

State of the University

President J. Bernard Machen

August 26, 2010 Faculty Senate Meeting

Good afternoon! I am pleased to have this opportunity, once again, to speak to you at your August Faculty Senate meeting.

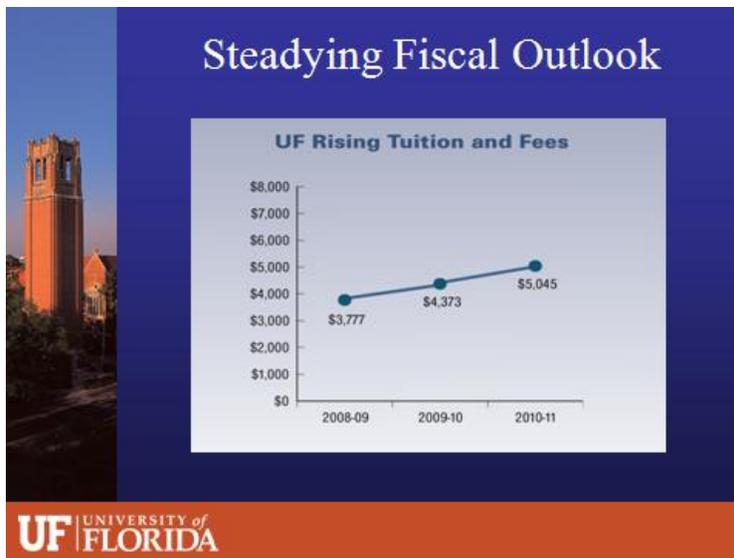
I hope you were able to relax this summer and spend time with family and friends. I took some time off with my wife Chris to travel and be with our families. It was a good thing for all of us.

I know that many of you have been away, and that you are curious about how things are shaping up for the university. I want to address where we stand today, but I also want to talk about the university's future in the longer term.

In order to cover both topics, I have divided my presentation into two parts. In the first, I will give a PowerPoint, updating the latest news. In the second, I will share thoughts on this university's future -- a future I think will be shaped, more than we think, by the emerging global marketplace in higher education.

So, this presentation covers UF today and UF in the future. It's pretty straight-ahead. Let me begin with what's always foremost on people's mind: The budget.

Fiscal Outlook



- After years of making our case to the public and our lawmakers, we began charging a tuition differential three years ago. Our tuition is increasing steadily. We are not as far from the national average as we used to be. But, there is room for future increases.
- This is not the only positive fiscal news. Following three years of state budget cuts, we actually had a six percent *increase* in our state allocation this year. It wasn't enough, but it was certainly preferable to a fourth year of cuts.

- Raises for faculty and staff, effective July 1, will be in this week's paycheck.
- There has been a lot in the news about what will happen when federal stimulus dollars end this year. This is not a major concern for us, because we made budget cuts a couple of years ago, then used our stimulus to glide us through the downturn.
- The BP spill was not as damaging economically as people predicted, but the sputtering economy clouds the state's revenue outlook. We always worry about preserving our share in Tallahassee, and that is no different this year.

New Year, New Faces



Here you see three new faculty hires. From the top, that's Todd Golde, a neuroscientist in the College of Medicine; Andrea Button Lambeck, a professor of geological sciences in CLAS, and Susan Cameron Devitt, an IFAS climate change ecologist.

All were brought on board through our \$10 million "JumpStart" hiring initiative.

