

“THE FUTURE OF IOWA’S PUBLIC UNIVERSITIES”

REMARKS TO ISU FACULTY SENATE MEETING

April 29, 2008

3:30 p.m.

Good afternoon!

Thank you President Crase for inviting me to meet with the Iowa State University Faculty Senate today. It’s a pleasure to be here and to have this opportunity to talk about the future of Iowa’s Public Universities.

I especially want to thank the members of this body and the entire faculty at Iowa State University for the critical role you play in the teaching, research and outreach that are the core missions of the university.

I also want to express my deep appreciation to President Greg Geoffroy for his outstanding leadership of this university for the past nearly seven years. The State of Iowa is very fortunate to have one of the nation’s premier leaders in higher education at the helm of its land-grant university, and I hope he stays at Iowa State for a very long time.

Finally, I would like to thank publicly our legislators, legislative leadership, and Governor for their continued financial support and commitment to higher education in Iowa.

Before turning to the topic at hand, I would like to share with you why I accepted the appointment to Board of Regents: Simply stated, I view higher education as a profoundly important and powerful agent for both individual and societal development.

W. Robert Parks, the 11th and longest-serving President of Iowa State, stated in his 1966 inaugural address, “We must adopt a philosophy which will permit us so to adjust our lives and our institutions that science, rather than being a dehumanizing threat, can become a liberalizing and liberating force opening up our lives to new ideals, new values, higher human goals...”

He called this philosophy a “new humanism,” which focused on “humanizing” science and technology in order to fully capture their power and potential as transformational forces in our society. This philosophy is still very much present

as a powerful influence here at Iowa State today, as evidenced by your current Strategic Plan's mission of "Create, share and apply knowledge to make Iowa and the world a better place," and its vision that "Iowa State University will be the best at advancing the land-grant ideals and putting science and technology to work."

That is, to work for "humanity."

If one desires to impact individuals and society for the better – in this case Iowa and its citizens – then there is no greater opportunity than through Iowa's Public Universities.

In light of the important role of the Faculty Senate at Iowa State, I would be remiss if I did not also take a moment to clearly state my perspective on "shared governance".

The concept of shared governance is not widely understood outside academic circles. And, largely due to lack of understanding, it is not uncommon for those from the business community to express concern about what they perceive to be an inordinately high degree of influence by the faculty in the operation of the university enterprise.

I do not share this concern; in fact, quite the contrary.

As you may know, I am just completing my twelfth year of board service in higher education. If those 12 years have taught me anything, it is this: the soul of any university is its academy. You are truly the keepers of the flame. That is, the institutional memory, as well as the guardians of the academic standards and culture of our institutions.

I embrace shared governance. And, I do so because it acknowledges the central role of the faculty, as well as the simple truth that our universities will excel only if we – the board, administration, faculty, and students, individually, and through elected bodies such as this Faculty Senate – embrace a spirit of collaboration and work together in a cooperative and interdependent way. By working together, and only by working together, can we succeed in making Iowa's Public Universities the best they can be.

And now, to the topic at hand: "The Future of Public Universities"

In February 2004, the Board adopted the current strategic plan, a plan which by its terms extends only until 2009.

So, at the June 12, 2008, Board meeting, I intend to propose a process and timeline that will culminate in the adoption of a new strategic plan for the Regent Institutions in the summer of 2009. This process will answer the question of what path our universities and special schools will take in the coming years.

The strategic planning process that I will recommend will encourage participation and input from all constituencies of our Regent institutions. For my part, I consider every exchange that I have with a faculty member, administrator, student or interested Iowan, an opportunity to gather input not only on how our Regent institutions are faring today, but also to learn their hopes and aspirations for the Regent enterprise going forward.

Revisiting our vision, as well as developing and executing the plan to achieve that vision, will require significant effort over the next year. I welcome your input and participation, not just in the days ahead, but during our discussion today.

But even as we are charting the course of our longer-term future, we will not stand idly in place. Today I would like to share with you three critical initiatives that I will be asking the Board to pursue in the upcoming academic year.

First, we must take steps to protect the long-term financial health of our Regent institutions.

Thanks to the leadership of Governor Culver, our legislative leaders and legislators, the proportion of our general education funding coming from the State of Iowa increased last year. And we just concluded a very successful legislative session in 2008.

