

“The Principles of Excellence”

State of the University Address

Remarks of Michael A. McRobbie

President

Indiana University

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1. INTRODUCTION

Good afternoon, fellow faculty members and colleagues. Let me also welcome Trustee Bruce Cole, who has joined us this afternoon. It is a pleasure, as always, to speak to you and present my annual State of the University report.

I spoke to you last barely six months ago. At that time we were still in the depths of a recession. Though the recession has eased a little, the state’s fiscal situation will remain very difficult, with revenue unlikely to return to the previous peak in the foreseeable future and hence with a parallel reduction in state government expenditures.

Consequently, the forthcoming budget session of the state legislature promises to be a very difficult one indeed.

In fact, state governments across the U.S. continue to face financial stress on a scale not seen since the 1930s. As you might expect in such an environment, universities across the nation have moved to balance budgets through furloughs and layoffs.

Indiana University’s financial strength and outstanding fiscal management, led by Vice President Neil Theobald with the dedicated commitment of the IU Board of Trustees, have allowed us to avoid such drastic remedies.

At a time when unemployment in the state and nation remains near or above 10%, IU Trustees approved a 2010–11 budget that implemented a \$29.3 million state budget cut and other necessary cuts, while avoiding layoffs and providing funding for an employee salary increase. However, the need to continue to cut expenditures and focus on the

core academic missions of the university is not over. As state support declines, possibly irreversibly, it is essential that we be entrepreneurial, collaborative, and more self-reliant in generating the resources necessary to accomplish them.

During this challenging period we have continued to pursue two overriding priorities: namely to continue strategic hiring and to keep building in order to capitalize on what we saw as major opportunities for IU in the current economic downturn. IU's relative financial strength has allowed us to continue to compete with other outstanding research universities for the most sought-after faculty in a hirer's market, and the current construction trough is allowing IU to build high-priority new facilities at historically low costs.

The stakes are considerable, but not just for IU. A thriving research university undergirds Indiana's current economic stability and future prosperity. The discoveries, new knowledge, and understanding that will result from faculty hiring and construction will have an influence on a vast range of endeavors across the university for years to come.

In spite of the most challenging financial climate in eighty years, IU has had a remarkable year of record accomplishments. In fact, as I have said on many occasions, by any measure, 2009–10 was an extraordinary year for Indiana University. IU can and should be recognized as one of the state's most successful enterprises. Many of these accomplishments are by now known to you though I will summarize some of them during the course of this address.

However, given it was only a short time ago when last I spoke to you, I want to use this address to take stock of the developments of the last three years and to describe the principles that should guide us over the next decade leading up to IU's bicentenary in 2020. In some ways my address today will represent the end of a beginning and will chart a new way forward.

2. THE UNIVERSITY MISSION AS A FOUNDATION FOR EXCELLENCE

Let me begin by recalling IU's far-sighted and comprehensive mission statement, approved by the University Faculty Council and then the Trustees in 2005. Mission statements have a history of being formulated after lengthy debate, to be promptly forgotten. To guard against this, it is instructive to return to and reflect on them, so let me take a moment to read our mission statement:

“Indiana University is a major multi-campus public research institution, grounded in the liberal arts and sciences, and a world leader in professional, medical, and technological education. Indiana University’s mission is to provide broad access to undergraduate, graduate, and continuing education for students throughout Indiana, the United States, and the world, as well as outstanding academic and cultural programs and student services. Indiana University seeks to create dynamic partnerships with the state and local communities in economic, social, and cultural development and to offer leadership in creative solutions for 21st century problems. Indiana University strives to achieve full diversity, and to maintain friendly, collegial, and humane environments, with a strong commitment to academic freedom.”¹

In my Inauguration Address, a speech that was effectively my first State of the University Address, the vision for Indiana University grew directly out of this mission statement. That vision saw IU as one of the great research universities of the 21st century and as the pre-eminent institution of higher education in Indiana. Excellence was the key to ensuring this, and we would accomplish this by ensuring IU provided an excellent, world-class, relevant, and responsive education across a wide range of disciplines in baccalaureate, graduate, and professional education to students from all backgrounds from Indiana and around the globe, and by pursuing excellent, world-class research, scholarship, and creative activity. Excellence in these areas, in turn, would ensure that IU would continue to be a major contributor to the economic and social development of Indiana, the nation, and the world.

¹ Indiana University Mission Statement. <http://www.indiana.edu/about/mission.shtml>. Accessed 07 July 2011.

These initiatives, as well as those announced in my subsequent State of the University Addresses, were devised against the background of the principles embodied in this mission statement and this vision for IU. These initiatives and principles also broadly reflect the key principles represented in an extensive range of strategic plans that have been developed over the last decade at the campus, unit, and other levels within the university. Most of these initiatives have, in fact, been completed or are well underway. They have all been focused on immediate issues and problems that needed to be addressed in order to continue to sustain excellence at IU.

So let me now review and summarize these principles—what we might call the principles of excellence—that have guided us. I believe that our pursuit of excellence and of our vision, in what will be a difficult environment for many years, will only be successful if we steadfastly and clear-headedly adhere to these principles.

3. INDIANA UNIVERSITY'S PRINCIPLES OF EXCELLENCE

There are *six core principles of academic excellence*.

3.1 AN EXCELLENT EDUCATION

The *first principle of excellence* is to ensure that IU's schools and programs provide an excellent, rigorous, contemporary education of the highest quality appropriate to their campus and school missions and are recognized for their excellence through national and international peer comparisons. This is accomplished through an extensive range of undergraduate, graduate academic, and professional programs and degrees that meet the needs of Indiana, the nation, and the world. There is no question that IU, as one of the major research universities of the United States and the world, excels in this enterprise. Researchers, scholars, and artists from across the country and around the world come to IU to take advantage of the range and depth of our academic programs.

Nevertheless, we must also periodically ask ourselves whether IU is offering the kinds of degrees and educational opportunities that one would expect of a university that aspires to be one of the finest universities of the 21st century. If not, what are the impediments to this and how might these be addressed? These and other related questions are now being considered by the New Academic Directions Committee, co-chaired by Provost Karen Hanson and Chancellor Charles Bantz, the formation of which I announced in my previous State of the University Address.