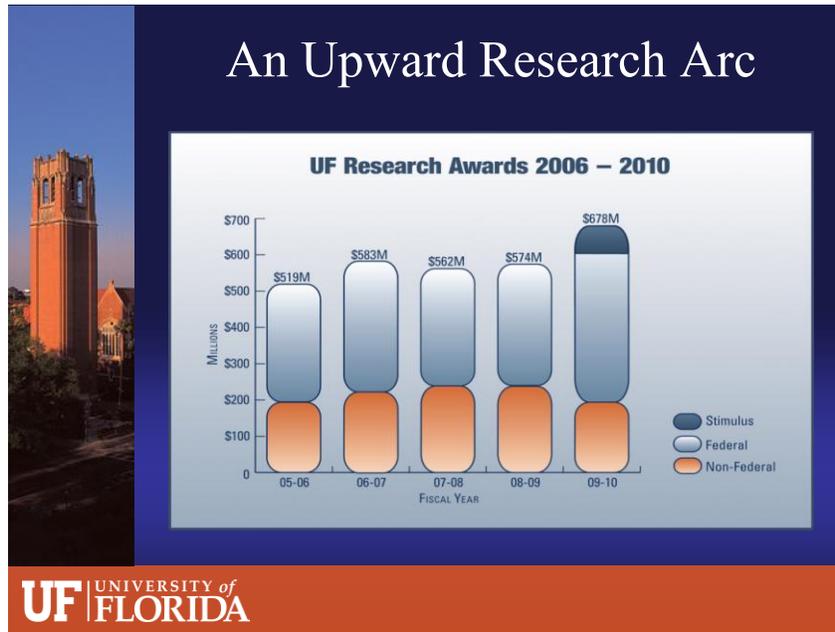
When we launched "JumpStart," it was one of the largest hiring initiatives at universities nationwide. Thanks to this program, at least forty-four new faculty members will be on our campus this fall -- and 10 more will arrive in the spring.

These new hires include a team of five neuroscientists from the Mayo Clinic in Jacksonville and new faculty from the California Institute of Technology, Duke, Harvard, Princeton and Berkeley.

It's still a good time to be hiring, and I am confident remaining searches will be fruitful.

“Best piece of news today...”

I credit faculty for my best piece of news today, depicted on the chart below.

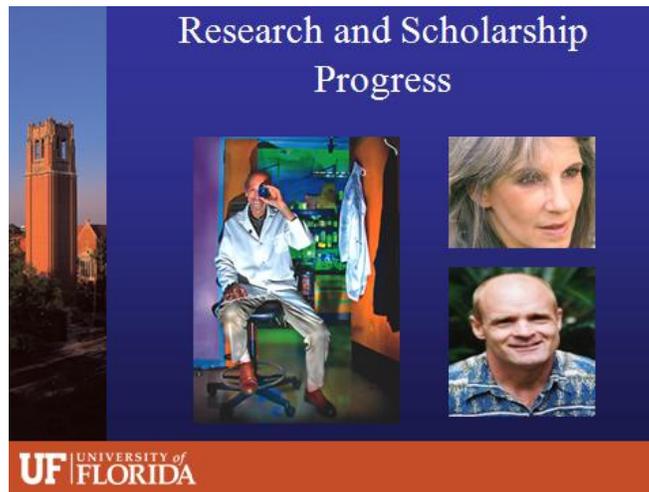


As you can see, faculty research awards grew 18 percent this past year -- climbing from \$574 million to \$678 million. This includes a \$77 million boost from the federal stimulus, depicted in deep blue. With those dollars included, our increase in federal support is a remarkable \$151 million. That more than offsets a drop of \$34 million in state and private support, the orange part of the chart.

The work of our experts in aging research led to the *largest grant ever awarded to UF*. That was \$64 million, from the National Institute on Aging.

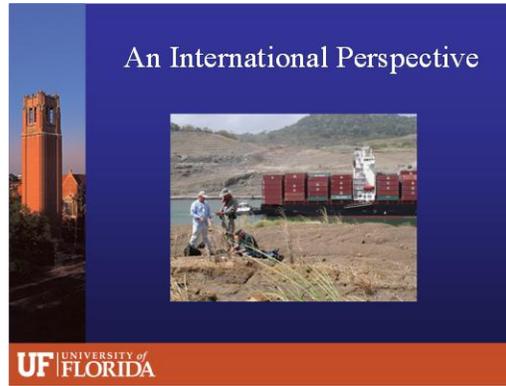
Research and Scholarship Progress

Grants enable our researchers and scholars to make new discoveries or scholarly advances. Let me touch on a few from the past year:



- An ophthalmologist used gene therapy to cure color blindness in monkeys, offering hope of a treatment for human eye disease. That's William Hauswirth on the left.
- English Professor Mary Robison won the Rea Award for the Short Story, a prize whose past winners include John Updike and Joyce Carol Oates.
- History Professor Jack E. Davis won the Gold Medal in the Florida Book Award for his biography of Marjory Stoneman Douglas. Mary and Jack are pictured on the right.
- Engineering researchers made significant progress on new lighting technology for more efficient household lighting and sharper displays.
- IFAS scientists discovered a heat-tolerant plant gene that could be useful in heat tolerant food crops. Such crops are a pressing need due to global climate change.

