

Northwestern

ILLINOIS UNIVERSITY

State of the University Address

President Sharon K. Hahs
September 23, 2014



State of the University Address

President Sharon K. Hahs September 23, 2014

Thank you, Chair Howenstein. 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 CCAS.

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.

Newly Promoted and Tenured Faculty

The Bernard Brommel Research Award, Dr. Erica Meiners

Excellence Award Recipients—Teaching Professionals, Instructors, and Academic Support Professionals

Employee Excellence Award Recipients

Members of the Diversity Council, co-chaired by Wilfredo Alvarez and Juan Guardia

Members of the negotiating team, both UPI and Administrative members, for your positive and productive work.

The Alumni Affairs Staff, for mounting our first alumni reunion in 27 years last October and for the one to come this October

The faculty and staff who developed the new Emerge summer initiative in English and Math

The faculty and staff who created the new and improved Summer Transition Program

Members of the Search Committee for the Vice President for Finance and Administration, chaired by Marcelo Sztainberg. Vice President Pierick, would you please stand with them.

We were notified just yesterday that Northeastern has received a \$40 million Gear Up grant, the largest in the country. Dr. Wendy Stack, would you and your group please stand.

And now, I would like to recognize the members of the University who have served Northeastern for more than 20 years, and have you stand and remain standing. Next I would like to ask everyone who has served Northeastern for 11-20 years to stand and remain standing; next, those who have served 6-10 years; and 1-5 years; and those in your first year. All of you are to be commended for your good service in these challenging times.

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, are we actually doing what we say we are going to do? These are the annual workplans and their results. Both the Results of the FY2014 Workplan and the new activities selected for the coming year, the FY2015 Workplan, are posted on the Board of Trustees webpages.

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 are updated annually and are posted on the Strategic Planning website as well as on the Institutional Research website. 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.

Today, I won't try to cover all of these items, so I encourage you to check the webpages for the things we accomplished last year, things we have planned and the progress we have made on 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 2014 are not yet available, here is the unofficial data:

Graph 1, Undergraduate Enrollment and Credit Hours: Enrollments have continued their downward trend. In fact, we have lost roughly 14% of our student credit hours over the last five years. We are all working hard to understand and act on this trend. This is, of course, the sum of recruiting new students and the retention of current students. Thus, it reflects our overall fiscal health.

Graph 2, Graduate Enrollment and Credit Hours: The trend has leveled off—a very good sign. This would indicate that our renewal of graduate education is beginning to produce positive results. We will continue this good work.

Graph 3, New Freshman and New Transfer Enrollments: New transfer students and new freshmen are both down about 5%. We must re-double our recruitment efforts.

Graph 4, Degrees Conferred: This measure is up from last year, and the third highest in our history. This remains a positive outcome of our work. We must sustain these efforts.

The enrollment declines are certainly a cause for concern. With respect to retention of current students, a graph on first to second year retention rates shows a steady decline over the last few years. (The last figure is unofficial.) We must focus attention on improving this.

And why do we have a decline in new students? Factors certainly include the on-going weak economy, students' fear of accumulating student loan debt, and smaller numbers of students graduating from high school. Nationally, we know that the high school graduate population is declining and then leveling off for the near future. A recent Noel-Levitz report indicates that the number of high school graduates will bottom out this year or next. Illinois will continue to decline by one to three percent for the next five to ten years. Chicago Public Schools data shows that the overall cohort numbers continue to decrease; however, the number of graduates is increasing, including the number of Latino and African American graduates. Dr. Howenstein has done some regional analysis with similar conclusions.

In short, there is increased competition for the same students, with no significant relief in sight. This means that we must increase our market share just to stay even. We can't allow others to out-compete us. Working together, we are addressing this. We have our new website; we have just launched our Customer Relations Management, CRM, program to track and personalize the admissions process; we have expanded the high school territories and pool of prospects; we have added new high touch recruitment events and initiatives as well as high school guidance counselor breakfasts. We have renovated Alumni Hall. New reports, data and information are being used to inform our decisions. We have an integrated marketing and enrollment team. New initiatives such as the summer Emerge and re-designed STP programs will support student success. And we have launched the development of student housing.

We must also continue to be vigilant, assuring that we have the best combination of course sections in an era of fewer offerings; 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. In regard to this last point, the Administrative Team continues its focus on providing a welcoming environment. I want to encourage everyone's attention to all of these efforts.