An excellent education also means attracting academically outstanding and promising students from diverse and under-represented backgrounds throughout Indiana, the nation, and the world. Last year IU saw record student quality on all campuses. For example, at IU Bloomington the average SAT score of the incoming freshman class was a record 1203. These standards have been maintained this year and even exceeded in some cases. We have seen the percentage of high school graduates in the top 10% of their graduating class increase again. Last year also saw IU students selected for some of the most prestigious national and international scholarships with the award of:

- A Rhodes Scholarship
- A Truman Scholarship
- A Marshall Scholarship
- 6 Goldwater Scholarships, and
- 36 Fulbright Scholarships among others

Last fall, IU enrolled 82 National Merit Scholars, an increase of 37% compared to the previous year.

Last year, IU achieved a record fall enrollment of 107,000 students on all campuses and a record of 102,000 students in the spring. This fall, we surpassed those numbers with a new record total of 109,000 students, breaking records on nearly every campus, including a 15% increase in enrollment at IU East. Enrollments of minority students have steadily increased over recent years as well, and credit goes to Vice President Ed Marshall and many others on all campuses for achieving this.

But numbers are not enough—even of the best students—if those students do not graduate. Our mission, after all, is graduation and not enrollment. The words of industrial production—often misapplied or simplistically applied to the academic enterprise—are apt here: we must focus on our outcomes and not only on our input. We must, in short, seek to enhance undergraduate student learning and success through university-wide efforts to address retention and graduation issues in a systematic, sustained fashion.

Though six-year graduation rates at IU Bloomington remain consistently high compared with its peers, and though those rates at IUPUI have increased by 35% over the last five years, the graduation rates at the regional campuses remain unacceptably and stubbornly low. We must improve them, and we are committed to improving them. IU is not alone; completion is a national problem and is receiving national attention. Its root causes are often complicated and difficult to address. But we have not, and we will not, use that as an excuse.

At IU we are addressing the issue through three major initiatives. IU has focused considerable effort on improving graduation and completion rates without increasing our administrative costs through the Degrees of Excellence initiative. To achieve this goal, each IU campus designed a student support program to provide students with more help and academic counseling. It cost \$4.2 million to develop these programs, and it was funded by trimming administrative overhead elsewhere and redirecting funds to this effort.

A second initiative, the New Directions in Teaching and Learning initiative that I announced in February, will make a serious, campus-by-campus investigation of modes and technologies of teaching and learning, with a spring conference to exchange ideas and facilitate implementation. Better teaching and learning are the essential foundations of greater student success.

College completion is also at the center of another, broader initiative to focus on IU's regional campuses. In March, I announced a reorganization in which the chancellors of the regional campuses will report to me through a vice president for university regional affairs, planning, and policy, whose office will be responsible for building on the collective strengths and addressing the common challenges of the regional campuses. This new position, which has not existed since the early years of John Ryan's presidency, reflects the essential role that IU's regional campuses play within the university and throughout the state. They represent a third of IU's students, and they will be the source of thousands of additional college graduates who hold high-quality baccalaureate degrees that the state needs to be competitive in the economy of tomorrow.

I appointed Vice President John Applegate to the position—or rather added it to his existing responsibilities which he has already handled so ably—recognizing its close alignment with his ongoing responsibilities for university academic affairs. The Blueprint for Student Attainment, a broad strategic planning initiative that Vice President Applegate is leading in close collaboration with the regional campus chancellors, will have as one of its key objectives major increases in college completion. I applaud this initiative, and I urge the relevant committees to make recommendations and the campuses to take action on completion as quickly as possible, before the Blueprint process is complete.

The quality of student life also has a vital role to play in student success. So we must ensure that student life at IU continues to provide an environment that vigorously supports and sustains academic, service, and athletic achievements at the highest and most competitive levels and that is culturally rich, diverse, and inclusive.

In the university setting, excellence takes many forms. Indeed, it is one of the strengths of a great university that students have many examples of excellence to draw upon and learn from. Intercollegiate athletics are a central form of excellence in American universities, and here Indiana University builds on a great tradition, which we are renewing, of vigorous support for athletic achievements at the highest and most competitive levels.

Achieving this goal can be measured by the numbers of individual and team championships, by setting records, and by appearances in tournaments, but for individual student-athletes, there is more. They strive for personal excellence, regardless of the reward; they cultivate self-discipline and selflessness that will support a lifetime of success; and they nurture leadership. In this, our student-athletes embody the recently unveiled *Spirit of Indiana: 24 Sports, One Team*, which calls for integrity, academic achievement, and playing by the rules. It calls for athletic achievement, leadership, and graduation. Ultimately, it calls for being part of something bigger than themselves.

While this was written for the Hoosiers, it has application across IU. All individuals and teams, at large campuses and smaller ones, in intercollegiate and intramural settings, can take these goals to heart. Teams on virtually all of our campuses have had great success by learning and practicing personal excellence and teamwork. They deserve our praise, not only for their own achievements, but also as a model for all who pursue excellence.

We are, of course, a public university, and we have an essential obligation to ensure that an IU education remains accessible and affordable to all qualified Hoosier students geographically, programmatically, and financially. Data published earlier this month on the U.S. Department of Education's "College Navigator" website show that an IU education is a tremendous value. Resident undergraduates at IU Bloomington pay the lowest out-of-pocket cost of attendance in the Big Ten—nearly \$4,700 per year less than the average out-of-pocket cost to attend the other public Big Ten universities. This

achievement saves Hoosier families an average of more than \$18,000 over four years compared with residents of other Big Ten states. This is due in part to the major increase of 150% in financial aid provided at IU Bloomington over the last five years, increasing in total from \$28 million to \$70 million this year, fueled in part by the campus' extremely successful Matching the Promise Campaign. Other IU campuses have seen similar developments. IUPUI has increased campus-funded undergraduate financial aid grants by \$8.4 million over four years, a compounded annual increase of 22.6%, while our regional campuses have increased campus-funded undergraduate financial aid grants by nearly 15% per year or \$2.3 million over four years.

There is one central fact of the modern world that cuts across all of these aspects of an excellent education, and that is the widespread use of new communications technology, including the Internet. Students use such technology to communicate and learn about each other, faculty and students use it for research, and it has become a major teaching tool. We have heard almost from the birth of the Internet how online education would completely change the way instruction was provided, doing to traditional education what digital music has done to the recording industry.

