

President's State of the University Address
(As Prepared for Delivery)
October 27, 2010
Great Hall, TUC

Thank you, Dr. Harknett. And good afternoon to all of you here today in person...faculty, staff and students...as well as those watching on the Webcast.

Just over a month ago, I unveiled our new UC2019 strategic plan at New Student Convocation with Investiture. Congratulations and thanks are due our faculty, especially Faculty Chair Richard Harknett, for their timely and stimulating engagement with the plan. The Faculty Assembly with Sir Ken Robinson, held immediately following the investiture, and the "Governance 101" boot camp and first Faculty Senate meeting, held the next day all contributed to an energized launch for our UC2019 aspirations.

Professor Harknett, working closely with the Faculty Senate Cabinet, has truly gone the extra mile to make sure our faculty are not only aware of, but also engaged, in this important turning point. Today stands as another great example as Dr. Harknett and the Faculty Senate have organized an interactive workshop immediately following my speech. I hope you will be staying for the thought-provoking discussions they have planned.

In just a few days, I will mark my first anniversary at UC. When I accepted this position, many of you may recall, I noted that UC no longer stood for "under construction." In the words of *U.S. News & World Report*, it had now come to mean "Up and Coming."

One year later, we have launched a new blueprint...a plan to take us from "up and coming" to "one of the best."

When I arrived last November I did not bring a pre-conceived plan that I intended to impose on the University of Cincinnati. Instead, I wanted to listen to the wide range of UC stakeholders. I did listen to our faculty, students, administrators, alumni, donors, business and civic leaders. I heard you tell me what you wanted, and from the discussions, we have developed our UC2019 strategic plan to get us there.

The response since the unveiling has been overwhelmingly positive. Provost Ono has begun to work on both an implementation structure and an academic master plan aligned with UC2019. The roundtable discussions following my speech will feed into that planning.

I look forward to the outcome of those discussions as the roundtables will focus on one of the most important questions we face: How can we move our metrics forward? How can we meet our goals?

The "tap on the shoulder" that I extended as UC2019 was announced was a tap on the shoulder of not just our Provost, but for everyone. Each of us has a role to play in helping us to achieve our aspirations.

And thus I would like to begin today by:

1. Taking a closer look at the objectives we have laid out for our future;
2. Examining where we stand now, in the context of the future and assessing what we need to do to reach our goals.



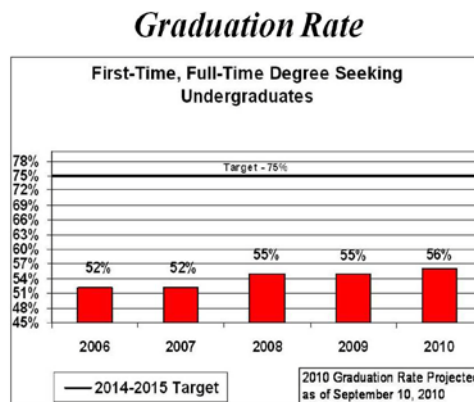
To do that, I want to take a look at the annual President’s Report Card, which is available on the web. We have revamped it to reflect the new strategic plan.

This year’s Report Card provides not only a baseline measure for my presidency but also the baseline for our UC2019 progress.

While time will not permit looking at every operational principle or every measure, I will focus on those that stand out to me as significant or pressing. Many of those that I will focus on play key roles in the *U.S. News & World Report* rankings. While it is easy to discount the rankings, they do matter and we must pay attention to them.

