

**Prepared CITY CLUB remarks**

- Thank you, Jay, and it's an honor to be here with all of you today.
- On behalf of everyone at the University of Illinois, I want to thank the City Club for more than a century of proud service to the city, the state and a better tomorrow.
- I would like to introduce several members of the University leadership team who are with us today. If each of them will please stand, I hope you will join me in welcoming them as a group after I call their names.
  - Karen Hasara, a member of our Board of Trustees.
  - Trustee Jim Montgomery.
  - Lester McKeever, treasurer of the board.
  - Student Trustee Ken Thomas, from our Chicago campus.
  - Vice President and Chief Financial Officer Walt Knorr.
  - Paula Allen-Meares, chancellor of our Chicago campus.
  - Susan Koch, chancellor of our Springfield campus.
  - Tom Farrell, president of the University of Illinois Foundation.
  - Roger Plummer, a former trustee and incoming president of the Foundation's Board of Directors.
  - Gary Chico, past chairman of the Alumni Association Board of Directors and now chairman of the Illinois State Board of Education.
- I am fortunate to work with a highly supportive and engaged Board of Trustees and a group of seasoned and effective university leaders.

- Shortly after I became Dean of Agriculture at Urbana in 2001, I found myself confronting a rather simple question ... how does one measure the success of an academic unit?
- Certainly, there are the usual measures that we take in the academy ... number of graduates, grant dollars, papers published, national rankings.
- But were these truly the right measures?
- As I struggled with that question I came quickly to a more fundamental question. As a university, **Why do we do the work that we do?**
- I want to play with that question today.
- Why do we do the work that we do? Why do universities, especially public universities, exist?
- With apologies to any real anthropologists in the room, I believe the answer begins with a couple characteristics that define us as human beings ...
- An insatiable curiosity and a unique ability to transmit knowledge from one generation to the next.
- Throughout human history, one finds evidence of academies and other entities established to create and transmit knowledge.
- The modern western university is a product of the Middle Ages, and was generally an outgrowth of efforts to prepare clergy.
- ... thus the origins of places such as Oxford and Cambridge associated with various ecclesiastical orders.
- Europeans arriving on the American continent brought this educational paradigm to the establishment of Harvard, Yale, Princeton and other universities.

- The curriculum typically involved study of classical literature and the universities were generally populated by sons of the ruling elite
- ... individuals destined by birthright to positions of leadership in colonial America.
- In time, the United States was established and the nation began to expand westward with the hope of greater opportunity for the children of the masses to find success and prosperity.
- In the academy, pragmatists began to question the value of a classical education in a world where practical knowledge was critical to the solution of everyday problems.
- The Yale faculty debated this issue in 1829 and concluded in the famous "Yale Report" that the classical education was the central concern of a university.
- Some disagreed and notable among them was Jonathan Baldwin Turner ... a 1833 graduate of Yale who joined the faculty of Illinois College in Jacksonville, Illinois, that same year.
- Let me quote from a speech he made: *“We need a University for the Industrial classes in each state... The objective of these institutes should be to apply existing knowledge directly and efficiently to all practical pursuits and professions in life and to extend the boundaries of our present knowledge in all possible practical directions.”*
- So, at the height of the American Civil War, the U.S. Congress passed the Morrill Act, granting public lands to each state with the land to be sold and the funds used to build a university..
- Thus, the University of Illinois was established in 1867 as one of the first Land-Grant institutions.
- The reason for our establishment was explicit in the act:

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*to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the states may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life.*

- We have come a long way. Today, the University of Illinois is literally known around the world for excellence in education and innovation.
- I'm never sure whether people fully grasp the University of Illinois' standing as one of the world's premier public research universities. We are a \$5 billion operation.
- Across our three campuses in Chicago, Springfield and Urbana-Champaign, and our college of medicine satellite campuses in Peoria and Rockford, through the research parks, Illinois Extension and the state surveys; there is no part of the state of Illinois left untouched.
- Our students come from every continent and nearly every state in our union and there are a lot of them ... a record 77,000-plus last fall:
- That's nearly twice as many as Northwestern, the University of Chicago, Loyola and DePaul combined, and a couple thousand more than the population of Evanston ...
- For each of the last two years, our campuses have awarded more than 20,000 degrees ... record highs.
- Enrollment is up 15 percent from a decade ago, and graduates are up 30 percent. And neither shows signs of slowing down.
- For the semester beginning this fall, our three campuses received nearly five times more applications than available seats in our freshman classes.

- It's a testament to academic programs that include many ranked among the nation's best ... to internationally acclaimed faculty that includes Nobel laureates, Pulitzer Prize winners and MacArthur genius fellows ...
- and to the success of more than 650,000 living alumni that include Fortune 500 CEOs, and founders of companies that are ingrained in American culture, from Netscape, Pampered Chef and PayPal to the National Football League. And, yes, Playboy.
- Those are some important statistics. But the question remains: **Why do we do the work that we do?**
- Historians among us will recall that Abraham Lincoln, as an attorney, argued that government had a responsibility to support the establishment of the nation's railroad infrastructure as important to the nation's development.
- I also believe that he believed that higher education should be supported by the public.
- That was the paradigm change that came with his signature on the Morrill Act.
- Before the Land-Grant Act, there was no concept of education as a common good that benefitted society as a whole.
- After the Act, young people, such as myself, were able to escape from limited circumstances and enjoy an incredible life. I often think that it is difficult for those who didn't look down the barrel of a limited future to understand the significance of the Act.
- Let me be very personal ... the young man on the image is your speaker, at the age of 14 on a remote, struggling farm in southwest Texas, along the border with Mexico.

