

State of the University of Minnesota, 2005

-Delivered by President Robert H. Bruininks, February 24, 2005

Good afternoon. I'd like to acknowledge Regents Dallas Bohnsack, John Frobenius, Steven Hunter, David Metzen and Patricia Simmons.

I'm pleased to present the state of the University to you today. I'd like to dedicate these remarks to the late Governor Elmer L. Andersen. There may have been no greater champion for the University of Minnesota. As a lawmaker, as governor, as regent, as benefactor and as an advocate for the U, his contributions were unparalleled. This past September, despite his frail health at the age of 95, Governor Andersen went before a Citizens League committee to advocate for higher education reform and support for the University of Minnesota.

Today, the state of the University is strong, and worthy of the dedication and faith that Governor Andersen and so many others have offered over the years. We need only look at our enrollment of more than 65,000 **students**—that's nearly 1,500 more than last year. The University system also graduated more than 12,000 students last year, with record numbers of degrees granted at both our Twin Cities and Duluth campuses. For 2005-06, we are on track to receive more than 20,000 applications for 5,300 undergraduate spaces in the Twin Cities, a 10 percent increase over last year's record number of applications.

Our incoming students are increasingly well qualified and prepared, with record high class ranks for freshmen; and once they choose the University, we have ambitious goals for their success. On all campuses, we aim, by 2012, to improve graduation rates significantly. We are on our way: over the last nine years, four-year graduation rates on the Twin Cities campus have increased by 12 percentage points and six year rates by 17 points.

For the past three years, **annual sponsored funding** award levels have all topped \$500 million – more than 98 percent of all sponsored research going to higher education institutions in the state of Minnesota. We can be proud that we've continued to make progress in the midst of historic state budget reductions.

These are important achievements. What I want to lay out for you now, however, is the case that we need to do better--that maintaining the status quo at the University will, as our Provost Tom Sullivan has said, "seriously impair our ability to continue to serve the state of Minnesota, our nation, and the world with distinction in research, teaching and outreach." We need the creativity, hard work and adaptability of the University community to position the University of Minnesota as one of the world's great public research universities. That's what our strategic planning process is about. I'd like to spend the rest of my time here today talking about these aspirations and how the University can reach them. I believe strongly that this community is up to the challenge.

We must recognize and adjust to the **changing conditions in higher education.**

One of the most obvious challenges facing public research universities like ours is **declining or static public investment** in higher education. This is a concern in many states. But, uncharacteristically for Minnesota, we've watched **state support** for higher education as measured by tax effort by income, decline from 6th in the nation in 1978 to 26th today. Unfortunately, we're also seeing the **federal** higher education budget increasingly squeezed. After years of steady increases in the budgets of major research funding agencies like the NIH and the NSF, most federal research funding sources anticipate funding cuts or increases at levels below inflation.

Students are paying more toward their education today, and tuition will soon eclipse state support as a portion of the University's budget. Although Minnesota's financial aid program for undergraduates remains among the most generous in the country, federal funding for student aid programs has failed to keep pace with the rising cost of higher education. The value of the average Pell grant is half of what it

once was for low-income students at a four-year public institution. For fans of students working their way through college, this, too, is an increasingly difficult prospect. A student earning minimum wage today would have to work 60 hours a week to pay for his or her education versus 20 hours per week a quarter century ago.

But what about the **cost side of the equation**? Our costs, and those of our peer institutions, have grown significantly above the regular rate of inflation for many years. Why is that? We face increasing competition—especially from private universities—for top scholars. Employee health care costs continue to outstrip inflation. Research and teaching at the cutting edge require facilities and a technology infrastructure that are up-to-date and often very expensive. Library costs, too, have been increasing at 15 percent annually. **But, quite frankly, we can also lay some of the blame on our own complacency; institutions like ours have been too slow to foster an academic culture that emphasizes the best use of resources and continuous improvement.**

As a public university with a legacy of access and opportunity, it is also our responsibility to look at how **demographic changes** affect our future. Minnesota's population, like the nation's, is aging and becoming more diverse. Over the next decade, the pool of high school age students from which the University draws most of its undergraduates is expected to level off and decline at the same time that it becomes more diverse. We can expect to serve an increasing number of students of color and first generation college students, and students for whom English is a second language.