Although information technology is already having a profound impact as an adjunct to instruction, from Oncourse to eBooks, from tablet computers to Wikipedia, that wholesale transition to ubiquitous online education has not yet occurred. Clearly, there is an important place for online education within a broader traditional paradigm of education for certain students in particular courses and programs. Programs such as the highly successful Kelley School of Business' Kelley Direct MBA Program demonstrate the tremendous potential of the university's online efforts.

IU has considered a number of times what should be the scale and scope of online education. In spite of excellent efforts by many, the right way ahead for the university as a whole has proven elusive. IU needs coordination and clear institutional direction so that we avoid duplication, maximize efficiency, and create high-quality course offerings that are targeted to the needs of current, prospective, and future students.

To this end, I am asking Bobby Schnabel, Dean of the School of Informatics, to carry out a university-wide study to develop an online strategy for Indiana University that will enable us to begin to move more aggressively and in a planned, systematic, and efficient way in this vital area. In conducting this study, Dean Schnabel is to review IU's past studies, efforts, and initiatives in this area, including the recently concluded study of the E-Learning Task Force at IU Bloomington. He will work closely with Vice President Applegate in his planning and regional campus roles, and will consult with the campus chancellors and provost, the Vice President for Information Technology Brad Wheeler, the academic deans, and appropriate representatives of the faculty and of faculty governance. He will also consult with other universities and authorities on online education as he sees fit. I am assigning this task to a single individual because there is urgency in developing a coherent strategy. To the extent that he recommends permanent changes in the academic program or large-scale administrative structures, I will, of course, present the recommendations to appropriate faculty and university governance bodies.

3.2. AN EXCELLENT FACULTY

The *second principle of excellence* is to ensure we both recruit and retain an outstanding, diverse, and inclusive faculty from researchers, scholars, teachers, and creative artists worldwide who are recognized as among the very best in their fields. As IU President Herman Wells noted in his autobiography *Being Lucky*:

“It seems to me that the first task of the academic administrator is to try to attract and hold the most talented faculty members, encourage them, support them, and then get out of their way and let them go wherever their talent and energy lead them.”²

The excellence of our faculty was recognized last year when five members were inducted into four of the most prestigious national and international academies and

² Wells, Herman B. *Being Lucky: Reminiscences and Reflections*. Bloomington: IU Press, 1980. Page 126.

societies: the National Academy of Sciences, the Royal Society, the American Academy of Arts and Sciences, and the American Association for the Advancement of Science. Of course, I never tire of mentioning Elinor Ostrom, Distinguished Professor of Political Science at IU Bloomington, who became the first woman to be named a Nobel Laureate in Economic Sciences. This is only a tiny fraction of the recognition IU faculty members have received in a multiplicity of different areas.

However, I believe very strongly that more IU faculty—faculty who have gained national and international prominence in their fields—deserve to be elected to the nation’s and world’s most prestigious academies and societies, and that more must be done to nominate them for such honors. Therefore, just last night I asked the Steering Committee of the Alliance of Distinguished and Titled Professors to establish an active, ongoing process to increase the number of faculty nominated for membership in these societies and academies.

A great faculty is essential to a great university, and during the recession one of our two key priorities has been to continue hiring faculty, in spite of the rest of the painful cuts that we have had to endure elsewhere in the university. As I pointed out earlier, other great universities across the country are facing even more difficult fiscal pressures, which makes this an excellent hiring market, a fact nearly every dean has confirmed. Last year, for example, a majority of the new faculty recruited externally at IU Bloomington and IUPUI came from American Association of Universities (AAU) institutions. Many of the other faculty recruited at both campuses came from top-ranked music and medical institutions and other well-regarded schools and foreign institutions.

There are many factors involved in recruiting and retaining the best faculty, like the quality of an institution, its programs and facilities, and its aspirations. But we must also continue to ensure that, as far as possible, the employment conditions of faculty, that is salaries and benefits, remain competitive with our peers.

3.3. EXCELLENCE IN RESEARCH

Excellence in research is one of our core missions. Thus, the *third principle of excellence* is to ensure we maximize IU's full capacity for research, scholarship, and creative activity that is recognized as excellent through national and international peer comparisons.

A key way of doing this is by increasing external funding and other support for research and scholarship in all areas of inquiry. At the same time, we must ensure that these activities are strongly supported both academically through internal "seed" funding and investments in infrastructure, and administratively in areas such as research administration and compliance.

The research performance of IU's faculty last year was magnificent. Last month we announced that in 2009–10, IU researchers received a record \$603.9 million in grants and awards from external sources, with just over half coming from faculty in the School of Medicine. This shattered by over \$75 million the previous record of \$525.3 million, set during 2007–08 in spite of a very competitive national funding environment.

We must continue to build on this progress, expanding and enhancing this university's culture of active—indeed, aggressive—engagement in seeking external research

funding, especially through large, multi-investigator grants where increasingly more of the funding is being allocated by the major federal funding agencies.

Our newly appointed Vice President for Research Jorge José, who took office August 1, has a great deal of experience in this area. He previously served as vice president for research at SUNY Buffalo where he oversaw considerable growth in externally funded research.

Supporting research excellence also requires a commitment to building collaboration and cooperation among our campuses. We must leverage the combined intellectual resources of the IU campuses through broad-based, interdisciplinary research and other collaborations internally and externally. In this context, later this week Vice President José will announce a \$1 million IU Collaborative Research Grants program and will call for proposals.

Two years ago, I announced that I would renew the funding at \$1 million per year for five years for the very successful New Frontiers in Arts and Humanities program. This program has made a major contribution to scholarship and the creative arts in areas where IU has some of the world's finest programs, which provide an essential element in the true liberal education of generations of IU students. It has also helped expand and enhance IU's renowned traditions in the creative arts that enrich the lives of Hoosiers and reach around the globe.

This reputation for excellence is also based, in part, on the superb facilities that are essential to so many of these programs. Early next year the latest of these will open with the dedication of the IU Cinema under the able and enthusiastic direction of Jon Vickers. This will represent another major development in the creative arts and will enrich many other areas of study at IU. Both the IU Cinema and the new theatre facilities will give IU some of this country's finest facilities in areas where the university has excelled academically for decades.