An International Perspective



UF researchers at work near the Panama Canal. Pictured is Doug Jones, director of the Florida Museum of Natural History, in the blue shirt talking with UF's Michael Kirby, also standing.

A couple of new projects are notable for their global bent.

UF scientists received two \$3-million-plus National Science Foundation grants, one to study the history of climate change and biodiversity in Panama, the other to probe multiphase fluid mechanics with institutions in Japan and France. Only 15 of 500 proposals for these Partnership for International Research and Education grants were funded – two to UF!

Also this year, our biomedical informatics scientists began creating a computer network that will link researchers all over the world for scientific discovery.

Our technology commercialization efforts have tracked the same arc as our research.

- Just yesterday, in his blog for *The Atlantic* magazine, Richard Florida, well-known author of the “The Creative Class,” named Gainesville as the city with the highest projected percentage gain in what he has defined as “creative class” jobs – jobs in science, technology, health care, engineering, and the arts. He tells Atlantic readers that high-wage, high-skill jobs will increase over 17 percent in Gainesville in the next eight years, a rate *matched by no other city in the nation*.
- The facts support Florida’s assessment. Private investment in UF spin-offs more than tripled between 2009 and 2010, from \$57 million to \$221 million.

- More and more local spinoffs have products on the market, including Xhale, Axogen and Grooveshark.



- Xhale makes a hand hygiene system aimed at reducing hospital-borne infections; AxoGen produces nerve grafts that have been shipped to military hospitals in Afghanistan; and Grooveshark is a music-sharing site.

We broke ground this summer on a second technology incubator. The Innovation Hub, on the old AGH site, will be within walking distance of campus when it is finished in 2011.

“Our students are also a continuing success story.”



Alexandra Klein is one of nearly 200 Florida Opportunity Scholars in the first graduating class this spring

Applications for this fall’s entering class are up to 27,997. Our enrolled students this fall total 48,784.

Average GPAs, SATs and ACTs of this year’s enrolled students remained high, at 4.2, 1946 and 29. Ten percent of students are African-American and 17 percent are Hispanic.

Our students are also a continuing success story.

Let me tell you something about FOS students. Many come from stable homes. But, we also have students who have been homeless, for example, or who have custody of their younger siblings. Many are the only ones in their families who speak English.

You might think all of this would hurt their chances at UF. Well, we have just crunched the numbers. For the first class of Florida Opportunity Scholars, the four-year graduation rate was 61.4 percent. The rate for *all* students in the class of 2009 was 58.6 percent.

New Buildings, New Gifts



This year's entering students and all students will be able to experience the newly expanded Southwest Recreation Center on Hull Road. That's pictured on your left. We just dedicated it this week, and I encourage you to go see it for yourself.

Just across the road from the Rec Center is the Harn Museum, where we are adding the Asian Art Wing, as shown on your right. The world's center of gravity is shifting to the east, so this is a timely addition.

We just completed and are moving into the Eastside Office Building on Waldo Road. And, we will hold grand openings for two more new buildings early next month: the Counseling and Wellness Center and Hough Hall, home to the Hough Graduate School of Business.

Florida Tomorrow Campaign



I want to point out, Hough Hall and the Harn Asian Art Wing would not have been possible without private gifts.

The efforts that led to these gifts continues. With about two years remaining, we have topped \$1.135 billion in our seven-year, \$1.5 billion, *Florida Tomorrow* campaign.

The total raised in gifts and pledges for fiscal year 2010 was \$197 million. With that figure, the campaign has averaged \$225 million a year for the first five years. That is remarkable considering the unstable economic environment.

We received \$32 million more in cash gifts this year than the previous year, a good sign!

Research Support

From malaria eradication to early childhood studies, our fundraising activities support a huge range of faculty research efforts. You see a small sample here:



“Faculty and staff have endured three tough years...”