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 every year. We work with the University Planning and Budget Council to match priorities and funding. The FY2015 Operating Budget was presented to the Board of Trustees last Thursday, along with the Operating and Capital Request Budgets for FY2016. They reflect the excellent work of the UPBC. These Budgets are provided on the Board of Trustees webpages.

First the revenue: For FY2015, our state appropriation decreased from the previous year by \$99,300. The Income Fund projection, based on an enrollment decline of 3-4%, is less this year by just over \$1.3 million.

To deal with the loss of revenue and cover our financial commitments, budget adjustments, in the form of cuts, of 4.7% across all areas, were made. In addition, \$1.5 million of the \$2.8 million in salaries of individuals who retired, was put toward balancing the budget. The net revenue of \$3.8 million addresses the spending plan. That plan includes salary increases, the potential transfer of employer retirement contributions from the state to the University, recruitment and retention enhancements, and El Centro operating costs. This list is short (and several faculty and staff positions were lost across all vice presidential areas), but there were no cuts in institutional financial aid, and, for the fourth consecutive year, we have accommodated the delay in receiving our state appropriation. At the beginning of this fiscal year, July 1, the state still owed Northeastern over \$7 million from last fiscal year.

Our Institutional Advancement Division continues to raise private donations for annual and endowed scholarships. This year they also completed the fund-raising project to name the student gathering space in the College of Business and Management, “Dr. Mohammad Mossadegh Servant Leaders Hall,” honoring this historic figure, celebrating our Iranian-American community at Northeastern and in Chicago, and providing support for both scholarships and lectures. We extend our thanks for their good work.

As state support effectively 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 cope in this difficult climate and economy, we must proactively build our financial security.

We must also maintain and improve our degree offerings. The BS in Environmental Science and the Masters of Social Work are ready for approval by the Illinois Board of Higher Education. Other programs in the pipeline include the BA in Philanthropy, the RN to BSN (Nursing), the Masters in Public Health, and the BS in Graphic Design.

Moving Forward

Let me now turn to some of the things we are doing to move forward.

El Centro

Our new El Centro has opened! New students took their first classes in the facility last Saturday. I dropped in to enjoy the moment—it was a picture perfect day. We look forward to the official ribbon cutting on September 30th. In a city that values architecture—and architects—this stunning building will bring prominence and visibility to all of Northeastern, and will complement and bring recognition to the excellent academic programming that goes on inside it. Special thanks goes to David Jonaitis for oversight of the entire facility project, and to Provost Richard Helldobler for his leadership in developing the academic programming. We are deeply proud of the history of this special part of Northeastern’s commitment to its communities.

Doctoral Program Initiative

Consideration of the Doctoral Program in Special Education has taken another step. A comprehensive report was provided to the Board of Trustees last Thursday as an information item. The report included the background leading to the selection of Special Education; the program design, description, and requirements; enrollment and degree projections; how the program would contribute to the University’s Mission and Strategic Plan; opportunities for graduates; comparable Illinois programs; and a projected budget. The Academic and Student Affairs Committee of the Board of Trustees will lead discussions regarding how to move forward.

The Decade of Dreams

The main campus Facilities Master Plan, “The Decade of Dreams,” was unveiled last year. It was designed to reflect the various projects and needs identified in Northeastern’s capital requests and other documents.

This year the Education Building is underway! It is funded through a state appropriation to the Capital Development Board (CDB). Smithgroup/JJR Architectural has been selected to design the building. A space allocation study and program identification process have

been completed; the design process is underway. We hope to open the building in fall of 2017 or spring of 2018. It will be the first major addition to the Bryn Mawr campus footprint since 1988.

An infrastructure expansion is needed to support the building. Design work has been completed for this project and construction documents will be in production soon. While the building is funded through the CDB appropriation, the cost of the infrastructure expansion must be covered by the University. We will use Reserve funds, as is appropriate for one-time costs that support long-term needs for the University.

As with the Education building, the new facilities are marked in yellow on the map. You will see two additions this year that are names of buildings circled in yellow. First, we have a Space Master Plan for the Ronald Williams Library. We will not be changing the footprint, we will be changing the inside—to create a dynamic and re-visioned library to serve as an intellectual and cultural oasis for the University, complete with an Information Commons and programming and services to support engagement of the mind and spirit. While it is a \$30 million project, it is designed in phases with the possibility of working in steps towards realizing this dream.

The second addition is Building B, circled in yellow. This represents the expansion of the Pedroso Center for the Women's Resource Center and the LGBTQA Resource Center. Design work will finish this fall, and construction will begin in spring with completion prior to the next fall semester.