Many significant contributions to education and research occur in IU's professional schools, those which offer graduate and sometimes undergraduate training for students who seek to enter a particular profession. Medicine, law, business, education, nursing, music, dentistry, SPEA, optometry: IU must build on our superb professional education programs to continue to meet the present and emerging needs of Indiana, the nation, and the world. Graduates of IU's professional schools dominate the members of those professions in Indiana. In this sense, IU is part of the very fabric of the state. Our graduates not only provide needed services, but the pursuit of excellence in the professions means that Hoosiers have access to excellent professionals.

3.4. THE INTERNATIONAL DIMENSION OF EXCELLENCE

The *fourth principle of excellence* is to continue to increase IU's international engagement through globally aware education, enlarged study abroad activity, alumni activity, and expanded strategic partnerships with leading institutions of higher learning throughout the world, and to continue IU's historical commitment to institution-building around the globe.

I noted in my last address that "Indiana University's proud history of engagement in international activity and scholarship goes back at least 100 years. This, in part, stems from a longstanding recognition that the best university education instills an understanding of the world outside of the boundaries of the United States: of the history, ancient or modern, of the cultures, religions, politics, economies, institutions, languages, art, and literature of other countries. And such an understanding is even more important today when there is hardly a discipline or profession that is not affected, to greater or lesser degree, by globalization. Not only is this educational dimension a matter of practical necessity, but it is increasingly being demanded by students."³

By any measure, Indiana University is one of America's leading international

³ McRobbie, Michael A. "State of the University Address," 23 February, 2010. Page 17. <http://www.indiana.edu/~pres/speeches/2010/20100223-01.shtml>. Indiana University, Office of the President. Accessed 7 July 2011.

universities. We could count the number of students studying abroad, the number of international students studying at IU, the number of foreign languages taught, the breadth and depth of international research and scholarship, the level and variety of international engagement, or the number of Title VI area studies centers: all of these point to that fact.

The most recent *Open Doors Report* also reinforces that same fact. The report is based on data collected from around 3,000 institutions of higher education nationwide and shows that, taken together, the number of students we send overseas and our international students give us a composite ranking of 11th nationally.

Since my last address, IU's great success in international activity has continued with the announcement that ten of our international programs, mainly located in the College of Arts and Sciences at IU Bloomington with one in the Kelley School of Business, will receive nearly \$20 million in funding over four years under the U.S. Department of Education's prestigious and highly competitive Title VI program. This ranks IU at the top for the number of grants received in this round—equal with Berkeley, the University of Washington and the University of Wisconsin Madison. The global reach of IU's scholarship can be seen in that these programs cover nearly every area of the world. All of those associated with these awards are to be congratulated on this superb achievement.

This kind of global collaboration is also apparent in research centers like the Confucius Institute, established in 2007 through an agreement among Indiana University, Sun Yat-sen University, and the Chinese Government International Language Council in Beijing. Located here at IUPUI, the institute's goal is to promote the teaching of Chinese language and culture in central Indiana.

This fourth principle, of course, reflects the detailed goals and strategy of the IU International Strategic Plan. The four overarching goals of this plan are:

- to increase the number of IU students studying abroad;

- to increase the number and diversity of international students;
- to support the international engagement of faculty in their teaching, research, and scholarship; and
- to develop relationships with key overseas universities that help support these three goals and IU's international mission more generally.

Let me comment on the situation concerning a number of these goals in more detail.

In the case of the first goal, a record number of IU students studied abroad in 2007–08. For the first time ever, three countries from Asia—China, Japan, and Korea—are among the top ten destinations for IU students, which indicates the increasing appreciation among students of the importance of Asia. In 2008–09, we have seen a flattening of the growth in study abroad numbers due to the recession, since most IU students who study abroad are either privately funded or have limited access to available financial aid. This has always made it difficult for low-income and minority students to study abroad. In order to continue to increase the number of qualified IU students from all backgrounds studying abroad in the future, it will be necessary to increase the amount of financial aid available for this purpose.

Thus, today I am announcing that we will create up to 400 IU Study Abroad Awards. They will be funded through an endowment we will seek to establish of at least \$20 million that the university will match one for one. This endowment would build on the extremely generous gift from Ed Hutton that funds the Hutton International Experiences Program in the Hutton Honors College.

In the case of the second goal, 2009–10 has seen yet another record year for international students at IU, with a nearly 8% increase to a total of 6,567 international students university-wide. A recent survey among international students at IU Bloomington has found that they are extremely satisfied with their educational experience at IU. As Indiana University continues to garner accolades, improve and innovate in all areas, and provide an excellent educational experience, it will continue to be an attractive destination for the best international students.

The fourth goal is key in supporting the other three. We have been attempting to

develop a more systematic approach to how we are developing relationships with other institutions of higher education around the world. Over the last few years, we have terminated a large number of formal but dormant institutional relationships, and new policies and procedures have been established for the establishment of future relationships. In essence, the aim is, in the future, only to establish relationships with overseas institutions of comparable quality to IU, or whose strengths and capabilities complement IU's in some important way.

In addition, approximately thirty countries have been identified as priority countries with some of whose leading institutions IU is seeking to establish relationships. These countries have been determined primarily on the basis of an analysis of the main study abroad destinations for IU students, countries from which international students at IU come, locations of international alumni, and major higher education institutions, among other factors.

Establishing or revitalizing relationships with the major higher education institutions in these thirty countries, then, is a university priority. It has been and will continue to determine my own international commitments and those of other senior IU administrators in future years. Only about half of these countries have alumni association chapters, and the IU Alumni Association will be working to establish new chapters in all of them over the next few years. In addition, the IU Foundation is investigating ways to encourage and enable greater philanthropy in a number of these countries.

