

STATE OF THE UNIVERSITY ADDRESS

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Good morning! It's wonderful to be back and to renew acquaintance with those of you returning for another year at the university. I look forward to hearing about your summer activities. On behalf of the Butler community, I also want to welcome those who are joining us at this opening convocation for the first time. Thank you for choosing to become a member of the University. May your experience of Butler be as fulfilling as the education we seek to provide our students.

Before I deliver my remarks, I have a special introduction to make. Mr. John Hargrove, Chairman of the Butler Board of Trustees, joins us this morning to deliver a greeting from the Board. John is a native Hoosier who graduated from Butler's College of Business as a member of the Class of 1969. He earned his J.D. from Indiana University in 1972 and practices law in Florida with specialties in media and first amendment law and commercial litigation. His son John graduated from Butler in 1998. A member of the Board since 2001, he is in his second year as Chair. John has helped oversee the progress of the University in this decade, and I'm honored by his friendship. Chairman Hargrove. . .

[Chairman Hargrove's remarks]:

Good morning. I am pleased to be with you, to help launch Butler's 2009-2010 academic year. On behalf of the Board of Trustees, I want to thank you for your contributions to the complex but very rewarding work of educating Butler students.

This University could not accomplish what it has without the talent, intelligence and commitment that I have witnessed in our staff and faculty. I know you will bring your "A Game" to that challenge again this year.

An ongoing challenge that Butler has just begun is the implementation of *Dare to Make a Difference*, the University's 2009-to-2014 Strategic Plan. Unanimously approved by the Board of Trustees last May, this plan aims to

- Ensure academic excellence
- Focus attention on issues effecting student life
- Assist in growing the University's resources, including its endowment
- Maintain Butler's focus on facilities and infrastructure
- Sustain the highest fiduciary standards of Butler's finances
- And, prioritize areas of Butler to be showcased in developing its national profile

This list is not exhaustive. But from these points, you should get some sense of what we believe will work effectively in the best interest of Butler.

It is very important to understand that *Dare to Make a Difference* is not "the Board's" plan, but rather a document reflecting the goals and aspirations of the entire Butler community.

The process of drafting *Dare to Make a Difference* included meetings and consensus-building among virtually every University constituency. The plan now requires those constituents — including all of you — to play key roles in its implementation.

As part of the plan, the other Trustees and I have pledged to increase our effectiveness as leaders and stewards of the University. We look to you as strategic partners in realizing the plan's many ambitious goals.

Thank you again for your hard work and loyalty to Butler. I welcome your ideas and your support for its ongoing success.

I left on sabbatical in May, the month that marked the end of the *Dare to Lead* five-year strategic plan and the \$125 million *ButlerRising* comprehensive human capital campaign. That same month, as Chairman Hargrove has noted, the Board of Trustees ratified *Dare to Make a Difference*, the new strategic plan that will guide the University through 2014. My sabbatical thus occurred at the juncture between the end of one series of initiatives and the beginning, this fall, of another. My remarks this morning are

intended to review this past year and to identify particular issues facing us in the next, particularly in the context of implementing the new strategic plan.

A sabbatical is a period designed for professional and personal renewal. Let me report on two projects undertaken during my leave. With regard to professional activity, I completed the first draft of a manuscript with the working title of *Going to College: A Primer for Parents*. There are many guides for students seeking admission to college, but this book is written in support of the parents and guardians of such students. The book grows out of experiences that my wife Suzanne and I have had in counseling parents of our two sons' high school classmates. These parents wanted to be helpful to their children, but higher education was a mystery to them. For example, most parents aren't sufficiently aware that the undergraduate experience at a residential private liberal arts college may be very different from that at a large state doctoral research university. They don't know how to assess the quality of one institution as compared to another. They have the vaguest notion of the college search process. In turn, we were able to offer insights not found in the popular literature on college admissions.

The draft is now in Suzanne's hands for editing and expansion, particularly with an eye to making it clear and accessible to parents with no background in higher education. We hope to field-test a later draft with parents of high school juniors and seniors and then further revise it in light of their comments on its usefulness.