Some have criticized our decision to provide merit raises this summer in this economy. But UF faculty and staff have endured three tough years without flagging. I wish the raises were more, but it’s a start.



We added benefits for domestic partners of UF employees a few years ago. This year, I will advocate adding gender identity and expression to UF’s non-discrimination clause. We need to give everyone in the UF community the same tolerance, respect and legal protections.

We plan to expand the Baby Gator Child Development and Research Center, providing additional child care opportunities.

Leadership Update



For the first time in several years, we do not have any executive-level searches ongoing -- *all* of our key leadership positions are filled.

Tom Mitchell, on the left above, our new vice president for development and alumni affairs, came to us from the University of California, Irvine.

Next to him is Jack Payne, our new senior vice president for agriculture and natural resources. Dr. Payne is from Iowa State University in Ames.

The third person is Elias G. Eldayrie, our new vice president and chief information officer. He came from the State University of New York at Buffalo. All are among the best in their areas of expertise, and UF is lucky to have them.

With that, I want to end the first part of my presentation.

If I may summarize: We have hired dozens of promising new faculty members, our budget outlook seems to be stabilizing, and we remain on track to complete our \$1.5 billion campaign.

Whether measured by research grants or achievements, faculty continue to make remarkable progress. The state budget outlook is cloudy, but we are as well-positioned as possible for a productive year.

Thank you for staying with me so far. Now, I want to talk about my thoughts for the university's longer-term outlook.

UF – A Global Beacon



As you might guess, the above image required a little digital wizardry, but it encapsulates exactly what I want to say:

As we look to the future, we need to move toward the idea of the University of Florida as a global beacon -- an institution attractive and accessible to students and faculty around the world and in cyberspace.

Bear with me as I unravel my argument.

Like many of you, I spent part of the summer traveling, including a couple of weeks in Asia. I visited South Korea, and then China, where I stopped at the University of Florida's Beijing Center for International Studies. From Beijing I flew to East Central China. There, I visited Zhengzhou University, with which we are establishing research and education partnerships. "ZZU," as they call it, is the top university in Henan Province and one of about 100 being groomed to be China's leading research universities.

The Chinese leadership is *pouring* money into these universities. Countries elsewhere in Asia, the Middle East and Europe are doing the same with their own research universities, all with an eye turned toward creating equals to our own.

The financial balance of power is shifting. We see state support for U.S. public universities declining; other countries are vastly increasing investment in higher education. At some point, the best universities in China or Saudi Arabia will be competitive with our own – *at their campuses and online*.

UF is an excellent university with a promising future. We had a terrific year last year. However, the world is not going back to the economy of the last two decades. Our current, somewhat advantaged financial situation is only temporary.

We cannot ignore the emerging global marketplace in higher education. Sooner or later, it will force us to change. We will need to move away from the notion of UF as a university based in Gainesville, Florida, the United States, the Western Hemisphere. We will need to move toward a UF that students can attend regardless of where they live – physically where possible, digitally everywhere. We will need to complete a transition we have already set in motion, from UF as a global presence to UF as a global beacon.

For most of the last century, we were the state's biggest and most powerful university. We owned higher education here. This has changed in the last 20 years, as the other universities in the state have set about trying to imitate UF. We have responded aggressively, concentrating on research and graduate education, building one-of-a-kind facilities and aggressively marketing our singular brand.

This strategy has worked. We have established preeminence on our terms. Choose whatever indicators you want, and our hallmarks are quality, depth and diversity. Even during this downturn, we remain separate from other public institutions. But, just as the growth of Florida's other universities forced UF to adapt in the past, we must now adapt to the growth of new competitors in higher education -- competitors nationally, internationally, and in cyberspace.

In other words, the game is changing on us, again. And, though it won't happen immediately, if we don't adapt to these new circumstances, we risk falling behind. That's the risk. If we play our cards right, these changing circumstances could solidify UF as a leading higher education institution of the world. A global beacon.

For-profit universities that offer online degrees are growing exponentially. And, traditional universities around the country are also expanding online. This is happening even at the most highly regarded institutions, such as those in the University of California system, including Berkeley.