Finally, we should always be mindful of IU's magnificent history of institution-building, principally in higher education, around the globe. This history dates back to the role President Wells played in establishing the Free University of Berlin just after the Second World War, and that history includes the role of the School of Medicine, in particular the remarkable Dr. Joe Mamlin, in establishing the renowned AMPATH program in Eldoret, Kenya. In fact, a study over twenty years by the U.S. Department of State's Bureau of Educational and Cultural Affairs ranked IU second nationally in the number of international partnership grants awarded with programs in countries as diverse as

Thailand, Malaysia, Peru, Brazil, Ghana, Liberia, Croatia, Macedonia, Egypt, Afghanistan, the Ukraine, and Kyrgyzstan. It would be timely for IU to find a systematic way of addressing such opportunities for global partnership and institution-building in the future.

3.5 EXCELLENCE IN THE HEALTH SCIENCES AND HEALTH CARE

Indiana University's health science and clinical schools—that is the IU schools of medicine, nursing, dentistry, optometry, social work, and health and rehabilitation science—collectively account for about 40% of IU's \$2.8 billion budget, and as such they represent the largest component. Most of these schools are centered in Indianapolis, but there are also programs in these areas on all IU campuses. Over the next few years, we will expand in this area as we are working to establish two new schools of public health, one at IU Bloomington and one at IUPUI. Taken as a whole, the educational, research, and clinical activities of these schools and programs are one of the major ways in which IU contributes to the social and economic development of Indiana. For example, over 50% of Indiana's physicians, 40% of nurses, 90% of dentists, and 60% of optometrists, are trained at IU.

But IU's impact is amplified even further by Clarian Health Partners. IU's late President Myles Brand and then IU Trustee President John Walda, played a major role in establishing Clarian in 1997. It was formed as a joint venture with the Methodist Church and brought together IU's University Hospital and Riley Hospital for Children with the Methodist Hospital. Since then, especially under the visionary leadership of Dan Evans, Clarian has grown into a state-wide hospital system—the largest in Indiana and one of the largest in the nation—with a budget of \$3.75 billion, which is larger than IU's.

In short, the health and clinical sciences are a large and essential part of IU and a large and essential part of IU's engagement with the state. Thus, IU's *fifth principle of excellence* must be to support the highest quality research, clinical care, education, and workforce development in the health sciences by deepening and expanding Indiana

University's relationship with IU Health (Clarian) and with the university's other clinical partners, thus contributing to better Hoosier, national, and global health.

Since my last address, there has been a major development concerning Clarian that will support this principle. At its April board meeting, the Clarian Board voted unanimously to change its name, effective in early 2011, to Indiana University Health. This name change will better identify Clarian's nationally-recognized health care services and reinforce its partnership with Indiana University and in particular the IU School of Medicine, the second largest school of medicine in America.

The impact of this from IU's perspective will be huge. Within a year, as all of the nearly 100 Clarian facilities around the state of Indiana are re-named as IU Health facilities, the impact that IU has every day on the health and well being of hundreds of thousands of Hoosiers will become strikingly evident. It also supports the strength of IU because the future growth and standing of the health sciences at IU, especially the School of Medicine and IU Health, are closely bound together, creating a "virtuous cycle" of interdependence and excellence.

One model for the kind of relationship to which both organizations aspire is that between the medical school at the University of Pittsburgh and the University of Pittsburgh Medical Center (UPMC). Over the last decade, UPMC has selectively invested in health and clinical research in Pittsburgh's medical school, investment that has substantially increased the standing of the school. The results of this research have, in turn, improved treatments and patient care in the medical center, improving its standing as well, hence creating this "virtuous circle" of interdependence in the pursuit of excellence.

Another key goal for both the IU School of Medicine and IU Health is the establishment of the Indiana Clinic, which will consolidate into one all of the approximately forty clinical practice plans associated with IU. This is a major step on the way to IU Health being able to offer fully integrated health care, and so far this process is about half completed.

Let me add that Dr. John Fitzgerald deserves great credit for the skill and energy with which he has pursued this goal.

A third key goal for the coming year is to ensure that IU's clinical activities are optimally coordinated with IU Health, the Indiana Clinic, and IU's other key clinical partners—the Wishard Health System, the Roudebush VA Medical Center, and others—so that IU provides education, research, and clinical care of the very highest quality. The long-term success of IU's clinical programs depends on the success of these partners, and, in turn, each partner believes that its long-term success depends on the success of IU's education, research, and clinical programs. This means that IU must do everything it can to organize and conduct itself in a fashion that contributes to the success of its clinical, education, and research partners. Their success will, in turn, contribute to the success of IU's clinical programs in the form of ever-improving educational venues, research opportunities, and direct financial support.

To this end, at their August meeting the Trustees approved my proposal to establish the position of Vice President for University Clinical Affairs and the appointment of the Dean of the IU School of Medicine, Dr. Craig Brater, to this position. Dr. Brater's great accomplishments as a researcher and administrator in the IU School of Medicine, and his position as one of the most senior and well-respected medical deans in the country, admirably qualify him for this appointment. In this position, Dr. Brater will report to me as IU President, but will continue to report to the IUPUI Chancellor in his role as Dean of the School of Medicine. He will also chair the University Clinical Affairs Cabinet, which has as members, deans or heads of the university's main clinical units. The deputy chair will be the Dean of Nursing Marion Broome.

3.6 EXCELLENCE IN ENGAGEMENT AND ECONOMIC DEVELOPMENT

Excellence in education and research will ensure that IU will continue to contribute to the economic and social development of Indiana, the nation, and the world. Thus, our

sixth principle of excellence is actively to engage the university's strengths to support the health, economic, and social development of Indiana, the nation, and the world.

In my last address, I noted that President Brand had observed that especially as a public university, we have a duty to engage with the economic development of the state for two reasons: the first because of its direct returns to the university, and the second—a prudential reason as he put it—because a prosperous state economy meant the state would have the revenues to continue to strongly support higher education.

Many of our efforts in this area are focused through the IU Research and Technology Corporation (IURTC), whose mission is to accelerate the transformation of the innovations and intellectual property developed by IU faculty, staff, and students into new products, services, and companies to improve Indiana's economy and our national competitiveness.

Last year was yet another very successful year in this regard with 154 invention disclosures received, a record 228 patent applications filed, 11 patents issued, and \$14,126,964 in royalties, fees, and milestone payments, another record that is over twice the previous record figure. The first investments will be announced very soon from the \$10 million Innovate Indiana Fund, which was created to provide a critical source of capital for early-stage IU research-based ventures that demonstrate significant market potential.