With regard to personal renewal, to celebrate our 35th wedding anniversary, Suzanne's five years of being cancer-free, and my upcoming 60th birthday, we decided to walk across England.

The Coast-to Coast trail begins at St. Bee's on the west coast of England and stretches across the waist of the island to end 192 miles later at Robin Hood's Bay on the east coast. We walked from the Irish Sea to the North Sea through three national parks: the Lake District, the Yorkshire Dales (home of *All Creatures Great and Small*), and the Yorkshire Moors. These are the lands of the Romantic poets, James Herriot, and the Brontes. Our interest, however, was less in a literary tour than in experiencing the landscapes that informed these authors' work.

We arranged for accommodations at farmhouses and B&B's over the seventeen days of the hike, which ranged from eight- to fifteen-mile legs. A transport service picked up our luggage each morning and ferried it to the coming night's lodging; we traveled with day packs and the anticipation of a shower and bed each night. We navigated via guide books, a topographical map, and a compass; climbed peaks, descended into valleys, and hopped, skipped, and jumped boggy moors; negotiated seaside cliffs and mountainsides on narrow trails with four-hundred foot drops; forded (and fell into) streams; crossed pastures with sheep, cows, the occasional bull, and all the muck that animals leave behind; met, passed, and were passed by other hikers; encountered temperatures from 40 to 80 degrees, weather from a heat wave to sleet; were sweaty and sore at the end of each day but woke up full of anticipation for the adventures of the next. We had a wonderful time, and we come back to you a little bit thinner!

Working and walking together gave Sue and me a chance to talk about why Butler was so special to us. We came to Butler largely with a background in residential liberal arts colleges, where undergraduate teaching is the first priority and imparting a liberal education for lifelong learning is the goal. Butler claims both these dimensions—and

more. While maintaining an emphasis on liberal education for all students, Butler provides opportunities for undergraduate professional preparation in business, education, the performing arts, and the health sciences. This exemplifies a point made by Dr. Carol Schneider, President of the Association of American Colleges & Universities, in a recent *Forbes* column:

. . . for a very long time, liberal or liberal arts education portrayed itself as the very antithesis of “real-world” learning. The ivory tower was celebrated, and the liberal arts curriculum often endorsed “learning for its own sake.” But that was then, and this is a new era.

Today, educators all over the U.S. are reinventing liberal education in ways that blend the best strength of the liberal arts and sciences—rigorous analysis, engagement with complexity, sophisticated communication skills—with the best strengths of the professional and career programs, including their constant focus on real-world contexts and decision-making in situations where the answer isn’t clear cut.

This combination of the liberal and the applied, a distinctive characteristic of the best comprehensive universities, will become an ever more important distinction as students and families grapple with the value of a college education. We also have an advantage in experiential education by being located in a large urban area. Students can practice what they learn as part of the regular curriculum. By contrast, most liberal arts colleges are located outside of cities, and experiential education is reserved for academic terms off campus.

Also important to us is Butler’s commitment to address issues of character and citizenship. The first sentence of our new strategic plan, *Dare to Make a Difference*, declares that “Butler University educates a graduate not simply to make a living but to make a life of purpose, in which individual flourishing is intertwined with the welfare of others.” Our graduates are, in this sense, our collective legacy to the larger world. I

come back from sabbatical energized by the faith and confidence of the Butler community that in all these ways, we are providing a distinctive education to our students.

We need to hold fast to the value of our work amid this tumultuous time in higher education. This past year saw university endowments drop by 30-40%. What had been considered an unalloyed good, a large endowment, became an impediment, for the most richly-endowed universities had significant portions of their operating budgets supported by endowment. Diminution of endowment necessitated cuts in operations. Colleges and universities were forced to trim budgets by means of freezes on travel and hiring; reductions in programs and salaries; furloughs, early retirements, and layoffs; even borrowing to stay open. A survey of 259 private colleges by the *Chronicle of Higher Education*, conducted in June and released last week, noted that 2/3's of respondents were freezing salaries for AY 2009-10 and 53% were cutting benefits, including reducing or eliminating contributions to retirement accounts and either having employees assume a larger share of health-benefit costs or trimming the scope of health coverage.

