Good morning. I’m grateful to Doug Blackmon for his introduction; I’m grateful to Governor Baliles for inviting me to speak at the Miller Center Forum today; and I’m grateful to all of you who have joined us in the live audience — and also to those who may be watching via web streaming.

A popular slogan in self-help books and motivational posters goes like this: “Don’t look back; you’re not going that way.” At UVa, and in higher education generally, we’re not going back, so we’re not looking that way. That’s why the title for my talk today is: “The Way Forward.”

I think it goes without saying, however, that the point-of-departure for the way forward, in this case, is the controversy at UVa that made headlines here and across the country this past June. So I will look back briefly to examine some of the issues behind the controversy, but mostly I want to look in the direction we’re going — toward the future. And I will discuss these issues broadly, in the national context, because what happened at UVa — and how we move on from here — are relevant to all of American public higher education.

The issues that surfaced in Charlottesville this past summer are the same ones facing nearly every university in this country, especially the public universities. The issues include the erosion of state and federal funding; the sharpened focus on efficiency and productivity; the increased demand for affordability and accountability in our colleges and universities; the question of how to use emerging technologies appropriately; and other risks and opportunities.

For all of the hand-wringing and op-ed-writing we do about global competition and the rise of rival universities in other nations, notice that these challenges are not coming from foreign competitors. They come from within our own Federal and state governments, from within our own communities, and from within our own institutions. So when we look for solutions, we need to look within ourselves and examine ourselves.
Part of the self-examination involves governance and the fiduciary responsibilities of boards. Last summer’s events triggered a discussion about these issues, and the discussion has been wide-reaching, very public, and generally civil. UVa’s Faculty Senate has a task force on governance, the deans of UVa’s schools are interested in governance, and a number of UVa alumni are also interested in the issue. The University’s Board of Visitors has appointed its own Special Committee on Governance and Engagement, and, at the Board retreat last month in Richmond, governance was the main topic of discussion.

Tied into this discussion are many threads: what it means to be a public institution; how not-for-profit boards should operate; best practices for governance; and the ideal composition for boards. Several public institutions in other states have boards whose members come from a variety of sources, including some board seats that are self-perpetuating, some that are elected, and some that are guaranteed to particular stakeholder groups. There are other avenues for participation, including (with a Board such as ours) membership in Board committees even if not in the Board itself. The events in Charlottesville have brought these issues into focus across the country, and I think it’s healthy and constructive that different parties are looking at these issues from different perspectives.

Although the events in June brought UVa’s challenges into sharp focus, the University is not in crisis by any measure. The reality remains that UVa is one of the strongest, best managed, most financially stable, and most affordable universities in the country. In Forbes magazine’s recent report on “America’s Top Colleges,” UVa was named the top state university in the nation. All three of the major rating agencies took another look at us after the events at UVa, and, in the end, they all reaffirmed our financial stability. Moody’s Investor’s Service issued a report in early July about the UVa controversy, and it recognized the success of our shared-governance model. Part of the report said: “While UVa’s reputation temporarily suffered from these events, the final resolution affirms the stability of the university’s faculty-centric governance model.” This is an emphatic endorsement of the way universities operate.

Because of all the media attention last summer, a lot of people are paying attention to UVa now. For the next few years, the University of Virginia will be a bellwether for public higher education. Lots of people will be looking to us to see if the notion of a great, public university is sustainable in our time.

I believe it is, but the challenges I just mentioned are pushing America’s colleges and universities to adapt or die. To remain relevant, universities need to evolve on a rapid, continual basis. UVa’s founder realized this 200 years ago. In an 1804 letter, Thomas Jefferson wrote, “Science is progressive. What was useful two centuries ago is now become useless … what is now deemed useful will in some of its parts become useless in another century.” Jefferson was using the word science in its 19th century sense to mean the entire body of human knowledge.

The body of human knowledge now is much larger and more complex than it was in Jefferson’s time, so the task before us in planning for the future will require a panoramic view and a firm understanding of the complexities we face. Let me tell you what we’re doing at UVa right now to set a course for the future.