We will be a weaker society if we do not address issues of **access and affordability** in higher education. Similarly, we must continue to address college enrollment and completion gaps that exist between the majority population on the one hand, and populations of color and students from low-income backgrounds on the other.

We already make extraordinary efforts to ensure that talented students of color and first generation college students choose the University of Minnesota. Today, among undergraduates at all of the state's four-year campuses, the University enrolls 27 percent of all students, but 40 percent of all students of color. Even so, we will need to redouble our efforts.

Finally, the academy is undergoing changes that we cannot ignore. Our major sponsored research funders are shifting their emphases to multi-disciplinary, multi-institutional grants and contracts, and many of the problems research universities solve for society require new links across disciplines, institutions and even national borders.

Recently, I've been fond of quoting Canadian economist Arthur Rothstein who once famously said, "Much will have to change in Canada if the country is to remain the same." Those same words describe the situation the University faces today. **In many ways, we are already a leading research university.** In the University of Florida's annual report, the Twin Cities campus has consistently ranked in the top three to the top seven public research universities in the United States; but unless we **create a working framework for planning, our ability to meet the future and to take best advantage of the trends I've described will be limited.**

This past summer, with unanimous support from the University's Board of Regents, we began the first comprehensive **strategic planning process** the University has undergone in almost 15 years. Under the leadership of Provost Tom Sullivan, the University community has articulated an ambitious aspiration for the University—to **be one of the top three public research universities in the world within a decade.** Is this an elitist goal? Does it separate us from the interests of Minnesotans, a notoriously humble people? I believe it is not and it does not.

The pursuit of excellence at the University is in the best interest and service of the state, because a research university that does not support excellence will not attract the talent or the funding needed to make a lasting and positive impact on our economy or in our communities.

The goal we have set applies an equivalent standard of excellence to **all our campuses**, each of which has its own unique mission, strong signature and reputation. Our Duluth campus ranks among the top Midwestern, regional universities; the Morris campus has repeatedly received recognition for its distinctive liberal arts strengths; the Crookston campus is nationally known for its creative use of instructional technology and the Rochester campus serves that community's needs with growing programs in education, management, health care and technology.

An equivalent standard of excellence also applies to our network of statewide research centers and Extension Service offices, the legacy of our land grant tradition. Minnesota benefits from the University's constituent parts, but it also benefits from having a system that encompasses the state and ties research and education to people's lives.

Our strategic planning process is about transforming the University of Minnesota around our core values.

And what are these values? Through the sweep of 154 years, this University and this community have valued:

- excellence and innovation;
- discovery and the search for truth;
- access to learning;
- academic integrity;
- stewardship and accountability of resources and relationships;
- sharing of knowledge to advance our quality of life and the economy of Minnesota, the nation, and the world.

We have also valued **diversity of community**, in addition to the **diversity of ideas**. True to our heritage, the University must continue to provide access and opportunity to people from less advantaged life circumstances and from diverse cultural backgrounds. We must also affirm our commitment to academic freedom and civil discourse. Within the academy, there is a place for disagreement and a plurality of viewpoints, even those that may be unpopular.

But diversity requires tolerance. We cannot and we will not allow hatred and bigotry to intrude upon a community that is founded on diversity, respect and the pursuit of understanding. We recently witnessed acts of intolerance here on the Twin Cities campus that I personally believe are outrageous and regrettable. We are still seeking those who are responsible in order to hold them accountable.

As Governor Andersen said a few months before his passing, "Progress comes when civil people acknowledge each other's views and come together to seek agreement." Let's heed his words and seek progress as a community.