What is not marked in yellow are three new roofs (PE Complex, Building H, and the Library), funded by a CDB appropriation, and a major renovation of the microbiology lab funded through a grant and institutional funds.

Also new on the map this year is a second site for student housing, the 3400 block of Bryn Mawr.

Student Housing

In our Strategic Plan, adopted in 2008, Action Step 5.2 reads, “Add a residential life component consistent with the mission of the University.”

The addition of an affordable, supportive living and learning environment close to academic programs and student services will greatly enhance our ability to recruit and retain students. Northeastern is the last public university in Illinois to add a student housing program; we are at a competitive disadvantage without it. We will leverage our Chicago location and our transformative educational experience to attract students from across the region and around the globe. Student housing complements our excellent academic experience, fosters a greater sense of community for our students, and improves retention. It will also support growth and economic vitality for the University and for the area as a whole.

This Action Step has been a long time in development. In preparation for launching this project, Northeastern commissioned a preliminary market feasibility study; sent a team to visit other universities; studied mechanisms for development; and joined the Association of College and University Housing Officers—International. Our Action Step 5.2 was reviewed with the University community early last spring, with a resolution of support from the Faculty Senate, and a detailed discussion with the SGA. It was also addressed in meetings with the Administrative Team, the UPBC, the Alumni Advisory Board, the Foundation Board, and, of course, the Board of Trustees.

We began to formulate plans and identify locations. We recognized the value of and we embraced the mixed-use concept of retail space on the ground floor with residence space above. Our goal is to provide housing for 10% of our students, adding to our capabilities but not changing the character of the University. To meet our goal of providing housing for 10%, we will need at least two—possibly three—units or residence halls. Options involving the current 67 acres are limited. The need to preserve green space for our current buildings and those we plan to build—such as the science building—and the need to keep our playing fields to support our Physical Education degree program, limit the space available to build a residence hall on the current campus. Our study led to the conclusion that the University would need to acquire property for the one of the halls. We would need one contiguous space, close to the 67 acres. We made a conscious decision not to pursue residential property in order to minimize disruption to neighborhood families, focusing instead on the commercial area of Bryn Mawr.

Roughly a decade ago, the University purchased what is now the Bernard Office Building in the 3400 block of Bryn Mawr. That block is also part of an economic re-development zone. Thus, it would be suitable to put retail space on ground floor, helping the economic revitalization of the five-block area from Bernard to Kedzie, where over 30 storefronts are vacant. We would plan to open one residence hall in the Fall of 2016. To build first on Bryn Mawr, if feasible, would impact economic revitalization to a greater extent than on the present campus land. Both halls are critical to the economic well-being of University. We are moving forward with plans for both locations.

The University has had informal conversations with some of the seven property owners on that block as far back as 2009. Over the last two years, those conversations resulted in the purchase of Pete's Auto Clinic, with special arrangements for a one-year lease and possible extensions for the business to remain at its current location. Last year, all six remaining property owners were contacted; some were interested and wanted the University to provide a number.

At the beginning of this year, the University wrote formally to each owner, stating our interest in acquiring their property and inviting them to a meeting to explain the Decade of Dreams and initial plans for student housing. We also held a community meeting to unveil the Decade of Dreams. During the spring, we engaged services for market appraisals and presented official offers. In late summer the University filed for eminent domain in circuit court to acquire the six properties.

Let me address eminent domain directly. Eminent domain is a legal process whereby public institutions can acquire land for public use while paying fair market price. Northeastern Illinois University is a public university. The land is needed to develop residence halls to attract residential students, and to make the area more vibrant and safe to attract both commuter and residential students. Although the process of acquiring land for a public purpose from an owner who does not wish to sell is legal and regularly employed, it is a process that all involved would usually like to avoid. Eminent domain does not preclude settling, often the case after a property owner provides his or her own appraisal and the sale amount is negotiated and agreed to by both parties. More recently a one-year extension was added to each offer to ease the transition; however, the details of those conversations remain confidential.

During this same time, the process was completed to identify the team to develop and build the halls, in compliance with Illinois Procurement Code. We are very pleased to have American Campus Communities, ACC, on board. This is a nationally recognized, experienced and capable group. The University is responsible to acquire land; ACC will lead a locally-based design team to secure financing, develop, build and operate the project (at both locations). The residence hall rooms will be for students. Ultimately the buildings become University property.