The success of any institution, especially in a rapidly shifting environment, requires effective strategic planning. This fall, I will be leading a new University-wide strategic-planning effort. My administration colleagues and I will be working with all of UVa’s stakeholder groups, including faculty and staff, alumni, students, and the Board of Visitors’ new Special Committee on Strategic Planning, which is co-chaired by the immediate past-president of James Madison University, Linwood Rose, and Richmond attorney Frank Atkinson.

This work will unfold in two distinct phases: a first phase dedicated to assessment, followed by a planning phase. I will chair the steering committee that will oversee this initiative, and we will engage an independent consultant who has significant experience with an institution like ours. This will be a thoughtful, deliberative process, but it will move briskly. We will deliver a plan to the Board by the end of this academic year.
We know that strategic planning is not a one-time effort; it needs to be a permanent, continuous process at any organization that wants to remain vital. With that in mind, our current Vice Provost for Academic Programs, Milton Adams, is assuming a new role as Senior Vice Provost to focus on planning. He will work closely with me and other stakeholders as the process gets under way this fall, and he will continue to focus on planning after we deliver this plan to the Board.

Our planning process will help us understand what UVa should look like ten years from now, so we can begin building it. But some of our priorities are so urgent that we need to pursue them right now, even as the planning gets under way. Those priorities are: 1) renewing the faculty; 2) reinventing the curriculum; and, 3) refocusing research. I will talk a bit about each one.

**Faculty.** At UVa, we are facing a huge wave of faculty retirements. The same is true at many colleges and universities across the country, as professors in the aging Baby Boom generation prepare to step down. At the University of Michigan, my previous employer, nearly 40% of the faculty members will be eligible to retire by 2017. The forecast is similar at many institutions. Some of the senior faculty who postponed their retirements during the recession now feel more comfortable about retiring in a recovering economy, and this delayed surge, now unleashed, will add force to the coming wave.

At UVa, we need to hire faculty to replace our retiring faculty and to keep pace with our plans for modest enrollment growth. About 180 new teaching and research faculty came to UVa this fall, and greater numbers will be coming in the years ahead.

As we begin our strategic hiring, we are aware that higher education is undergoing a systemic transformation. The complex problems we face as a society — climate change, global disease prevention, cyber-security, among other issues — demand insights from experts in many different fields. But for many years, faculty members have worked in disciplinary silos. The iconic image of university life has been the lone scholar or researcher toiling away in his library or lab, seeking the next great discovery or creative spark.

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Because this was the standard archetype for discovery, academic program-building has often been directed toward traditional, isolated fields of study, frequently in single schools. That structure is a barrier to the sort of cross-disciplinary work that often leads to inventions and innovations nowadays.

As we hire, we will be looking for faculty who are willing and able to work in new and different ways. Because every new hire will be precious, and because cross-disciplinary collaboration is often the most effective work mode, we may recruit professors who can join two schools, or work in both a department and an interdisciplinary center. We want to incentivize faculty to reach across schools and units to collaborate on the big problems of our time.

Because of the approaching wave of retirements at so many universities, everyone will be hiring in the years ahead. For UVa to effectively compete with our peer universities, we will need greater resources to recruit and retain the best faculty. Our faculty have remained intellectually competitive, but they have absorbed increased enrollment over several years, without raises. This trend is unsustainable. Supplementing faculty salaries through endowments is an urgent need at UVa, and it must become our highest priority in the immediate future.

I will make it our highest priority tomorrow, when I take a multi-year plan for supplementing faculty salaries to the Board of Visitors meeting here in Charlottesville. The plan is designed to ensure that we make competitive offers to the new faculty we want to bring here, and that we retain the excellent faculty we already have.

**Curriculum.** Just as we need to renew our faculty at UVa, we need to reinvent the liberal-arts curriculum to meet the demands of the 21st century. Some critics have questioned the value of the liberal arts, but the value is plain to see. A liberal-arts education prepares students to be critical thinkers; to be perceptive of the world around them and to develop thoughtful habits of mind; to write clearly and persuasively; and to integrate multiple perspectives before arriving at decisions. Having the capacity to integrate perspectives and draw connections between different fields is crucial to the modern workplace. So many of today’s most successful companies —
Apple, Google, Facebook, to name a few — were created at the intersection of technology, design, and other fields.

