

Northwestern

ILLINOIS UNIVERSITY

State of the University Address

President Sharon K. Hahs
September 22, 2016



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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 Northeastern!—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 express our 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 recipient, Dr. Brian Schultz, and
The Audrey Reynolds Distinguished Teaching Award recipient, Dr. Laura Sanders

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

Employee Excellence Awards Recipients

The entire College of Business and Management, led by Dean Bedell, for earning national accreditation from AACSB

University Police for earning departmental accreditation

Ann McNabb, our Budget Director, and Fe Lenon, our Controller, for their analyses and wisdom in helping us through the worst budget year ever.

Enrollment Management Services, New Student and Family Programs, Advising, Marketing and Web Communications, and Toulou Wellbrook, Academic Affairs, for recruiting the incoming class

The Student Housing Committee for planning and launching the Nest, and for Robin Mahaffey as the Nest construction coordinator

Development and Alumni Affairs for spearheading the NEIU Weekend reunion

Dr. Suleyma Perez, Executive Director of Government Relations, for her leadership of our advocacy work this year.

Our list could go on. As I invited suggestions for appreciation today, I received lots of names and whole units for so many good reasons. In fact, in this difficult year, everyone came together and worked hard and creatively. I ask that everyone, yes everyone, stand and be recognized.

We thank you ALL for your contributions!

Opening

So, what is the state of the University? How are we doing? Are we making progress? What is our future? Of course, I am acutely aware that the absence of a state budget and questions of how this is impacting our University are uppermost in everyone's mind; the answers 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 Work Plan.

Progress in implementing our Strategic Plan is demonstrated in two ways. First, are we doing what we say we are going to do? (Do we walk the talk?) These are the annual Work Plans and their Results. Both the Results of the FY2016 Work Plan and the new activities selected for the coming year, the FY2017 Work Plan, are posted on the Strategic Planning webpage, to be found under the "About" section or by using the search function.

The second way of demonstrating progress on our Strategic Plan is the Key Performance Indicators, or KPIs. These are specific quantitative outcome measures for each of the six Strategic Goals. The six 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 webpage as well as on the Institutional Research webpage. 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.

I encourage you to check the Strategic Planning webpage 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 five graphs for you to see our progress in student enrollments. While official enrollments for Fall 2015 are not yet finalized, here is the almost official data:

Graph 1, Undergraduate Enrollment and Credit Hours: Enrollments have continued their downward trend, for new and complicated reasons. New student enrollment is up, so the source of the decline is continuing students. This is likely due to the budget impasse, the difficult climate in Illinois and the delay in MAP support. Regardless, we must continue to work hard to understand and act on this trend. This graph 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: We are seeing an upward trend, a very positive sign. We will stay focused on this.

Graph 3, New Freshman and New Transfer Enrollments: New freshman enrollment is up, the highest in four years—wonderful news. New transfer student enrollments are up slightly, also a good sign. We will continue our recruitment work, and we must provide strong support for these students to continue and graduate.

Graph 4, Degrees Conferred: This measure is up, the highest in four years, the third highest in our history, and is great news.

Graph 5, Fall to Fall retention of new freshmen: There is a significant decrease here. First year retention is a reflection (not a measure) of overall retention. I attribute this loss uniquely to the budget impasse. This loss represents roughly \$335,000 in lost revenue. We have critical work to do here.

This year I have added another graph—developed by the Delta Project on Cost, Productivity, and Accountability. It is called the number of degrees per 100 FTE students. FTE stands for Full Time Equivalent. For example, one FTE student is one full time student, or two half-time students, or 4 quarter time students, or one half-time and two quarter time students. It provides a way to include both part-time and transfer students in the mix of those graduating. It is a better reflection of our mission and our work than the traditional IPEDS 6-year rate for only first-time, full-time students you saw in Graph 4. This measure is now included in the IPEDS data system, and we have added it to our KPI set.

Graph 6, Degrees per 100 FTE Students: You can see our steady improvement on this measure. For context, if a university had a total of 400 students: 100 first year, 100 second year, 100 third year, and 100 fourth year, and with everyone staying in school and graduating in four years, then this university would have a rate of 25%. Allowing for a mix of student types, Northeastern is doing well.

Here are my reflections on all of this information:

With respect to recruitment, 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. We are working to expand our marketing initiatives.

With respect to retention, we must focus even more on retention to produce an even greater impact and fulfill our mission. Working together, with new initiatives to support student success, we continue to address this, and I call on everyone to help.

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.