In addition to IU's core technology incubators managed by the IURTC—the Indiana University Emerging Technology Center in Indianapolis and the Indiana University Innovation Center in Bloomington—IU now partners with communities and regions of which IU is part, providing education, expertise, innovation, and leadership for their advancement. Under IU's Innovate Indiana initiative, we have economic development offices in Ft. Wayne on the IPFW campus, in downtown Evansville at Innovation Pointe, and in Kokomo at the Inventrek incubator facility. At these outreach sites, we facilitate access to IU resources and regularly conduct technology showcase events, business seminars, and economic outlook panels using faculty, researchers, students, and

subject matter experts from Indiana University to inform policy and influence economic development planning in all regions of the state.

We are also partnering with the Indiana Economic Development Corporation and our respective campuses to support and strengthen the operations of Small Business Development Centers in Northwest Indiana, South Central Indiana, and Southeast Indiana to ensure that entrepreneurs and small businesses have local access to a broad range of educational and technical resources and services that can help foster business start-up activity and the growth of existing business enterprises.

The IU Council for Regional Engagement and Economic Development, established earlier this year, has provided a forum in which regional economic concerns can be addressed. The council includes chancellor-appointed representatives from each IU campus and representation from Southwest Indiana.

We are also expanding our Education Partnership Agreement and Institutional Memorandum of Understanding with Crane Naval Surface Warfare Center to pursue joint initiatives that advance the economic vitality of South Central Indiana, particularly in areas linked to information technology and the application of advanced particle accelerator technology.

4. THE FRAMEWORK FOR EXCELLENCE

These then are the six core principles of academic excellence. But there is a crucial framework that is vital to academic excellence. That framework includes private philanthropy and alumni support, physical facilities and infrastructure, information technology, and management and administration, and these are reflected in four additional principles that comprise the *framework of excellence*.

4.1 EXCELLENCE IN ADVANCEMENT

I noted in my last address that “private philanthropy is one of the great glories of the American system of higher education [because it] provides major enhancements to student financial aid, endowed faculty chairs, specialized buildings and infrastructure, and support for path-breaking academic initiatives. In short, it allows American universities to do things no other universities in the world can do. Private philanthropy is, thus, one of the key reasons for the excellence and creativity of American higher education, and it is the envy of the rest of the world.”⁴

Thus, IU’s *seventh principle of excellence* must be to continue to expand and enhance volunteer, philanthropic, and other support for the principles among IU’s alumni, faculty, staff, students, and friends throughout Indiana, the nation, and the world.

The IU Foundation Board understands the crucial role it has to play in ensuring that IU is one of the great universities of the 21st century. The board has performed magnificently, making vital contributions to IU’s standing. Take, for instance, the stunning success of the Matching the Promise Campaign for IU Bloomington, which has significantly exceeded its goal of \$1.1 billion, a goal which had already been increased by \$100 million.

⁴ McRobbie, Michael A. “State of the University Address,” 23 February 2010. Page 22. <http://www.indiana.edu/~pres/speeches/2010/20100223-01.shtml>. Indiana University, Office of the President. Accessed 7 July 2011.

The IU Foundation Board is always seeking to do even more to support IU. To this end for a number of years, first under the dedicated leadership of the late Gus Watanabe and now that of Harry Gonso, it has been examining its structure, seeking new ways in which it can further intensify its focus on the advancement of the university.

In June, then, the Foundation Board voted to restructure itself into two boards: a larger Development Board focused exclusively on the advancement of IU and a smaller Fiduciary Board to oversee the business functions of the Foundation. At the October meeting of the board next week, the members of these two boards will be appointed. This is the first major change to the structure of the board for many decades, and all board members are to be congratulated for the effort they have put into this process and for their dedication to the university.

These changes are necessary as the pace of development activities at IU increases. As I mentioned in my last address, we will be now be in constant campaign mode. On October 8, we will announce the official total raised through the Matching the Promise Campaign for IU Bloomington, and the next day we will launch the public phase of the Impact IUPUI Campaign and announce its goals and the amount already raised; it is an extremely impressive figure. After this, the main campaigns will alternate between Bloomington and Indianapolis, with the campaigns for the regional campuses aligned with one or the other. And our goals are extremely ambitious: between the Matching the Promise and Impact IUPUI campaigns, and the next two campaigns for these campuses, we expect to raise over \$5 billion in support of IU by about the end of the decade, around the time we will celebrate the university's bicentennial.

This strategy is also reflected in the restructuring of the Foundation itself. We have already welcomed two new vice presidents for development, and we will appoint one additional in the near future. Together they will coordinate development at IU Bloomington, IUPUI, and the regional campuses, and will oversee other significant changes.

For IU to achieve its goals of excellence, our alumni must become more deeply

connected and engaged in the life of the university. Here, the role of the IU Alumni Association (IUAA) is also critical. The new Executive Director of the IUAA, J T. Forbes, is working very closely with the provost, chancellors, deans, and with Foundation President Gene Tempel and Vice President for Intercollegiate Athletics Fred Glass to create new ways to increase alumni engagement, service, and giving to advance all IU campuses and mobilize our global network of more than 540,000 alumni.

4.2 BUILDING FOR EXCELLENCE

I have repeatedly quoted from a 2004 report, which found that a shortage of space at IU Bloomington and IUPUI was “possibly the biggest single impediment to IU reaching its full potential as a research university.” It stated that we would need about five million square feet of space—that is space equivalent to more than ten Walther Halls—over the next ten to twenty years, a finding that has been broadly confirmed by the masterplans for these campuses.⁵

In response, we have greatly accelerated the pace and priority of new construction and renovation at IU over the last three years. At present across Indiana University, we have four major buildings under construction, and another eight in planning for a total of 1.5 million square feet. All will support new research and educational activities or student life. The total value of all new construction and renovations in progress or planned is around \$560 million. Of this total, only 30% is provided by the legislature, with 70% being provided through private sources or internal university sources.