Our most important budget request by far was for salary funding, which is critically important for our institutions to be able to keep tuition increases to low levels and at the same time attract and retain the best faculty to teach Iowa students, conduct cutting edge research and provide service to Iowa's families and communities. We are very appreciative that the Governor and the legislature have provided \$41.9 million in salary funding which will allow us to keep tuition increases moderate and still support our world-class faculties.

Our biggest new budget request was for a collaborative Math and Science initiative that will help our institutions address a critical need for our State. The goals of the Math and Science Initiative include improving the mathematics and science performance of Iowa students; preparing more high quality mathematics and science teachers for Iowa's schools; and promoting statewide collaboration and cooperation in math and science education. We thank the Governor and legislature for the appropriation of \$4 million to begin this very important effort.

Through their actions these leaders make clear their intention that Iowa will remain "The Education State", and that they understand and value the academic excellence of our Regent institutions. We are profoundly grateful for their support.

Still, candor demands we acknowledge that recent trends have not been positive. If you go back 27 years ago to 1981, more than 77 cents of every dollar in our general education budget came from appropriations from the State of Iowa. By FY 2001 that ratio had fallen to 68%, and declined precipitously from there, falling to a low of 48% by FY 2007. The state funding levels received for FY 2008 reversed the negative trend with a budgeted 49.7% of general education funding coming from state appropriations, but they remain well below historic levels.

Despite the increases in 2007 & 2008, state appropriations to the Regent institutions are essentially unchanged from 2001 levels. As a result, our faculty members remain underpaid and at risk to our competitors, and the cost to students continues to rise.

Since 1999, undergraduate tuition for Iowa residents has nearly doubled, with single year increases as high as 18.5%.

I have heard it said that higher education is often the balance wheel of state budgets, with appropriations rising and falling to accommodate fluctuations in state tax revenues. Our experiences in Iowa in recent years, and the challenges currently facing states such as Florida and California, bear this out.

In order to ensure the financial well-being of our Regent institutions, the Board of Regents must develop a professional communication plan that more effectively articulates the positive impact and value of Iowa's public universities and special schools to the State of Iowa, its citizens and society.

Individually, Iowa State University, the University of Iowa, the University of Northern Iowa, and among their constituent groups, the Iowa School for the Deaf,

the Iowa Braille and Sight Saving School, and, I would add, Iowa Public Radio, each have developed a strong connection with students, their families, alums and the communities they serve.

But we receive our funding from the legislature collectively as “Regent Institutions”, and that identity is not well developed. The Board of Regents needs to develop and implement a professional communication plan, including a branding exercise led by the universities and our students. Consider, for example, the different sense of ownership and pride conveyed to Iowans by use of the phrase “Iowa’s Public Universities & Special Schools”. As a part of that plan we need also to improve our ability to solicit and respond to input from Iowans regarding our universities and special schools.

The Regent Institutions – or should I say, “Iowa’s Public Universities” – are truly the flagships of higher education in the State of Iowa. As such we have both the opportunity and the responsibility to make the case for the social and societal value of higher education generally, and Iowa’s Public Universities in particular.

We must also demonstrate our stewardship of the resources entrusted to the Regent Enterprise by pursuing opportunities to realize greater efficiencies in operations, consistent with best practices in the delivery of education and other services, and to measure and report on our progress in achieving strategic priorities.

In this regard, I am particularly encouraged by the responsibility-based budgeting system that has been developed by the faculty and administration of Iowa State University. This budgeting model creates significant incentives for major functional units to aggressively support the mission of the University and to respond to opportunities to better serve their constituents.

Iowa State has also demonstrated its excellent stewardship of public funds in the area of biorenewable resources, which is critical to Iowa’s economic future. The faculty at Iowa State have been very successful in leveraging public investments in facilities and faculty positions for biorenewable resource research to obtain very large research grants from government and private industry. These efforts will help create the foundation for a world-class biofuel and biorenewable resource industry here in Iowa.

Finally, we need to continually strive to expand our revenue beyond traditional sources of funding. Attracting additional research dollars, generating licensing and royalty revenues, and expanding our economic development efforts, as well as

working together with our Foundations to enhance philanthropic support are but a few of the avenues we need to pursue.

The second major initiative comes in the area of affordability and financial aid. I am asking the Board office, with help from the universities, to prepare an analysis and recommendations to ensure that we are providing affordable access for Iowans to attend our public universities.