UF had 28,000 applicants for about 6,400 spots this fall, which might appear to provide a cushion against online competitors. But, the history of the Internet is filled with sad tales of industries that misjudged its transformative powers. We do not want to follow the path of the music industry, newspapers or the bricks-and-mortar retail industry.

Even if you think there is something sacred about the UF campus -- OK, let's stipulate there *is* something sacred about the UF campus -- it should be obvious that we have an opportunity. We are practically built out. A downward slide in state resources seems inevitable. We already turn away highly qualified students because we don't have room. The technology is improving, and we can only increase access by enrolling students online, or at other locations.

To facilitate this change, we are seeking a distance education infrastructure company to help us increase the 52 programs we now offer online. The company we engage will take charge of the mechanics, with faculty and departments providing the course content and maintaining academic control. Our experience with distance learning so far is encouraging. *The Economist* magazine recently named our online executive MBA program one of the top two in the world.

At the Warrington College of Business, participating faculty have seen pay increases. Other colleges have used online revenues to add faculty and staff. Online expansion of our programs will magnify these kinds of benefits. And, again, if we don't satisfy the online demand, other universities will.

The same considerations motivate a related consideration: physical expansion beyond the Gainesville campus. There is demand at Santa Fe College, so we created two degree programs there, one in business and the second in sports management. We are likely to add more. We just completed a UF at Santa Fe center, the "Gator Den," to give our students a home away from home.

We are discussing similar UF centers at Edison State College in Fort Myers and Miami Dade College. We have also created a master's degree program in architecture in Orlando. So, the possibilities are not confined to undergraduates. Nor, in fact, only to students.

Orlando is home to our first major research building away from Gainesville, to be built adjacent to Sanford-Burnham Medical Research Institute. With groundbreaking planned for later this fall, we will have comprehensive drug development center and biomedical research labs. This will give us a position of prominence in a key emerging biomedical center. UF faculty members have long pursued research with a global perspective and collaborators. What Burnham represents is an institutional priority to involve UF where important research activities are underway.

When we expand outside of Gainesville, we open up additional space on campus. In particular, we make room for more paying out-of-state and international students. There is no shortage of demand. Our own international undergraduate and graduate numbers grew *83 percent* in the last decade, soaring from 2,209 to 4,056 students. We are also sending more U.S. students abroad. In 1999-2000, 1,065 UF students went to other countries. A decade later, that number increased *100 percent* to 2,158. We want to continue these trajectories, which is part of the role of our centers in Beijing and Paris.

Generally speaking, Gainesville is a welcoming destination for our international students. This brings up a matter of current local importance I need to speak about.

Students come to UF from more than 100 different countries, including many that are Muslim. In fact, UF's fifth-largest group of international students hail from Turkey, a Muslim country. You have read about Gainesville's Dove World Outreach Center's plan to burn Korans on September 11. I want to share my personal opinions about this action.

Imagine what impression it will make on our Muslim international students who are spending their first weeks in America. Put yourself in the shoes of their parents, thousands of miles away, watching on TV what has already become an international spectacle.

Purveyors of intolerance do all kinds of harm, including making people feel unwanted and demeaned. We can't let that happen, not to our international students, not to our domestic Muslim students, and not to anyone in our community. Several student and community groups are planning peaceful responses. I applaud these groups for reminding the world that the University of Florida and Gainesville welcome and treasure people of all faiths, origins and races.

Let me wrap up my presentation with a last thought about UF's global road ahead.

Our online and state college expansion are part of what I see as a fundamental shift in higher education. This shift will put reputation and accessibility above city, state or country.

Author Ben Wildavsky writes about this trend in his new book, “The Great Brain Race.” Wildavsky suggests that future students won’t care if the university is in Singapore, Germany or the U.S. – or even if it exists at all. They will simply expect to attend the school that fits their pocketbooks and dreams. Much the same will be true for scholars and scientists: Already, they are placing institution above country or continent.

We attract students with 4.0-plus GPAs. We hire faculty from the Ivy League. We are *already* the university of choice for great students and faculty. We can, and should, tap into even more of the best and the brightest – wherever they happen to live on the globe.

Distance learning, physical expansion, new home bases for research: Whatever steps we contemplate, I hope you will join with me in elevating UF from a university with a global presence to one that serves as a global beacon.

Thank you!