Thankfully, to this point Butler has been spared these measures. Last year, draw from endowment provided about 6% of our annual operating revenues. We have tightened belts but not cut personnel or programs. That's a perverse blessing of having an endowment that we wished were larger. We have not had to enact freezes to hiring or travel. Indeed, this year's new faculty includes 24 tenure-line professors and 18 full-time instructors. We finished AY 2008-09 with a modest surplus that largely has gone into deferred maintenance and capital projects.

With regard to Butler's annual revenues, more than 80% is derived from student tuition, room, and board. Thus it is a crucial calculation each year to weigh additional revenues from prospective tuition increases against the ability of families to pay. Given the impact of the recession on household finances, for AY 2009-10 the Board of Trustees approved a 3.5% increase in tuition, room, and board, the lowest percentage increase in tuition since 1975. The good news is that the University expects on census day to exceed enrollment targets for first-year and returning students.

The Office of Enrollment Management is projecting 945 to 955 freshmen on a target of 923. Overall, we had 6,241 students apply for admission, an increase of 5%. The average ACT composite among deposited freshmen is 27.26, compared to 26.94 last year. As in years past, this class boasts strong high school academic achievements: an average GPA of 3.74 (on a 4.0 scale), 56 valedictorians and 19 salutatorians. We also had 29 Lilly Scholars, which once again puts us first in the state among private institutions and second only to Purdue among all universities in Indiana.

Just as important, 2784 continuing student have pre-registered, 86 more than at the same time last year. This represents nearly 95% of all Butler students eligible to return, with next week's registration period still to go. Beyond rigorous teaching and learning, one crucial dimension contributing to a satisfying collegiate experience is a pattern of caring relationships with faculty and staff. Thank you for all you do to support the intellectual and personal development of our students.

Countervailing this good news was one development over the summer. Indiana historically has been the most generous state in the Union in permitting need-based state aid to follow Hoosier students attending private, in-state universities. Last year, a full-

need, in-state student at Butler could receive almost \$11,000 in State Student Assistance Commission of Indiana (SSACI) aid. In June, a special session of the legislature actually voted a modest increase to SSACI funds. However, given the downturn in the economy, there has been a significant increase in applications for SSACI grants, so that monies have to be spread over more potentially-eligible students. In July, SSACI finalized grant levels for AY 2009-10 that represented a 30% reduction compared to last year's levels.

Indiana institutions have scrambled to cover the decrease in SSACI funding levels because they affect students and families least able to pay for college. After extensive analysis and discussion, Butler has committed to use institutional funds to underwrite 80% of the SSACI reductions in order to mitigate the impact on our financially-disadvantaged students and enable them to stay enrolled. This will come at an estimated cost of \$1 million and will be financed in large part by revenues derived from exceeding our enrollment targets. Our announcement this summer to families affected by the SSACI reductions has been greeted by relief and gratitude.

One departure from previous practice that we made this year was to delay implementing the employee salary pool until after census day in September rather than at the beginning of the fiscal year in June. The pool this year is to be 1%, small but an expression of our determination not to freeze salaries altogether. By the same token, we wanted to ensure that our enrollments would make any increase prudent. We will await census day to ascertain our official enrollment and what the impact of underwriting 80% of the SSACI reduction will be to our budget, but we are still intent on implementing the salary pool increase so long as we attain enrollment targets.

However, we must remain vigilant. Over the next five years, the number of high school graduates in the Midwest is anticipated to decrease 6.1%. Since 80% of our students come from the Midwest, successfully recruiting future classes is a priority. Therefore, a key initiative in the strategic plan is to review our admission and financial aid policies to make such that they meet the demands of a changing student population. In addition, we will carefully evaluate the expansion of our graduate program offerings and continue efforts to retain and graduate more of our students.