As we continue to offer a broad, liberal education, we need to consider the practical knowledge and skills our graduates will require after they leave the Grounds. The demand for new types of knowledge and skills and for fluency in new technologies is evolving rapidly, and we have to evolve just as quickly. As we renew the curriculum, we need to ask ourselves: What skills do graduates who are entering the job market need to succeed? What abilities are required for new hires to take leadership roles in their organizations? What technologies are most essential now, and which ones will emerge as key technologies for tomorrow?

Just as emerging technologies are shaping the business world, they are changing the way our teachers teach and our students learn. UVa faculty members are already national leaders in the digital humanities and other areas of technology-based teaching and scholarship. We are taking steps to stimulate this activity. We launched a “Hybrid Challenge” this summer that offers $10,000 grants to professors who develop courses that combine technology-enhanced teaching tools with face-to-face instruction. We received 41 proposals from faculty members, and funded ten hybrid courses to begin this fall.

Also this summer, we partnered with online-learning pioneer Coursera to offer five non-credit UVa courses, three from the College and two from Darden, to anyone anywhere in the world, starting in 2013. The courses include physics professor Lou Bloomfield’s class titled, “How Things Work”; philosophy professor Mitch Green’s “Know Thyself”; history professor Phillip Zelikow’s course on global history since 1760; and a two-part Darden course on growing private businesses, taught by professor of business administration Edward Hess. More than 60,000 people have registered for these courses. If you’re interested, you can register to take the courses yourself at www.coursera.org.

The goal of the Coursera experiment is neither to save money, nor to displace face-to-face instruction — because neither is a very likely outcome — but to improve our teaching. Residential education is UVa’s signature experience, but by participating in Coursera and other
experiments, we have the potential to enhance the quality of on-Grounds instruction while letting interested people worldwide learn from, and about, UVa.

**Research.** UVa occupies a unique position in the landscape of higher education, because we combine the intellectual resources of a major research university with the relatively smaller scale of a liberal arts college. And yet we are different from both. Unlike small colleges that mainly digest research and teach discoveries that were made elsewhere, we do the research and make the discoveries. And unlike many large research universities where faculty focus primarily on their own research, UVa students work side by side with faculty to create new knowledge. We combine the best of both worlds to offer a new, different world that doesn’t exist on any other campus.

In spite of this tremendous advantage for UVa, the future of our research enterprise is at risk. Federal research dollars are in high demand, and depending on what happens in Washington over the next six months, baseline stability in federal funding may be the most we can expect. We need to think strategically about our research investments to identify defined areas in which we want to develop deep expertise. At UVa we have small departments as compared to larger research universities, so our path for a distinctive research footprint may well lie in addressing larger ideas that require efforts from multiple departments.

One major opportunity for UVa lies in Big Data — the term that describes the massive, complex data sets that are realities of our modern world. Consider the volume of data being produced daily by our national intelligence services, digital medical records, and environmental sensors all over the planet, not to mention the marketing data developed through point-of-sale scanning or by companies like Amazon. Developing tools to manage, secure, mine, and manipulate massive data sets will be a global priority in the years ahead.

UVa’s existing strengths put us in position to be a leader in this field. Last May, we held a Big Data summit at UVa, and we are exploring plans to create a new institute that will bring together our faculty with expertise in this field. The institute is intended to be a virtual connector for engagement on an issue that affects numerous fields: digital humanities, astronomy, genomics,
and marketing are examples. Every field will need new analytics, better data structure and security, and other systems required to transform raw data into usable information.

So those are three immediate priorities for UVa: faculty, curriculum, and research. These fundamentals, together, form the foundation of any great university, and we intend to fortify this foundation even as we enter a period of strategic planning.

During a period of acute pressure and rapid change, we might be tempted to overlook these fundamentals and instead go grasping for novelties in the name of innovation. But true and durable innovation begins in the foundation, and, without strength in these areas, no other innovation matters.

The National Context

Almost exactly a year ago, last September 7th, I stood on this stage and gave a talk in which I described higher education as the engine of the American economy. I made several points: that Federally-funded university research has been the driving force in our economy since World War II; that we face threats to this successful formula, with flat-lining Federal support and dramatic cuts in state support; and, finally, that we need a broad, national reinvestment in higher education to boost the economy and ensure our national security.