Learning

Metric	2006	2007	2008	2009	2010	Change Since Most Recent Measure	Change Since Baseline Year
First Year Retention Rate	87%	87%	87%	88%	88%	0.0%	0.0%
Five Year Graduation Rate	57%	57%	57%	58%	58%	1.0%	1.0%
Retention and Transfer from UC Regional Campuses	65%	65%	65%	67%	67%	1.0%	1.0%
Transfer Students from Non-UC Schools & Universities	1,314	1,314	1,314	1,702	1,711	3.0%	3.0%
Number of New Students from Out-of-State	18	18	18	25	25	42.0%	42.0%
Number of New Students from In-State	176	176	176	187	187	6.0%	6.0%
U.S. News Ranking	128	128	128	144	144	16	16
2010 Research Council Score	4.2	4.2	4.2	4.2	4.2	0.0	0.0
2010 Research Council Score (Combined)	4.2	4.2	4.2	4.2	4.2	0.0	0.0
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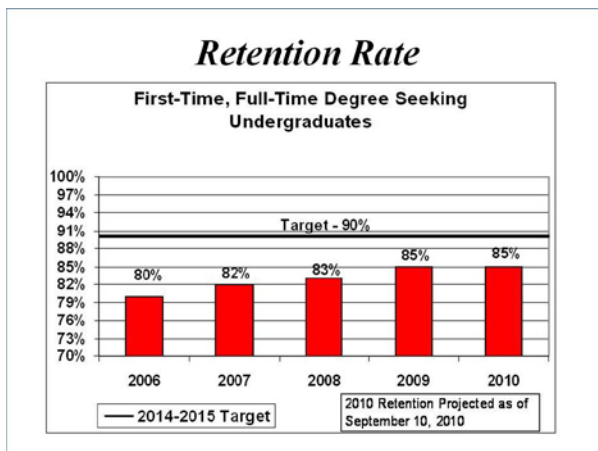
Under Learning, we continue to see slow but steady progress in our graduation rate. With a five-year target of 75 percent – we have a lot of work yet to do. We seek an increase of 20 points, and stand today around 56 percent.

Some encouraging news is that since 2006, UC has risen from a “-1” score on the predictive graduation rates that are used in the *U.S. News* formula to a “plus 6” on the latest ranking.

This number is based on how our students are forecasted to perform, given their academic credentials. Given that UC now stands at No. 25 in the nation on the list of the universities exceeding the predictive model, the score provides proof that we do indeed “add value” to our students by helping them to beat the odds.

And I want to congratulate and thank our faculty and administrators for this success. Your hard work is paying off for our students. We not only need to keep it up, but to accelerate these efforts... And not just because it would be good for our rankings, but because it is the right thing to do for our students. It also will help us meet the goals of the University System of Ohio to increase the number of college graduates.

Closely related to our graduation rate is our retention rate.



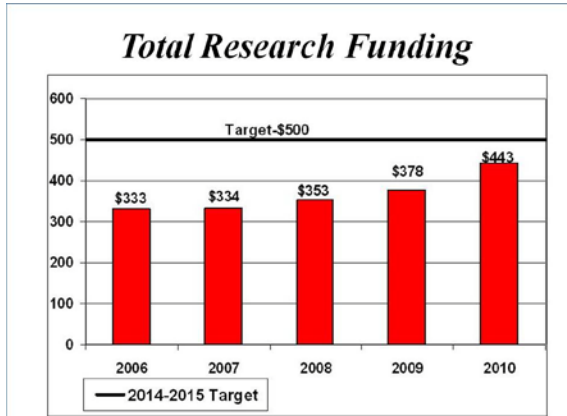
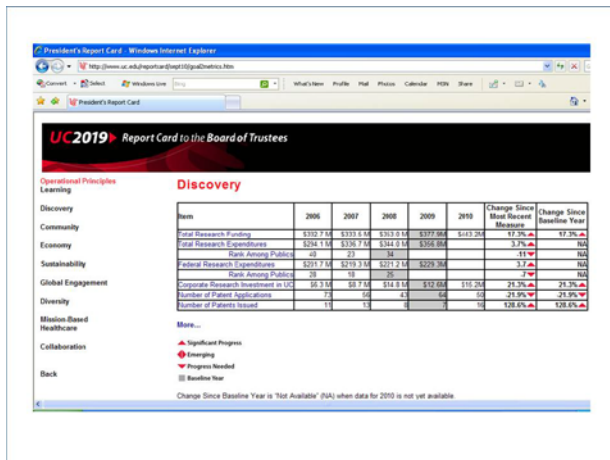
We are doing pretty well on this one at 85%. Of course, we would like to see this at 100 percent, but our goal is set more realistically at 90%. We can and must hit that goal.