This strategic planning **process** began last summer with a committee drawn from throughout the University system. The initial committee work was based on ideas submitted by the University's major units, and it was presented to the Regents in September, October, November and again this month. The University community has engaged in this process through five town-hall style meetings, a number of University-wide messages, and successive postings of the strategic plan on the web, which resulted in hundreds of suggestions via email. With faculty leaders, the provost also presented our strategic planning and positioning process to three dozen groups and organizations inside and outside the University.

The author Peter Drucker has said that **an organization must be clear eyed about not only what it wishes to do, but also what it can no longer do**, stressing that without attention to sun-setting or ending programs and services, "an organization will be overtaken by events. It will squander its best resources on things it should no longer do." Our obligation is to make changes in a thoughtful manner that emphasizes our unique responsibilities in Minnesota's system of higher education.

Today there are **two task forces** moving forward to use the plan's criteria to make important decisions about the organization and priorities of the University. One is looking at our academic programs and structure, and the other is looking at possibilities for service improvement and administrative cost savings.

They will be making their recommendations to my administration in late March, and, following consultation with the broader University community, we will bring these recommendations to the Board of Regents in May for their consideration. This work will provide the foundation for longer-term assessment of programs and priorities.

I've described the context and the process we've designed to create the future. This will be a long-term process of adjusting our priorities while always holding firm to our values as a public research university system with statewide responsibilities. I'd like to also talk about our aspirations and some of the **specific actions** we're taking that align us with our land grant legacy, the **partnership** we're proposing **with the state**, and what the University community can do to help move this great institution forward.
[pause]

First, the University must continue to enhance its strategies to ensure access and affordability for students who are academically ready for the University of Minnesota. We've steadily increased access to the University in recent years—by increasing our student enrollment to meet new student demand, and by recruiting and supporting the success of students from traditionally underrepresented populations. Our **admissions, enrollment and graduation statistics indicate that we are providing a record level of access for students – the vast majority of whom are Minnesota residents – at the same time that we have become a more selective institution.** We will continue to provide a high level of access to talented and motivated Minnesota students, including many transfer students from other public and private colleges. I do not foresee a need to reduce our undergraduate population--at the Twin Cities Campus or elsewhere.

We must now assume an even stronger leadership role in addressing the challenges of access and affordability. Our multi-pronged approach to this challenge includes new scholarships, a strategic review of our existing scholarship resources, increased support for graduate and professional students, and an expanded PreK-12 strategy to improve achievement and preparation for post-secondary education.

We have made **scholarships** the University's number one fundraising priority. Our "Promise for Tomorrow" scholarship drive aims to raise \$150 million in private donations to help recruit students with great talent to the University of Minnesota. These private donations will be matched through University resources to double their impact. To date we've raised \$56 million--more than one-third of our goal.

We have put significant resources, some \$12 million annually, into a Partnership Grant Program designed to protect our neediest students from our most recent, major tuition hikes, and we will continue

this commitment. Today I am pleased to announce a new scholarship that will build on these efforts and allow bright and talented students with the greatest financial need to better afford a University education. **The Founders Opportunity Scholarship**, named in honor of the opportunity and access valued by the University's founders, is the University's pledge to make up the complete gap in funding that some low-income students face between their aid package and their required tuition and fees. Under this program, low-income Minnesota students eligible for federal Pell grants who have satisfied all of the University's preparation requirements and who meet the University's admissions standards will receive full tuition and required fee support for the University of Minnesota through grants and work-study opportunities.

The scholarship, which is funded from University and private resources, will be phased in with full time freshmen at all University campuses. Once the Founders Opportunity Scholarship Program is fully implemented, more than 8,000 Pell eligible students will be guaranteed federal, state, and University grant and work study awards of \$8,000 to \$10,000 annually.