Strengthening the university’s infrastructure has been one of our two key priorities since the beginning of the recession. We have sought to take advantage of the historically low cost of construction in these difficult economic times to continue to build and renovate facilities for research and education. As I noted in my last address, in the last eighteen months, the costs of construction have fallen by an unprecedented amount. Together

⁵ Research Space Task Forces of IUB and IUPUI. “Indiana University’s Need for Research Space: A Report to the Vice President for Research and University Architect.” Indiana University, Bloomington, IN. 10 Aug. 2004.

with our favorable bond rating, this has provided a maybe once-in-a-lifetime opportunity to aggressively pursue construction and renovation. And we should never forget that in these times of 10% unemployment, IU's efforts to construct and renovate buildings creates jobs.

The masterplans for both campuses are, of course, crucial to this effort, providing long-term detailed guides for their future development. The masterplan for IU Bloomington was completed over a year ago by the Smith Group, and it now guides the development of that campus. In my last address I also explained that the Smith Group would be developing an integrated masterplan for both the IU and Clarian campuses in Indianapolis, which together will form what has been described as one of the largest life-sciences campuses in the world. What is emerging as an exciting and visionary plan is expected to be complete by the end of the calendar year.

I also noted in my last address how it was essential that we make the best possible use of the valuable and historic buildings provided by the state and others over many years and dwelt on the need to renovate and repurpose many of the buildings in the Old Crescent at IU Bloomington, the planning for which is now underway.

More generally, the total replacement cost of IU's physical facilities is around \$7 billion. One of our most difficult challenges going forward is the continued repair and rehabilitation (R&R) of these facilities. What was once a regular state allocation of funds for R&R has not been fully funded for many years, so IU now has considerable deferred maintenance, probably now well in excess of \$100 million. Restoration of R&R remains our highest priority capital request in our budget submission to the legislature this year. Additionally, as I foreshadowed in my last address, all but one of our other capital requests are for the rehabilitation required to repurpose major buildings at IU Bloomington and IUPUI. As a stopgap measure, and with great reluctance, I have asked Vice President Theobald to work with our chancellors and provost to identify between \$10 million and \$20 million to be distributed among our academic facilities so that we can address our most urgent roof repair and external water leakage problems. Diverting resources from our academic mission to building maintenance is not something I do

lightly, but is a clear reflection of the seriousness of this matter. During the current academic year, we will develop a longer-term and sustainable approach to this issue.

The quality of the built environment also reflects our values. As the Australian designer Fred Ward noted, it plays an important though restrained role in quietly influencing and developing a student's concept of excellence through thoughtful and graceful architecture, well-designed surroundings and environmentally sensitive planning which are themselves a microcosm of excellence, both conducive to intellectual pursuits and an example of how things could be elsewhere.⁶

Thus, the *eighth principle of excellence* is to ensure that IU has the new or renovated physical facilities and infrastructure that are essential to achieve the other principles of excellence, while recognizing the importance of historical stewardship, an environment that reflects IU's values, and the imperative to meet future needs in accordance with long-term masterplans.

4.3 THE CENTRALITY OF INFORMATION

Access to information of all forms—the record of human knowledge, thought, and creativity—on a comprehensive scale and provided in an organized way has been essential to higher education since the earliest universities were founded over twenty centuries ago. Initially, this was provided through libraries and other collections such as art galleries and museums, but in recent decades it is more likely to be provided in digitized form by information technology. At the same time, information technology has grown to be an essential tool in education and research. In fact, there is no discipline, from anthropology to zoology, and no area of the university, from supercomputer simulations of the birth of the universe to the financial systems that ensure all employees are paid, that does not now rely fundamentally on information technology.

⁶ *Fred Ward: A Selection of Furniture and Drawings*. Drill Hall Gallery Exhibition Catalog. The Australian National University. 1996. Page 21.

Hence, *the ninth principle of excellence* must be to ensure that the other principles of excellence are supported by outstanding information technology and information resources.

I do not imagine that anyone will be surprised to hear me say this of information technology. But even allowing for the hyperbole that you would expect from someone who has been intimately involved in IT for most of his career, the breadth and depth—the utter pervasiveness—of information technology in all aspects of our personal, academic, and administrative lives in higher education simply cannot be overstated. We must, therefore, ensure that information technology is pervasively deployed at IU to support the principles of excellence, by leveraging and continuing the support of the university’s long-standing, internationally recognized excellence in information technology services and infrastructure.

More than a decade ago, IU’s first IT Strategic Plan set a course for continuous progress for IT to enable education and research. We are well into the implementation of a second IT Strategic Plan under the capable leadership of Vice President Wheeler. This plan extends the first in important ways. Its goal, stated in my charge, was to support “the pervasive use of IT to help build excellence in education and research in all disciplines, in administration, in IU’s engagement in the life of the state, across all campuses, and in collaboration with IU’s key partners such as Clarian Health and institutions of higher education in the state.”⁷

That remains our objective, and we are making excellent progress toward it. In the area of critical facilities, in June, University Information Technology Services completed migration of all critical systems to the new hardened Data Center on the Bloomington campus. For the first time ever, these essential systems that support the entire university are now in a facility that can ensure security and continuity. Moreover, through IU’s management of the I-Light Optical Fiber Network, the new Data Center is as valuable to every IU campus as it is to Bloomington. It hosts IU’s internal “Cloud” of

⁷ “Empowering People: Indiana University’s Strategic Plan for Information Technology.” Dec. 2008. <http://ep.iu.edu/ITSP2_Final_120408.pdf>. Page ii.

storage and virtualized servers that are available on-demand as needed. This means that schools and departments can reclaim much-needed physical space that was once devoted to departmental and research systems.

IU has also been able to leverage its expertise and buying power to make available to everyone at the university software products from Microsoft, Adobe, and others that would otherwise be prohibitively expensive if each school or department had to purchase them separately. Similarly, IU continues its leadership role in open-source software through which IU has saved well over \$15 million and garnered over \$6 million in grants to pioneer these new collaborative approaches for the use of open-source software.

Truly pervasive information technology goes beyond infrastructure, allowing for new ways of preserving and transmitting vast quantities of information for the learning, scholarly and research communities. Here IU's award-winning libraries have played—and continue to play—a central role. Not only were they undertaking groundbreaking projects like the Digital Library Program a decade ago, but they are still at the forefront of this effort to make information more available to scholars at Indiana University and around the world. For instance, the Libraries' IUScholarWorks program offers IU students and faculty an institutional repository for their research, making it available to researchers worldwide. IU is leading an initiative to develop open-source software created specifically for the complicated needs of academic and research libraries. And IU is a co-founder of the HathiTrust, a digital repository that now hosts over 6 million fully scanned books in 400 languages, which can be viewed from anywhere in full-page images and searchable text.