I have sometimes served at institutions where faculty members bragged that they encouraged their students to drop out and take some time off to “find themselves.” The reality is that, if students drop out, they are not likely to return.

The bottom line: At UC, we want to retain our students and see them complete their degrees. There is no prize for completing one or two years of college! We serve our students well only if we help them meet the goal they arrive here with – getting a college degree! There is no substitute victory.

Discovery

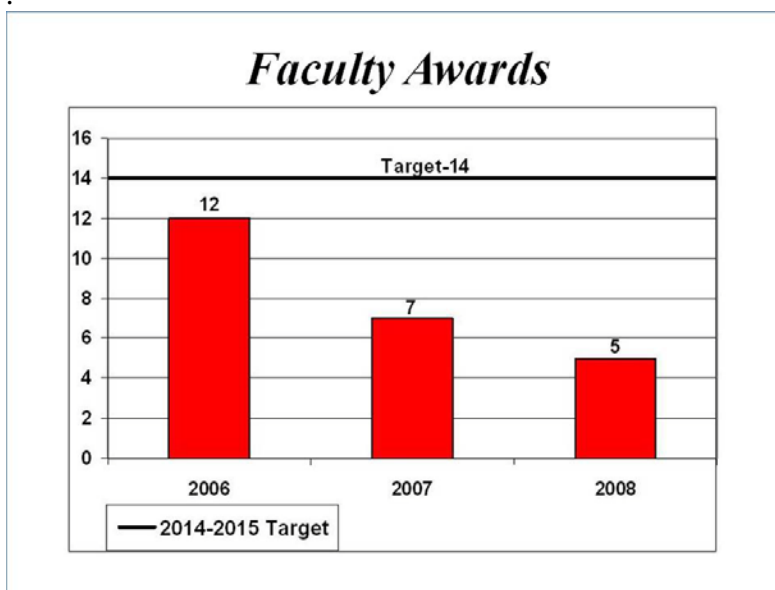
Under Discovery, I want to draw attention to two metrics in particular.



Just last week, Vice President for Research Sandra Degen announced another record in total research funding. At more than \$443 million, it puts us on the right track for our \$500 million goal.

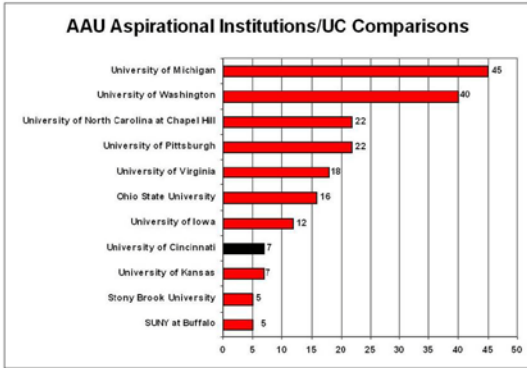
We need to note that some of the increase, however, came from federal stimulus funding. This year's double-digit increase in research becomes less than a single digit if you subtract the stimulus. Thus my challenge for 2011 is for our research faculty to meet and exceed this year's level, even without the help of the extra stimulus monies.

Also under Discovery, an area of particular concern is the number of our National Awards.



The last measure available shows us at 5, with a goal of 14.

AAU Benchmarking - Faculty Awards



I have met so many talented faculty here at the University of Cincinnati. The fact remains that if we want to benchmark ourselves against the AAU, we must do a better job of nominating our colleagues, and each other, for the honors our world-class faculty deserve.

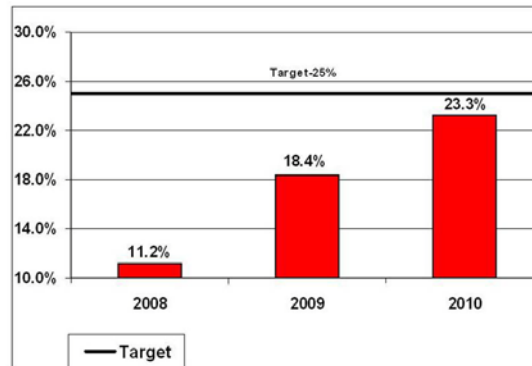
Economy

Under “economy,” I want to single out two items.