The Founders Opportunity Scholarship is a commitment to keep the doors to this university and the unique education it offers open to talented students from all walks of life.

We are also undertaking a **survey to assess the adequacy and composition of all University scholarship resources**. Dean Steven Rosenstone of the College of Liberal Arts is leading this effort, which I believe will enable us to maximize our recruitment efforts and support for talented students.

We must also continue to improve the compensation and support for the University's graduate and professional students. This year, the University committed an additional 2.5 million dollars to support the tuition waiver and health care costs of graduate students. Beginning July 1st, we will raise the hourly salary for teaching and research assistants who are at the bottom of their pay scales. In addition, we have devoted a large share of the royalties the university receives from its intellectual property to support graduate opportunities through the 21st Century Endowment Fund.

The last element of our strategy to meet the challenges of access will be to **deepen the University's already extensive ties to our PreK-12 system to address the achievement gap in our schools**. We must remain committed to positive change within society that enables talented people from all backgrounds not only to attend but also to succeed at the University of Minnesota. To do so we must address the challenges that face our schools, and commit ourselves to reducing gaps in achievement and outcomes for young people from disadvantaged backgrounds. Today's preschool, elementary and secondary school students are tomorrow's leaders. It is not just our commitment to the public good that requires we become even more engaged; our very future as an institution and a state demands it. I will present this expanded strategy to the University community in the next few months.

Second, the University must continue to improve and reform the quality of education and campus life for our students. Throughout the last two decades, we've made a concerted effort to improve the student experience at the University of Minnesota. Improvements have included online registration, freshman seminars, new living and learning communities, improved academic and career advising, expanded research and study abroad opportunities, and new attention to effective pedagogy. We will continue to deepen our commitment to the student experience and service to students.

Third, we must continue to reallocate resources and find new revenue sources to strengthen the University and ensure our future excellence. Careful observers of how we have created our University budgets over the past several years will notice that we have invested in our strengths, even at a time when the state has cut our budget.

Our foremost priority must be to improve academic quality and impact, preserving and bolstering the strength of our top academic programs on all our campuses, **even during constrained financial times**. To do so we may need to modify programs and relationships to assure continued academic strength, expanded academic synergies, improved outcomes and reduced operating costs.

Increasingly, leading research universities rely on a **culture that is responsive to new ideas and new possibilities through interdisciplinary research and teaching**. At the University of Minnesota, we must build upon recent successes in leveraging the breadth and the depth of our institution in order to create important interdisciplinary work. Through a variety of efforts that encourage collaboration between our academic leaders, new research and educational ventures spanning multiple colleges have emerged throughout the University. We've already seen a major grant from the Homeland Security Administration for a new food safety center, one that recognizes the interdisciplinary synergy of our Healthy Foods/Healthy Lives initiative.

We've also funded more than 25 working conferences over two years as part of the **President's Interdisciplinary Conference Series** and a new Request for Proposals will be issued this fall. In December, we had an overwhelming response to a Symposium on Arts and Commitment. It brought together students and faculty from all over our Arts Quarter on the Twin Cities campus with members of our external community. It allowed them to engage in meaningful conversation and mutual inspiration. Just as in the life sciences, where knowledge about the common building blocks of life inform a variety of disciplines, we are seeing that interaction and cooperation unleashes creativity and scholarship across the spectrum of the arts.

As part of the Arts and Humanities initiative we will open an **Institute for Advanced Study** next fall, which will engage faculty and students from the arts, humanities, and social sciences in interactive yearlong collaborations, and it will serve as a model for transforming the culture of the University.

Fourth, the University must continue to diversify its connections and partnerships if it is to choose its own destiny. Today we're seeing great examples of cooperation between units and campuses within the University and without. Three colleges on our St. Paul campus recently opened a joint student and career-advising center. The UMD Labovitz School of Business and Economics last fall began offering a Health Care Management Program with the support of the University of Minnesota Academic Health Center and the School of Medicine, Duluth. In Rochester we cooperate with the Mayo Clinic in several new health care degree programs and in the innovative Minnesota Partnership for Biotechnology and Medical Genomics.