These initiatives, and others, make information more convenient and widely accessible at a lower cost than ever before. Clearly, while the role of the library as a physical repository of knowledge has by no means been eliminated—the success of information commons at many of our campuses is testament to that—it has also been utterly transformed in the digital age and that transformation will continue.

4.4 RESPONSIBLE STEWARDSHIP OF INDIANA UNIVERSITY'S RESOURCES

Indiana University thrives because many individuals and organizations choose to invest in IU. “Investment” may seem an unusual way to think about an individual’s selection of a college or graduate school, about public funding of higher education, or about philanthropy. The fact is that students—and their parents—entrust us with this critical period of their lives, which is perhaps their single most important investment in their future. Likewise, as it has for nearly two centuries, the state of Indiana entrusts substantial public moneys in the university as an investment in the future of the state. This investment has reaped enormous dividends for Indiana since 1820. Many alumni, foundations, and friends, who could direct their philanthropy toward any number of worthy enterprises, give generously to IU, as their own investment in the future.

Each of these investors, so to speak, demands of IU, first and foremost, excellence in the fulfillment our core missions of education and research. The *tenth principle of excellence*, then, is to ensure that all of the public and private resources entrusted to the university are used as effectively and efficiently as possible in pursuit of the principles of excellence.

The need for responsible stewardship is even greater in the difficult financial environment in which we currently find ourselves, and may find ourselves for some time to come. Fortunately, IU approaches this environment from a position of strength. Thanks to the excellent and consistent efforts over many years by our financial staff, Indiana University became one of only seven public universities in the country granted the highest bond rating possible—AAA—by Moody’s Analytics. This is not only a vote of confidence in the soundness of IU’s operations by the financial world; it also enables IU to finance many elements of the principles of excellence far less expensively than would otherwise be the case.

At a time when unemployment in the state and nation is around 10%, a careful and prudent fiscal approach, as I mentioned, enabled IU to avoid the furloughs and layoffs

that have been commonplace elsewhere. By avoiding layoffs, continuing construction, and actually increasing salaries, the university has once again demonstrated the vital role it plays in the state, supporting the Indiana economy when and where it needs it most.

Nor have we accomplished this at the expense of students. We have done and will continue to do all we can to keep IU affordable to Hoosier students. I have already mentioned the tremendous increases in financial aid and our favorable comparisons to our Big Ten counterparts in terms of out of pocket costs. In addition, this year, *Kiplinger's Personal Finance Magazine* ranked IU Bloomington 28th in the nation based on a comparison of its quality and costs with more than 500 other public institutions.

We must be accountable by undertaking continuing analysis (including appropriate metrics) that evaluate the effectiveness and efficiency of all aspects of IU's operations, and we must provide outstanding administrative services in support of the principles of excellence. IU has already moved to increase the use of system-wide purchasing contracts, which offer substantially lower prices by consolidating the procurement function across the seven campuses. Savings to date total more than \$10 million. Likewise, beginning in 2008–09, IU elected to use Direct Lending as its only student aid program. In addition to providing students with improved access to loans, IU received a one-time savings of \$1 million and on-going savings of \$500,000 per year.

In the coming year, IU will undertake an external benchmarking initiative that seeks to identify at least \$13 million in on-going cost savings opportunities and consolidation across our campuses. Our focus for the current year will be Human Resources, Student Services, Marketing/Communications, and the Bloomington Physical Plant. This effort will compare IU's performance and costs to our peers and, where possible, to world-class performers, for the purpose of prioritizing improvement initiatives.

Finally, we must ensure that IU's accomplishments are widely known throughout Indiana, the nation, and the world. Institutions of higher education live on the reputations that they have earned. Our ability to attract excellent faculty members, staff, and

students depends on what the world outside our campuses knows about what we do and what we have accomplished. Spreading the knowledge of our accomplishments—the products of the fertile and creative minds who populate our campuses—is also the way that we serve and engage the state, the nation, and the world. A secret, cloistered university is an irrelevant university, and IU will never be irrelevant.

For this reason, I am taking steps to enhance our efforts to “get the word out” about IU. Of course, faculty already do this within their disciplines through their publications and scholarly and creative work. I am speaking more generally. In order to convey vital and engaging messages about the university and the accomplishments of its students and faculty, we must be able to pool information and resources, plan communications, and ensure a consistent approach so that IU and its accomplishments are not lost in an ever-rising ocean of information. To this end, Vice President Mike Sample is creating a new marketing and communications unit, combining the assets currently under his direction in Public Affairs and Government Relations, with the other three largest marketing and communications units within IU: those at IU Bloomington, IUPUI, and the IU School of Medicine. By doing this, we will be able to pool the talents and skills in all of these units, eliminate unnecessary duplication of effort, and deploy resources in this area more efficiently.

5. CONCLUSION: RENEWING OUR COMMITMENT

As I mentioned earlier, the accomplishments of the last year have been nothing less than remarkable. But let me emphasize that these are *your* accomplishments, achieved over the course of a year in which all of us have faced great challenges. All of us can and should take great pride in this university, and we can also take great pride in the fact that, for nearly two centuries, this institution has been guided, in one way or another, by the principles of excellence that I highlighted this afternoon. For nearly two centuries we have strengthened the foundations of liberal education upon which productive citizenship is based. We have provided an intellectual home for researchers of the highest caliber. And we have served the state of Indiana and its people.

These great efforts continue as we begin another academic year. I alluded earlier to Sir Winston Churchill's statement made nearly seventy years ago: "This is not the end," he said. "It is not even the beginning of the end. But it is, perhaps, the end of the beginning."⁸

So it is that we rededicate ourselves to the principles that have driven us towards progress for the past two centuries. So it is that we renew our commitment to answering some of the most vexing questions about the world around us. And so it is that, even in the face of the seeming impossible, we continue to build towards further excellence in all that we do.

⁸ Churchill, Sir Winston. Lord Mayor's Luncheon Speech. Mansion House, London. 10 Nov. 1942.