	2006	2007	2008	2009	2010	Change Since Most Recent Measure	Change Since Baseline Year
Institutional Liquidity *** as % of Total Expenditures	11.2%	18.4%	23.3%	23.3%	23.3%	12.1%	12.1%
Global Engagement	11.2%	18.4%	23.3%	23.3%	23.3%	12.1%	12.1%
Mission-Based Healthcare	11.2%	18.4%	23.3%	23.3%	23.3%	12.1%	12.1%

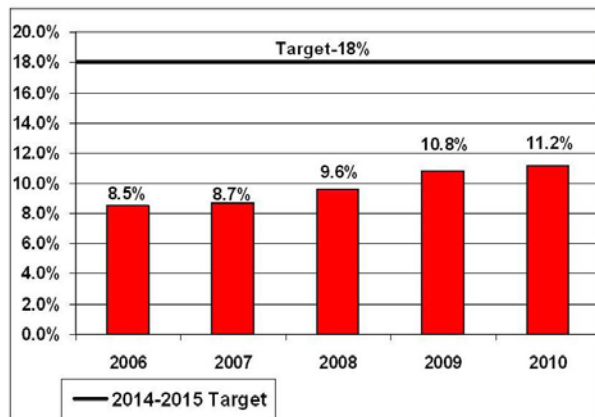
***FY 2008 included two of the largest gifts in institution history—the PACE software gift and an endowment for space exploration.

Institutional Liquidity



On our institutional liquidity...also sometimes called “cash on hand,” our entire university community is to be commended for the fiscal discipline that is restoring our institution to a healthier cash position. Since 2006, our cash on hand has increased from \$37 million to \$237 million. Due to our diligent efforts, liquidity stands at 23% of our total expenditures and transfers, just shy of the 25% goal set by Board of Trustees’ policy.

Alumni Giving Participation Rate



On our Alumni Giving Participation Rate, we stand at 11%. As you may know our new goal is 18.19% - the number based on our founding year, and a reasonable benchmark for us.

According to *U.S. News & World Report*, our current status places us No. 13 among the 16 Big East universities. Yet we want to be at the top of that list, not toward the bottom.

The UC Foundation is pursuing creative avenues to bring this number up and will launch those efforts at Homecoming this weekend. But the entire UC family, not just the Foundation, plays a role in improving this number. As a beginning point, faculty and staff who are also UC alums, can help by making a contribution of at least \$18.19. I hope you will consider doing that.

While I am on the subject of "Economy," I want to thank everyone for their help in achieving a balanced budget for the current fiscal year. Overall, a reduction of 8% was taken to deal with a \$19.9 million shortfall, which followed \$23 million in cuts for the prior fiscal year.

The coming year is shaping up to have similar, if not even greater budget challenges. Before we even get to the beginning of the new fiscal year on July 1, the state has already announced that its payment due to us in June 2011 will be postponed until the following month. Fortunately and, again, because of your prudent budget planning, we will be able to weather that storm by using reserve funds.

Although state budget details are not yet fully known, we do know that Fiscal Year 2012 will be a very challenging time. Despite the uncertainties, we have begun the budget planning process. Even if we use our reserve funds and institute a 3.5% tuition increase next year, we still face, based on early estimates, a shortfall of \$35 – \$40 million.

There are those who question how we can pursue new and ambitious plans like UC2019 in the face of such troubling budget times. Yet in the more than 30 years I have worked in higher education, I cannot remember a time when there have not been budget woes. While we do face tough times, I believe such times are the very ones in which we need to keep moving ahead with our aspirations, leveraging what we do best and promoting the ideals we value most. We have tough choices to make, and we must make them.

There are many more metrics in the Report Card, but in order to stay on schedule I will not touch on all of them. I encourage you to take time to look through the Report Card more thoroughly, not just this year, but every year.

Our Report Card also makes note of key accomplishments in each area. Highlights among them are:

Learning – Record enrollment this fall (41,300), record quality in our freshman class, and increasing student satisfaction.

