is facing—increased competition for a shrinking pool of high school graduates, declining governmental support for higher education institutions and student financial aid, pressure to control student costs, and increasing pressure to provide solid evidence of student success and contributions to economic growth. The second purpose of the Summit was to discuss how Northeastern should react to these pressures to better position the University to be vibrant and successful in the future, and to assure that we recruit, retain and graduate our students to be contributing members of our local and global communities. In effect, our philosophical model has become our fiscal model.

As a result of the Summit, we established the Bright Ideas section on NEIUport. The site has a tape of the entire Summit as well as the remarks made by Representative Daniel Biss. There is a transcription of ideas, including the presentation from constituency leaders. Recently the Innovation Grants Program was added in order to solicit new initiatives to improve student recruitment, retention, graduation, student support, and operational productivity. The application deadline is September 20th.

The link to the Innovation e-mail address is on the Bright Ideas site so that everyone can continue to provide thoughtful ideas. Both input received during the Summit and input from the Innovation e-mail address is being reviewed by the vice presidents and myself as a group; some ideas are directed to specific units for possible implementation. The ideas range from the simple to the complex. One example is that we will no longer be printing the class schedule; this is being handled by Enrollment Services. Another is the request for more recycle bins; it has been forwarded to Green Fee Committee. All of these efforts serve to put us on the path to build an environment of creativity and innovation for the future.

Following up from the Summit and ideas received through the Innovation e-mail, this fall we will host *Imagine the Possibilities, Part II: University Colloquium on Creativity, Innovation, and the Future*. Please mark your calendars for November 2nd. The Colloquium will be sponsored by our shared governance groups (SGA, A and P Council, Civil Service Council, and Faculty Senate), as well as the Great Service Matters Committee, the Vice Presidents, and the Office of the President. We will invite two speakers. One will address trends and the future of Higher Education over the next ten years. The second will address trends and the future of the Chicago area over the next ten years. And we will ask ourselves, given what we learn: How do we re-design? What is our vision for NEIU for the next five years? How are we vulnerable and what do we do about it? We will use these questions as the foundation for our next step, our planning for Spring.

During the Spring we will host *Imagine the Possibilities, Part III: University Roundtables*. The details are yet to be worked out. The shared governance groups, Great Service Matters, the vice presidents and I will sponsor and support the planning and execution of the Roundtables. We will be asking the Colleges to develop Roundtables to focus on the evolution of their curriculum and meeting new workforce needs. Other Roundtables will focus on supporting student success and operational productivity. With the assistance of outside moderators chosen by the planners, we hope the Roundtables will generate a call to action.

I am optimistic that our Innovation Initiatives will help us realize our Vision and will inform all of our other initiatives.

**Doctoral Initiative**

For the past few years Northeastern has explored possibilities for doctoral programs, most recently as part of the Graduate Education Task Force. For the University’s first programmatic initiative, the College of Education will employ the services of a consultant during the spring semester of 2013 to explore the feasibility of a doctoral program in special education. The expertise of the College of Education faculty in diversity, technology, differentiated pedagogy, and research presents a unique opportunity for NEIU to become a leader in preparing professionals who can provide vision and research-based reform in the field of special education.

**Graduate Education Initiative**

This year the University will finalize the implementation of the new College of Graduate Studies and Research, conduct searches for the Dean and Associate Dean, and develop graduate program assessment guidelines and metrics in coordination with the Graduate Advisory Council.
**General Education Initiative**
The General Education Task Force and the faculty will propose and guide through governance the re-design for the General Education Program curricula which reflects the consensus of two years of work by the Task Force.

**University Accreditation Initiative**
Northeastern's reaffirmation of accreditation from the Higher Learning Commission occurs again in 2017 (the year of our sesquicentennial). The process begins in 2012. The process is called Open Pathways. It includes two components—the first is Assurance, responding to criteria in narrative and data form. The second is Improvement—institutions select a Quality Initiative that is a high priority for the university. Northeastern's focus will be on assessment of our Baccalaureate Goals. With the leadership of the Provost, we will be working to determine whether, and to what extent, students are achieving the Goals, and therefore what improvements are needed in the future.