Through the reorganization of its Extension Service, the University has already transformed one of its core partnership functions. Extension has been revitalized by the creation of 18 regional centers throughout Minnesota, which allow it to use resources more rationally and effectively, while still remaining true to the ideals of the Land grant tradition and the values of Minnesotans.

Expanding and deepening the University's partnerships must include civic and business organizations. Over the past six months, the University has been cooperating with the **Itasca Project**, which was initiated by some of Minnesota's leading CEOs, who were concerned that Minnesota was not paying enough attention to the state's future. Led by James McNerny, CEO of 3M, the Itasca-University task force identified the need for closer collaboration between the University and the business community as critical to the region's future. This exciting new opportunity has allowed the University new levels of credibility among business leaders, who are increasingly conveying the importance of the University to public policymakers.

As an engaged university, the University of Minnesota is involved in many other partnerships: an increasingly well-regarded collaboration between the Guthrie Theater and the College of Liberal Arts; growing academic partnerships with top international universities; and joint efforts with community and other business groups to address the educational and healthcare needs of Minneapolis's Northside community.

Our most important partnership, however, remains the one we have with the state. We are continuing to lobby aggressively for the capital investment bill left over from last year—we are seeking \$158

million to help “take care of what we have.” We need to keep the pressure on lawmakers to pass full funding for this capital request, which is now on its way to conference committee.

Our biennial partnership request – our programmatic budget – is premised on a real partnership that asks the state to invest in strengthening important areas of research and education while requiring significant reallocations and tough decisions on the part of the University.

The University is moving forward to shape its own destiny, but I am skeptical that we can reach our goals without a serious renewal of our partnership with the State of Minnesota. We need to make our case; we need to reverse the trend of increasingly anemic state investment.

We have already seen evidence that the advocacy of the University community is having an impact. **The Governor has supported the University’s request by recommending nearly 85 percent of the increased funding we are seeking.** It will be our challenge for the remainder of the Legislative Session to lobby effectively for full funding of our request and to help the University avoid ending up “on the cutting room floor” at the end of the session. We continue to need your help through the University’s legislative network. You can find more information at supporttheu.umn.edu.

Finally, the University of Minnesota must be a nationwide leader in providing accountability to the public, its students and its many constituencies. In difficult times, when budgets are tight, it’s inevitable that institutions like the University that use public funds will experience increased scrutiny and questions over their use of resources.

We should be under no illusions—real stewardship will require a fundamental change in our culture and our mindset. As President, I have often said that I would like us to be as well known for the quality of our management as the quality of our research and education. In our strategic planning process, we are paying attention to improving the quality of our academic enterprise. **In my mind, academic quality is inextricably linked to each of us—faculty, staff, and students —being good stewards of our resources.** [pause]

Minnesota needs a great research university and the University needs Minnesota. Today, you’ve heard me speak of the state of the University and the changing context for higher education and for the University of Minnesota. You’ve heard me speak of our aspiration to be among the top three public research universities in the world. Our strategic planning process will move us in that direction; it is the basis for change and a commitment to excellence worthy of our heritage and our future. I’ve told you of actions we’re taking to maintain access to education at the University, and that we need to continue to improve the student experience. **I’ve spoken of the need for difficult choices that may soon be upon us,** and I’ve spoken about the need for continuous improvement and investment to strengthen the University’s unique position in Minnesota’s system of higher education.

Elmer Andersen once said, “It is difficult to think that an investment in our youth and our future could be better placed than in our university.” As a great state with aspirations for a better future, Minnesota must invest in keeping the University excellent. **For our part, we must act with vision, courage, and thoughtfulness.** If we meet the growing challenges we face, I am extremely optimistic about the future of the University of Minnesota and its continued relevance to this state and the world.