The rate at which an institution retains and graduates students is a shorthand benchmark of overall satisfaction with the college experience. It is the key to both academic reputation and budgetary stability. In researching my book this summer, I found that the six-year graduation rate nationally for students at four-year institutions is just over 50%. If students are included who graduated from colleges different from the ones where they first started, that rate rises to just under 60%. Of the 1400-plus four-year colleges and universities in the United States, fewer than 300 have six-year graduation rates of 70% or more. Of the 570-plus master's comprehensive universities among which Butler is numbered, only 42 have graduation rates of 70% or higher. Between 2001 and 2008, Butler's average six-year graduation rate increased from 62% to 71%. *Dare to Make a Difference* sets the goal that by 2014, we will average a 90% freshman-to-sophomore retention rate and a 75% six-year graduation rate. That combination would place us among the top fifteen master's comprehensives nationally.

From 2000 to 2008, Butler University had risen from seventh to fourth place in the annual *U.S. News & World Report* ranking of Midwest master's institutions. Results from the annual *U.S. News & World Report* survey of America's Best Colleges were

released yesterday. I'm pleased to announce that in the 2009-10 *U.S. News & World Report of America's Best Colleges*, Butler University has risen to number two in the Master's Midwest category. This is Butler's highest ranking since the inception of the survey in 1983, and the University's 21st consecutive year being among the top 10 in this category.

Butler's numbers include a freshman-retention rate of 87% percent, a level achieved by only 30 of the nation's 572 master's comprehensive universities. Our reported ACT/SAT scores put us among the top 24 master's universities nationwide and second among Midwest master's universities. With regard to the percentage of entering students who graduated in the top 25% of their high school class, our 79% puts us among the top fifteen master's universities in the United States. Most gratifyingly, our average six-year graduation rate rose again, from last year's 71% to 72%, a 10% increase over the last nine years, and places us in the company of the top 30 master's universities nationally.

Butler also was recognized numerous other categories: as a best financial value among Midwest Master's schools (Butler ranked 8th in that group), as one of 34 colleges and universities nationwide with an outstanding program for study abroad, as one of 77 institutions nationally designated "Top Up-and-Coming Schools" for having "made the most promising and innovative changes in academics, faculty, students, campus, or facilities," and as one of 80 colleges and universities in the nation identified by experts as having "an unusual commitment to undergraduate teaching." Please give yourselves a hand for what your hard work and dedication has brought to this University.

I mentioned earlier that May saw the conclusion of the *ButlerRising* campaign. I'm pleased to announce that against an original goal of \$125 million, *ButlerRising* raised \$154,324,762. Of the total, \$128,318,976, or 83%, represents gifts received; \$14,894,786, or 10%, represents pledges to be paid by 2013; and \$11,111,000, or 7%, represents revocable planned gifts. According to our campaign counsel Johnson and Grossnickle, the proportion of gifts already in hand is impressively large.

With regard to particular campaign priorities (or buckets), Scholarships, Endowed Chairs, Academic Initiatives, the Center for Faith and Vocation, the Center for Citizenship and Community, the Urban Ecology Center, the Butler Business Accelerator, Multicultural Programming, and the Visiting Writers Series have been fully subscribed by a combination of designated gifts, unrestricted gifts designated for endowment, and planned gifts. Two facilities projects, the Performance Hall and the Butler Bowl, await distributions from unrestricted gifts.

We have two issues regarding funds raised in the campaign. First, even though many projects were fully subscribed, those that were to be supported by endowment have been affected by the market downturn. The current principal from which we would compute endowment draw for a particular program may be less than the original face value of the gifts. In the coming months, we will be deciding whether and how much we can draw from these new funds while they remain underwater. Second, with regard to capital projects, the original goals were set in 2003. In the interim, the cost of construction and materials has increased. We will have to calculate what additional monies will be needed in order for construction to go forward. These are tasks for this academic year.

Our campaign counsel is currently completing a report on *ButlerRising* for delivery this fall to the Board of Trustees. Nonetheless, given that this is the first Butler campaign to finish on time and to exceed its goal, the University community can be proud of its accomplishment.