Discovery – Four centers of excellence named in five rounds by the state.

Community – Our campus’ recognition by *Forbes* as one of the world’s most beautiful, and our commitments to United Way and Community Shares and the Artswave campaign.

Economy – Record levels of trademark and licensing income from the sale of UC apparel and the success of the Third Frontier bond renewal in May.

Sustainability – Designation as a green university by the *Princeton Review*, the only public university in Ohio so chosen.

Global Engagement – Ranking in the top 10 in 32 different categories on the International Student Barometer.

Diversity – The *NBC Nightly News*, *USA Today* and *New York Times* all focused attention on our Gen-1 House.

Mission-Based Healthcare – Progress in the formation of the new UC Health system, replacing the Health Alliance. The search for a Vice President for Health Affairs and Dean of the College of Medicine is under way.

Collaboration – Gaining the designation of Cincinnati as a “Consumer Marketing Hub of Innovation” for the State of Ohio, with UC playing a key role.

And now looking ahead to our future, let me suggest why these Report Card measures matter so much...

Simply put, we aspire to be one of the best universities in the nation. I should clarify that “elite” comparison does not mean that we intend to become “exclusive.” I liken it to playing high school basketball and football. As a player, I wanted to play against the best teams in order to become the best myself.

In my investiture speech I indicated that I would be bringing in a consultant to help us make sure we have the structure in place to support our UC2019 aspirations. Having begun my search for the right consultant, I know now that I will bring in several consultants rather than one. I have had phone discussions with a half-dozen leaders in higher education, including both current and former AAU university presidents.

I plan to invite several of them to visit and critique key areas of the university to make suggestions on how we might improve our structure to meet our goals.

My conversations with them have been very encouraging, validating that others have, in fact, been watching us and making note of our great strides.

While we want to compare ourselves to America's greatest universities, we must never forget that the University of Cincinnati has special strengths and its own unique identity.

During my first year, I have noticed at least five strengths that help define who we are. So as a starting point, I would suggest that:

1. We are clearly defined by value-added education – As I mentioned earlier in my discussion of our graduation data, we take students beyond what is expected of them to create the best graduates.
2. We are also defined by experiential learning....whether co-op, internships, service learning, global education or undergraduate research. As the founder of co-op, we are in a better position than any university to tie these altogether, finding synergies between them, keeping them growing and taking them to new heights.
3. Correlated to experiential learning, we are defined by our “applied” research, creativity and scholarship. Even in the arts, our strengths are most recognized in the arenas where the craft is “applied,” such as performance, design, or structure.
4. We are also increasingly defined by our emerging work with innovation and creativity. Collaborative and interdisciplinary approaches are used with success in a number of our colleges. Can we take those examples and increase them exponentially across our institution, creating new and more frequent connections to the corporate and public sectors? I believe we can do this!
5. We are defined by an urban location but our urban location does not define us. We are a national and international research university in an urban setting. Thus our tradition of research is one that is applied, finding solutions to real problems -- many of them urban problems.

These are five areas that stand out to me as strengths that we should nurture and tap into more strategically. As the Provost continues our discussions to create a UC2019 academic plan, no doubt additional strengths will emerge that are worthy of exploration.

Earlier this year Jessica Watson, a girl from Australia, made history by becoming the youngest person to sail solo, without stopping, around the world. I cannot imagine taking on such an adventure at 16... 23,000 nautical miles in 210 days. Despite her youth, we can learn from her example.

When asked about her adventure of a lifetime, Jessica said:

“You don't have to be someone special or anything special to achieve something amazing, you've just got to have a dream, believe in it and work hard. ... I'd like to think that by sailing solo, non-stop and unassisted around the world I've proved that anything really can be achieved if you set your mind to it. Anything really is possible.”

Like Jessica, we have set the bar high and now the hard work of UC2019 begins...the challenge is to turn vision into reality and to turn intention into action. The good news is that we are not sailing solo.

We have an entire university community united to meet our goals. We have a collective vision. We believe in it. And we are ready to do the necessary work to achieve our goals for the University of Cincinnati.