We will continue our process. We have only the broadest plans at this point. In recent conversations with ACC, it was suggested that we consider the parking lot location south of the parking garage rather than Foster Avenue, regardless of whether the first hall is built on Bryn Mawr or our current 67 acres. It is all under discussion; we will share progress as appropriate and invite input from the community. We have formed the Northeastern Neighborhood Network with representatives from neighborhood organizations to stay connected. We are already aware of concerns around traffic and parking, noise, population density and design. We ask that everyone recognize that the University has been in this location for over fifty years, and has served as an educational, economic, and cultural anchor in the Chicago metropolitan area since 1867. We will continue to support our neighborhood—with green space, with arts and culture, with access to the PE Complex, with daycare and children's summer programming, with community service projects by our students, and with University Police patrolling the surrounding neighborhood beyond our very safe campus.

Northeastern Illinois University is a member of the American Association of State Colleges and Universities, AASCU. As is the tradition in our country, and espoused by AASCU, state universities include in their mission the stewardship of place, the stewardship of our communities. Northeastern takes seriously its role as a state university and an anchor in its communities. We are arguably the largest economic engine in the neighboring area and work to support the area and position our university for success in order to continue in that role.

Strategic Planning; Initiative to Refresh the 2008 Plan

Let me describe now our initiative to refresh the 2008 Strategic Plan. In these challenging times, we must stay focused on the future, on our Strategic Plan. Accordingly, it is appropriate to revisit the Plan with the goal of refreshing the Action Steps from 2008. Therefore, our charge will be: Keeping the Mission, Vision, Values and Goals of the 2008 Strategic Plan, review and update as needed, the Action Steps to guide the University for the next several years. The University Planning and Budget Council, as the advisory council responsible for the oversight of planning, will, along with the senior leadership team, take major responsibility for guiding this initiative—and the process was developed in consultation with the UPBC.

The Strategic Planning Steering Committee will be co-chaired by UPBC Chair Marcelo Sztainberg and myself. Provost Helldobler will serve as Vice Chair of the Steering Committee as well as Chair of the full Planning Team. The UPBC is identifying six additional Council members to serve. The Vice Presidents, the Vice Provost, and the 2013 and 2014 Presidential Fellows will complete the composition of the Steering Committee.

The Planning Team will be a group of 50 to 60 individuals from across the University, and its membership will be developed from nominations, including self-nominations, from all faculty, staff, and students. From the Planning Team, six working groups will be formed to address the Action Steps of the six Strategic Goals. As the work progresses, there will be an opportunity for electronic input for all stages. The call for nominations for the Planning Team will be sent out this week.

University Day, set for October 9, will begin our work with a SWOT exercise— Strengths/Weaknesses/Opportunities/Threats— and a review of Goals to determine whether they need minor adjustments. The Steering Committee will develop any revision of Goals and report to UPBC.

On Tuesday, October 23, we will have a University-wide meeting with six divisions, led by the six working groups, to receive input on the Action Steps under each Goal. In late October, each working group will meet to develop its recommendations for the Actions Steps under the assigned Goal. In early November, the Steering Committee will review the reports and direct the Meld group to create a polished

draft. Hopefully by mid- November, the polished draft will have its final review, on the Bryn Mawr campus, CCICS and El Centro. The full document will be presented to UPBC for endorsement. And by early December, the new Plan will be set for implementation. This is simply a quick description; greater clarity and detail will be forthcoming.

I look forward to our process, our discussions, and the outcomes of this important work.

Closing

As I did last year, I would like to close today with Northeastern Illinois University's Statement of Vision. It is part of our Strategic Plan and it 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.

As we reflect with pride on our achievements and prepare to face the challenges, each year the Vision Statement acquires new meaning. It becomes with each new initiative achieved and each challenge met less a statement of aspiration and more a proud declaration of definition.

This year we launched our new website with its focus on academic excellence.

Our College of Education was selected in the top 10 nationally for the AACTE Networked Improvement Community. For the second year in a row, NASPA, the leading national student affairs association, chose Northeastern as a civic learning leadership institution.

The newest *US News and World Report* rankings provide two distinctions: First, Northeastern is one of the most diverse regional universities in the nation; and second, we have the smallest percentage of students graduating with debt in regional universities in the nation, and the lowest amount of debt of all regional universities in the Midwest.

And, we have created and opened our new El Centro, bringing prominence and visibility to the entire University for our "Marker Building," as it has been dubbed, and for our mark of academic excellence.

These achievements and recognitions certainly reflect our dedication to our urban mission, the quality of our programs, and the diversity of our learning environment. To achieve this in difficult and uncertain times is not only a cause for celebration, but a genuine source of pride for all of us.

So, while the times do remain difficult, even sobering, we should not be discouraged. We know that this 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 our Northeastern Illinois 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.