**Campus Climate and Shared Governance Initiatives**
Last year in my State of the University Address, I stated that it is my belief that we, as a university, have the capacity to improve our shared governance processes, and that it would take good will, improved communication, development of a shared agenda, and working together. This year, I believe the University is moving forward to improve campus climate and shared governance. Let me mention three initiatives.

First, the Ombuds Initiative. Following a recommendation from all shared governance groups, a working group was formed to develop the University Ombuds program. This was followed by a search for the first University Ombuds. Brad Ginn has joined the University community, and the program is underway. Ombuds Ginn is already contacting groups and has been invited to share the program basics. I am optimistic this will provide a helpful mechanism to benefit our campus climate.

Second, the Faculty Senate Leadership Initiative. The Faculty Senate has spent the last year reviewing its committee and council structure and operations. The Vice Presidents and I were invited to join these conversations and have appreciated the fruitful discussions. We are also supporting the Senate in the development of a Leadership Day in October to prepare members for their roles on the councils and committees.

And third, the University Advisory Council Initiative. A working group of representatives from all shared governance groups was formed last year in response to the Andersen report. The Working Group has made excellent progress in considering the purpose, operations and structure of a council which will complement the current governance units, bringing all constituencies together to focus on University-wide matters. In the fall term the group will be ready to share proposals with the entire University for input.

It is my hope that all of these initiatives will contribute significantly to a positive approach to problem solving, to improve communication, to promote good will, and to assure that our University is a good place to learn and work.

**El Centro Initiative**
Our excitement and anticipation for the new El Centro campus continues to grow. El Centro has been an integral part of our University community for over 40 years, always in a rented facility. What began as a search for another leased facility has transitioned into finding a permanent and expanded home for our El Centro campus. We developed a conservative and sound business plan and will borrow funds for the land purchase and building construction. The debt will be paid from enrollments from the expanded facility and the elimination of the current lease payments. To date, we have received Board of Trustees approval for the project, purchased the site, completed the design work, and obtained project approval from the Chicago Plan Commission and the City Council. Construction drawings are in progress and the construction bidding process will follow. In the best case scenario, the new El Centro facility would open in Fall 2013. The more likely scenario is a Spring term 2014 opening. The expanded facility will also alleviate some of the overcrowding on the main campus. This is an exciting project for El Centro and the entire University.

**Closing**
When I first came to Northeastern, I initiated a strategic planning process which brought together the entire university community—faculty, staff, and students from all campuses, Trustees, and community members. We developed our plan with Statements of Mission, Vision, Values, a set of Goals and corresponding Action Steps. And our plan, with these various elements, has proved successful and has become an integral part of the culture of NEIU. It has served as the organizing framework as we assess where we are and where we hope to be.

Let us pause once more on the Vision Statement of our Strategic Plan:

*Northeastern Illinois University will be a leader among metropolitan universities, known for its dedication to its urban mission, for the quality of its programs, for the success of its graduates, and for the diversity of its learning environment.*
At the time the Plan was created, even as we affirmed the Vision, we recognized it as optimistic and aspirational. To openly state that we aspired to be a leader among metropolitan universities, seemed a bold affirmation for a university not well known outside Chicago. Who would have anticipated then that five years later Northeastern would be recognized by Newsweek in the top 10 institutions for Best Investment. Who would have anticipated this? The answer is, we did. We are living up to our Vision. This would be a remarkable achievement at any point in time and under any circumstances. To achieve it in difficult and uncertain times is a genuine source of pride for all of us. But while the times do remain difficult, this is no cause for pessimism. We know that Northeastern is a special place, that the Vision endures, and that our optimism is fully justified. The recognition we aspired to is becoming a reality. Preserving this achievement and moving forward will require continued commitment—not just to the Vision before us but to the Northeastern community which binds us all together. Commitment to the Vision requires commitment to each other—students, staff and faculty—as together we go forth and give ever greater expression to what it means to Learn in the City and Lead in the World.

Thank you.