We must increase our grant activity to support many aspects of student learning, faculty development, recruitment and retention. Just recently Northeastern received a \$2.625 million Title V grant from the US Department of Education to implement a comprehensive system of support to increase retention of first-time, full-time students into their third year of enrollment.

As an aside, we have almost daily good news of funded grants and other accomplishments. I encourage you to check our weekly Noteworthy at Northeastern feature from Public Relations.

As we look to the future, we must emphasize excellence with innovation. We will need to evolve our curriculum by replacement, and be creative in all aspects of the University. We will be asked to innovate, re-structure, re-invent, create, even as we work to assure our long-term health.

And we must protect our reputation. The University's Insurance Broker and the Risk Management Society conducted a national survey last year in which higher education leaders identified injury to the University brand or reputation as the second greatest risk, after economic conditions. Let us proactively protect, guard, and enhance our reputation.

I encourage everyone's attention to all of these efforts and ideas.

Fiscal Matters

Let me turn to fiscal matters. It goes without saying that 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; their work is reflected in the Operating and Request budgets we develop each year.

However, this last year has been not only challenging, but difficult, discouraging, unimaginable, and full of uncertainty and drama. A year ago last spring the University eliminated 65 non-teaching positions to prepare for what we anticipated would be a 15-20% cut in the state appropriation. We then developed our preliminary FY2016 budget for the June meeting of the Board of Trustees based on the legislative recommendation of an 8.6% cut. You will recall that the Governor vetoed that budget bill.

So the entire year went by with no appropriation. The Vice Presidents, the Budget Director, the UPBC Chair and I met weekly to analyze and discuss approaches and findings. In February and March we prepared for all employee groups to participate in a furlough and cost savings program that might extend through the spring and summer. It was complex, painful, and difficult—I want to commend everyone for coming together and for your sacrifice; and I appreciate the sensitive work that was involved for our Human Resources department.

In April we received stop-gap funding in amount of \$10.7 million, plus reimbursement for Fall 2015 MAP funds that we had fronted to our students. We had by that time also fronted spring 2016 MAP funding and made the decision in early summer to front the Fall 2016 MAP funds. With the receipt of the stop-gap funding, we were, thankfully, able to discontinue the furlough and cost-savings program.

On June 30, 2016, the last day of that fiscal year, we received \$19.5 million in stop-gap funding plus reimbursement for MAP funding for the spring. This stop-gap funding was described as funding for 18 months—all of FY2016 and the first half of FY2017 (through December 31, 2016); later we were directed to assign those funds to the FY2017 budget. Regardless, the total funding reflects a 30-40% cut from the last known appropriation, FY2015.

We closed out the FY2016 budget cycle using our preliminary operating budget that the Board had approved in June of 2015.

This last June we took the FY2017 preliminary operating budget to the Board of Trustees for approval and it will stand until we receive an appropriation. At such time, we will make adjustments and submit the revised, final operating budget to the Board for approval. Likely the preliminary operating budget will continue through the year similarly to last year. There is speculation that something will break with the budget after the November elections. Let us hope.

Meanwhile, we remain under a hiring and spending freeze; with great care we have adequate reserves to maintain our cash flow this year. The Education building—a CDB project—remains on hold.

The presidents of all the public universities continue to work together through weekly conference calls—we have done so for nearly 18 months. We have strong networks of our Chief Financial Officers and Budget Directors, our Government Relations people, our General Counsels, and our Chief Academic Officers. Over the last year, multiple advocacy efforts included trips to Springfield to testify, faculty, staff and student rallies here and Springfield, resolutions by the Board of Trustees, news conferences, writing and calling campaigns, and the Alumni Advisory Board travelling to Springfield as well as working with all the alumni associations in the state.

The Operating and Capital Request Budgets for FY2018 were presented to the Board of Trustees last Thursday. All of these budgets are provided on the Board of Trustees webpage. The Request Budgets are simply an exercise with a due date to the IBHE. In recent years they have had essentially no impact on the final appropriations for their given year.

It also goes without saying that for the sixth consecutive year, we have accommodated the delay in receiving any state funding (what we formerly called our appropriation). Our ability to manage this is based on our careful use of tuition dollars, our ability to borrow from our reserve funds until the state funds are received, and careful limited expenditures. Of course, this last year the delay was close to impossible to manage, and our ability to employ this strategy cannot continue indefinitely.

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 marketing and 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, seek grant funding for appropriate projects, 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.

Moving Forward

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

The Nest

On August 19, we cut the ribbon and opened our first residence hall, the Nest—a reference to the Golden Eagles. We have welcomed our wonderfully diverse group of students from nine states (80% from Illinois) and nine countries (South Korea and Spain). With 260 leases, we have met our financial commitment. The majority of the students are first year students; we also have new transfer students, continuing students, graduate students, and international students.