One year and one big controversy later, I feel even more strongly about this imperative. The issues at the center of the UVa controversy last summer emanate, in some degree, from the pressures, financial and otherwise, facing all institutions of higher education. All universities are being forced to cut costs, look for new revenue streams, and develop new teaching models that make use of emerging technologies. These realities came to a boiling point here, but they are bubbling over everywhere.

And the pressures are only intensifying. State appropriations for our public colleges and universities fell by 7.6% in 2011-12, the largest decline in at least a half-century.3 The depletion of Federal stimulus funds explains some of this drop, but the net result is that many of America’s

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public colleges and universities are worse off now than they were before the Great Recession. For example, 29 states allocated less money to higher education in 2011-12 than they did in 2006-7. That’s not the way forward; that’s the way backward.

These cuts are coming at the same time that many states want to increase the number of young people they educate and the number of college degrees they produce, and at a time when all of our colleges and universities are under pressure to make the cost of education more affordable. There seems to be a stark disconnect between our national aspirations and our national investments. We want a solid-gold higher education system, but we want to build it with scrap metal and rusty car parts.

It’s fair to say that higher education is under attack nationally, and the attack is not purely financial. Many of the fundamental values of higher learning are being questioned. Among these are the essential value of college education, the value of basic research, the value of the traditional residential approach to teaching and learning, and even the notion of public education as an instrument of the public good.

It is coincidental, and perhaps ironic, that this attack on higher education has reached full swing in the year that we celebrate the sesquicentennial anniversary of one of the great ideas, and great inventions, related to higher education. 150 years ago — on July 2, 1862 — President Lincoln signed into law the Morrill Act, submitted by Congressman Justin Morrill of Vermont. This legislation provided grants of 30,000 acres of Federal lands to help states establish public colleges — they became known as the land-grant colleges and universities.

The Morrill Act was meant to equip large numbers of American citizens with skills they would need for the Industrial Revolution that was already transforming the economy. This led to the democratization of knowledge, by giving farmers and working-class people access to higher education that previously had been available only to the upper class. This opening of educational opportunity was really an extension of Thomas Jefferson’s desire to create a system of education that would, in his words, “reach every description of our citizens.”

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4 Letter to Joseph Cabell, January 14, 1818
Today we have more than 100 land-grant universities in the US, with at least one in every state, and they include some of our finest universities. These institutions have educated millions of Americans and improved countless lives through breakthroughs in research and the discovery of new products and therapies.

The Morrill Act became law because it signified a way forward for a nation in transition from an agricultural economy to an industrial economy. We are in transition now, too, as we complete the shift from the industrial economy to a knowledge economy. Natural resources and factory-style manufacturing were our economic currencies for two centuries. Knowledge, creativity, and innovation are the currencies now.

The Morrill Act passed during one of the most divisive periods in American history, in the middle of the Civil War. Yet in the midst of all that divisiveness and strife, Congressman Morrill, President Lincoln, and others saw the necessity of building a strong public higher education system to undergird national prosperity, and they had the courage to act on their convictions.

We, too, live in a divisive period. If you doubt this, tune your TV to a major network between the hours of 5 PM and 10 PM on any day for the next two months, wait for the campaign commercials to come on, and you will see the divisiveness in full Technicolor display. We need strong leaders who can lift their heads above the fray and make the commitments that will ensure a bright future and strong economy for the generations that will follow us.

At a few pivotal moments in our nation’s history — the Morrill Act in 1862, the GI Bill in 1944, the Higher Education Act of 1965 — government leaders have made strong commitments that advanced the missions of our public universities. Because of these commitments, millions of Americans have been able to graduate from college, get good jobs, support their families, and contribute to the economy. The anniversary of the Morrill Act should remind us what can happen when we make public higher education a national priority, and what could happen now if we were to make a similarly strong commitment.
But those of us who lead America’s public colleges and universities know we cannot sit around waiting for a legislative miracle. The future is rushing at us too quickly, and we need to act now to ensure that public higher education continues to serve its great purpose. At UVa, we are charting our course into the next decade with a thoughtful strategic plan, while fortifying the faculty, curriculum, and research programs that will always be the foundational elements of greatness in universities. This is the way to thrive in tough times. This is the way forward.