I am seeking this analysis for two reasons. First, the last several years have seen steady erosion in public support for higher education, and a related increase in the burden for students and their families. As you may be aware, in 1980 the Federal Pell Grant covered 72% of public university costs; by 2006 it covered only 30%.

In Iowa, we have already noted the lack of growth in state appropriations to our general education budget since 2001. Iowa also lags in grant aid to our students. According to testimony given by Robert Shireman, Executive Director of the Project on Student Debt, to the Iowa Legislature's Joint Government Oversight Committee in October 2007, in 2005-06 state governments on average provided per capita grant aid of approximately \$1,000 per full-time entering freshman; in Iowa the public universities received only \$115.

So as our tuition rates have increased, grant aid from the Federal government and the State has not. This is a concern.

The second concern is the impact on student debt levels. Despite the fact that our tuition levels remain well below the national average, our student debt levels are among the highest in the nation. Fully 74% of our undergraduate students graduate with student debt, placing the State of Iowa second highest in the country, with an average balance of \$23,680, ranking us sixth highest in the country. These rankings include both public and private universities. We will do the research required to understand this seeming paradox and determine what steps are appropriate.

What Thomas Jefferson wrote in 1807 is still true today, "The field of knowledge (sic) is the common property of all mankind."

We need to ensure that all academically qualified Iowans have genuine access to our public universities by continuing to keep our tuition rates reasonable, and by providing financial assistance through an appropriate mix of grants, student loans, and work study opportunities.

The final initiative both follows on and extends some very exciting work already underway on our campuses. In the upcoming academic year, I will be seeking the support of the Board to charge our Regent institutions to initiate an integrated and collaborative effort toward sustainability.

Certainly, as one of the nation's leaders in the development and application of biorenewable products, Iowa State is well-positioned to take a leading role in sustainability nationally and internationally.

Iowa State has already undertaken several sustainability initiatives, including:

1. The university and the City of Ames are jointly participating in a wind energy study by the Iowa Association of Municipal Utilities, which includes the prospect of constructing a wind farm near Ames. It is estimated that wind energy could provide about 7% of the electricity used by the campus annually.
2. The university is setting sustainability guidelines for all new construction and major renovation projects.
3. The university is pursuing a variety of efforts to conserve energy in day-to-day operations, such as replacing all incandescent bulbs with more efficient bulbs and installing on/off timers and motion sensors to turn off unused lights.
4. ISU Transportation Services completed installation of a 5,000-gallon, above-ground tank for ethanol, which allows the university to fuel its flex-fuel vehicles on site with E-85 fuel; nearly 36% of the university fleet are now flex-fuel vehicles.

And I know Iowa State and the other universities are helping the Iowa School for the Deaf and the Iowa Braille and Sight Saving School implement sustainability efforts on their campuses as well.

I applaud Iowa State University for its sustainability initiatives and leadership, as I applaud the University of Iowa and University of Northern Iowa for their efforts. And I encourage all of us to expand on these efforts.

The need to act in more sustainable ways permeates every part of our society. Indeed, it is among the special challenges of our age. It is therefore appropriate that this become a true Regent initiative.

The present needs of our community and our world demand that we seek to pursue socially-responsible positions with respect to our environmental practices. This means at a minimum making our operational practices more sustainable. But the greater opportunity is to embed sustainability into the fabric of our academic and research mission.

As you know, our Regent institutions collaborate on a number of issues. The scope of our opportunity with regard to sustainability is such that I will ask the Board of Regents and the heads of each of our Regent institutions to support an integrated and collaborative sustainability initiative that positions Iowa's Public Universities as national leaders in sustainability, in terms of operational practices, education, research, and economic development.

Ladies and gentlemen, each time I set foot on the campus of Iowa State University, I am struck once again by the vision and foresight exhibited by the people of Iowa in establishing this great university as a public, state agricultural college in 1858, whose focus was on the children of the farmers and working classes. They again showed their visionary leadership when, in 1864, the Iowa General Assembly made Iowa the first state in the nation to adopt the landmark Morrill Act, and designated this institution as Iowa's land-grant college. The Morrill Act revolutionized higher education in our nation and indeed the world by making higher education both accessible and relevant to the common people, and this university can be extremely proud of the leadership it has played in developing the land-grant mission.

In this, your 150th anniversary year, let me congratulate you for a century and a half of outstanding service to the people of Iowa and the world. Iowa's visionary leaders would be very proud of what Iowa State University has become.

Thank you again for inviting me here today, and I look forward to our discussion.

David W. Miles