With regard to construction, the new lecture halls and offices in the Pharmacy addition will be ready for the beginning of classes. Various capital renovations were completed, notably to the Clowes Hall masonry and to the roofs of Jordan Hall and Hinkle Fieldhouse. Starbuck's has received a facelift, and the Phi Delta Theta fraternity is set to reopen. Residence halls have been equipped with keycard access and WiFi, classrooms have been electronically mediated, and the first floor of Jordan Hall is being renovated into a corridor housing academic offices and academic support services.

One of the strategic plan items calls for the development of a new campus master plan for facilities, and this spring the firm of Christner, Inc., was engaged to guide the University in this process. Its representatives met with Butler personnel through the spring and summer, and a master plan is scheduled to be delivered to the Board in February 2010. With its completion, we will have a strategic plan and a campus master plan upon which to base discussions on the forms and priorities of future fundraising campaigns.

Let me turn to the overarching task of this year: implementing our new strategic plan *Dare to Make a Difference*. Over the summer, Provost Jamie Comstock led the vice presidents in discussing the individuals and groups that will have responsibility for realizing the plan's nine priorities. A coordinating work group will be organized for each priority, and the chairs of each work group will form the executive council for strategic

plan implementation. In turn, each coordinating work group will convene committees to pursue particular recommendations and goals under each priority.

Of the nine priorities in the strategic plan, the first four have to do with shaping the nature of student learning at Butler University. They include completing the rollout of the new core curriculum; exploring the establishment of new undergraduate and graduate programs; integrating classroom and co-curricular learning to promote student development, leadership, and success; and pursuing opportunities for off-campus and international experiences.

The latter five priorities have to do with sustaining the University as a platform for education. They include sustaining Butler's enrollments and financial resources, making Butler an educational resource for the community, and positioning Butler as an employer of choice for its faculty and staff.

I want to speak at further length to this last item, Priority Six, making Butler an employer of choice for a highly qualified, diverse mix of faculty and staff. The strategic plan notes:

The quality of the Butler University educational experience is directly related to the caliber of faculty and staff who deliver that experience. So if we are to continue the climb toward recognition as one of the nation's best comprehensive master's institutions, we must ensure that Butler is the kind of learning community that attracts and retains quality faculty and staff. Therefore, we must invest in the Butler community and the individuals responsible for sustaining our shared commitment to high quality education.

Specific recommendations include developing and funding comprehensive faculty and staff development plans, ensuring that salaries "are consistent with collaboratively identified benchmarks for master's comprehensive universities," and developing a

leadership program that will “establish meaningful opportunities for promotion within the Butler community and beyond.”

Of particular importance under this priority is ensuring that our “working environment reflects and supports cultural diversity.” This afternoon, Jonathan Small, Executive Director of Human Resources & Chief Diversity Officer, will deliver an update on the continuing implementation of the Gender Equity Commission report. It will take place at 2 pm in Gallahue 108. A written report will be posted online subsequently for faculty, staff, and students to review, and town halls will be scheduled after the beginning of the semester to discuss the progress that has been made and items that need continuing attention. In addition, we will compile numbers on the ethnic background and gender of faculty, staff, and students for release later this fall as part of our annual *Institutional Data Profile*.

Dare to Make a Difference places particular emphasis on academic programs and on faculty and staff support and development. I urge you to contact the chairs of the work groups for the nine priorities when they are announced to express your interest in participating in a particular venture.

One lesson I took away from the Coast-to-Coast walk is the importance of properly balancing thought and action. Planning the day’s journey was well and good, but ultimately the challenge was to put one foot in front of another 25,000 times before night fell. Higher education privileges the life of the mind, but teaching is arduous, and support functions ranging from preparing facilities to serving food to paying the bills take place in real time, when deadlines have to be met. Some days our routines may be numbing in their sameness, but they advance us toward the larger goals of equipping our

students and strengthening our community. By the same token, the large goals of education could not be achieved without the actual labor of grading, writing, meeting, talking, and doing that transforms ideas into work.

I believe that a Butler education can make a difference in the world, and I believe in your good hands, wherein lies the good work of this University. Thank you very much.