As we anticipated, we are leveraging 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 all our students, and improves retention. It also supports growth and economic vitality for the University and for the area as a whole.

Shared Governance

Our 2015 Strategic Plan has an Action Step, 4.6, which reads, “Develop an effective application of shared governance at Northeastern.” We have made good progress on our shared governance practices this past year. Highlights include significant revisions to the Faculty Assembly Constitution; a promising report from the Task Force on Faculty Input on Senior Leadership; a variety of small gatherings; and a meeting of more than 30 University leaders to identify areas where shared governance is working and issues that still need our attention. I want to welcome Professor Emerita Shelley Bannister to the President’s Office to support this important work. I am confident progress will continue, and we will strengthen the many ways we work together.

And, by the way, I also want to be the first to welcome our Interim President to the President’s office. Dr. Helldobler has accomplished so much for Northeastern and is deeply committed to the University and our students, staff and faculty. He will do a wonderful job! Please thank him and welcome him!

Transforming Lives: The Campaign for Northeastern Illinois University

Northeastern has launched our first comprehensive fund-raising campaign in the University’s history with goal to raise \$10 million over five years in cash, pledges and planned gifts. Called Transforming Lives: The Campaign for Northeastern Illinois University, it is student-focused and will span calendar years 2014 through 2018. We are currently in what is called the quiet phase, or the advance phase to acquire the nucleus fund, the largest gifts. The public phase typically commences when 50-60% of goal has been reached. To date we have met over half of our goal. This year we celebrated the Goodwin gift of \$1million along with the Goodwin gift challenge of \$1.5 million over three years. We honored this gift by naming our College of Education—the Daniel L. Goodwin College of Education. Mr. Goodwin’s gift is the largest in our history. We plan to launch the public phase of the campaign in the spring!

There are two broad initiatives: Creating Extraordinary Scholarship Support, and Creating Exceptional Learning Environments. While our first campaign is a modest one, it sets the foundation for future campaigns of greater magnitude. We are taking a significant step toward greater financial security.

Sesquicentennial Anniversary

In 2017 Northeastern Illinois University will celebrate its sesquicentennial. Founded in 1867 in Blue Island, Illinois as Cook County Normal School, the University traces its roots to the beginnings of teacher training in our State. Throughout our history we have remained resolute in our commitment to meeting the needs of each new generation of students. A Sesquicentennial Planning Committee has been named to begin developing our plans for a grand celebration. Also, a book of our history has been commissioned. It is titled Northeastern Illinois University: The First 150 Years. The author is Richard Lindberg, a Northeastern alumnus, a well-respected and well-published historian, and a member of Northeastern's Alumni Advisory Board. The manuscript, which I very much enjoyed reading, is in its final stages of editing, to be ready for the sesquicentennial celebration.

Closing

So, what is the state of the University? Our foundation is strong, we have many good things in place and a committed and talented faculty and staff. I remain optimistic for the future. But we continue to have a significant damper—the lack of state appropriation—that creates a dark cloud over the University. It is extraordinarily hard to deal with what is unknown and beyond our control. This is a hinge time in history, for our nation, our state, and our university—we are living it. Let us continue to work to turn this crisis into a challenge to be met. My use of the pronoun “we” might give pause since my role will be changing, but know that my commitment remains.

Let us focus on what we can do, to come together to fulfill our Mission. Each of us has a role and each of us should execute that role to the best of our ability. Let us focus on the future even as we struggle with the present. Let us remain anchored in our Mission and Vision:

Mission: Northeastern Illinois University, as a public comprehensive university with locations throughout Chicago, provides an exceptional environment for learning, teaching, and scholarship. We prepare a diverse community of students for leadership and service in our region and in a dynamic multicultural world.

Vision: 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.

Moving forward will require continued commitment—not just to the University—its Mission and Vision—but to our Northeastern Illinois community which binds us all together.

I believe and I have often said that Northeastern is a special place, worthy of our hard work and commitment. With continued hard work and commitment—working together—the future is bright. It is my heartfelt belief that we will persevere, we will find our way through this, we will do it for our students. While we can't see very much of the path ahead, the clouds will clear.

It has been my joy and honor to serve as president for nearly a decade. I am proud of what we have achieved in that decade—bringing people together for the common good. What began as a strategic planning process became a guide, a road map for all the other things we have accomplished together. I thank you for that joy.

Please know that I truly cherish our University and the people who make Northeastern the special place that it is today. I will always keep you in my heart. Thank you.