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- The trajectory of my life changed because of access to a very affordable, publicly funded community college - \$47/semester.
- And a very affordable baccalaureate and masters education at Texas A&M- \$500/semester.
- And a top-flight doctoral program at the University of Illinois.
- I was able to join the faculty of one of the world's greatest universities...
- Did the public benefit? I believe my record in research and education will speak for itself.
- We are in a time when the commitment to affordable public higher education for the sons and daughters of "common" people is being questioned.
- Over the past 35 years of international experience, I have watched as countries have reduced the public investment, thus depriving their society of great untapped intellect and creativity.
- My observation is that this condition leads to a two-tier society, the haves and the mass of have nots. Is that where we are headed?
- I believe that public higher education in the U.S. is at a crossroads.
- Larry Faulkner, president emeritus of the University of Texas at Austin and a former U of I faculty member and provost, has suggested that a comparison of tuition to median family income is a useful way of looking at the challenge presented by rising tuition.
- In 1973, the year I arrived on the Urbana campus, median household income in Illinois was about \$10,500 and in-state tuition and fees at the University of Illinois were \$686 a year. Thus, a

family could send their child to the U of I for about 6 1/2 percent of family income.

- In 2013, forty years later, median household income is estimated to be about \$50,600 and tuition and fees will be nearly \$15,200 this fall for an entering in-state freshman. That is 30 percent of median family income.
- We cannot afford to ignore the need for public investment in higher education.... and the K-12 education that precedes it.
- It is more than just teaching students in a classroom and giving a credential at graduation.
- We have always done research as an essential part of education. And from the beginning that has been an expectation of faculty.
- In contrast to teaching universities, we assume that the average faculty member at the University of Illinois will spend half of their time doing research.
- It was during the Second World War that the nation discovered the incredible research power of our public and private universities.
- In the early 1950s, federal and state governments began to invest heavily in support of research in university laboratories.
- It was a partnership. The state paid salaries of faculty and provided buildings. The Feds paid the direct and indirect cost of the research.
- But we now hear it said that the post-war era of public higher education is over ... an era that fueled the rise of the University of Illinois, American higher education and America itself in the years following World War II.

- In short, the funding mechanism that accelerated its rise is breaking down ... a victim of the era of constrained government resources in which we now live.
- Direct state funding that once covered nearly half of the U of I's day-to-day costs now accounts for less than 15 percent.
- In inflation-adjusted dollars, that has reduced state funding to 1965 levels....when we enrolled half as many students as today.
- Tuition has increased sharply to plug the gap and that is not sustainable.
- So our Board of Trustees has appropriately articulated a policy that seeks to hold tuition increases to the rate of inflation.
- As a result, tuition will increase only 1.7 percent for incoming freshman next fall ... the smallest increase in nearly two decades.
- This will inevitably reduce dollars to support the University and its world-class academic and research programs.
- We are a global center of discovery and innovation. Our nearly \$1 billion research portfolio includes federal research funding that grew to a record \$813 million last year.
- Our federal funding is sixth-best among university systems nationwide, and we are first in funding from the National Science Foundation and among the leaders in funding from the National Institutes of Health.
- And our research discovery doesn't just sit dormant in some journal ... we put it to work to serve society and drive economic growth for our state and nation.
  - Our award-winning Urbana research park has incubated 145 start-up companies. It has grown to 1,500 employees and interns since it

opened a little over a decade ago, turning U of I research into job-creating, economy building businesses.

- It also serves the needs of industry, attracting leading companies that set up shop to partner with the University on research, including Abbott, State Farm, Caterpillar and Yahoo.
- A similar business incubator is growing here in Chicago and is already working with more than 30 companies to spin out high-tech start-ups from our UIC campus ...
- the city's largest campus with more than 28,000 students and recently ranked eleventh out of fifty of the world's top, up-and-coming research universities.
- And we intend to expand our service to innovation and economic development in Chicago through UI LABS, a University initiative that would create a unique, privately-funded research center in the city.
- Modeled in many ways after the famed Bell Labs, it will bring together top scientists and engineers from academia to work with counterparts in industry ...
- ... making Chicago a center of innovation where the world turns to see what's coming next.
- The University is moving ahead in its service to students and society, despite our financial challenges. But we also face other pressures.
- In Illinois, the number of high school graduates is expected to decrease by about 6 percent from 2009 to 2020.
- Statewide, enrollment at public universities was down nearly 3 percent last fall, or about 5,000 students. And of the state's 12 public universities, 10 saw enrollment drop.

- Competition in higher education is also increasing.
- We are involved in the MOOC movement offering ... massive open online courses, which are gaining interest as a convenient and affordable pathway to higher education.
- Questions remain, though, over their quality, how to pay for them, and their impact on traditional campuses if tuition dollars are siphoned away.
- Our Springfield campus is a national leader in online education, and part of a nearly half-million dollar Gates Foundation study to improve access to online education.
- And there's the rapid growth of for-profit colleges and universities. Since 1990, the number of for-profits has quadrupled to more than 1,400.
- The challenges facing public universities come at a time when America needs them most.
- The world leader until about a decade ago, the U.S. now ranks behind 11 countries in the share of young workers with at least an associate degree.
- That number stands at about 40 percent and President Obama has articulated a goal that seeks to increase the rate to 60 percent.
- A recent study illustrates the growing importance of education beyond high school to both workers and our nation's economy.
- The study found that jobs requiring a bachelor's degree increased by more than 2 million since the beginning of the 2007 recession, while nearly 6 million jobs requiring a high school diploma or less were lost.

- But it's more than just personal gain.... National prosperity is directly linked to the educational attainment of its population....
- It might seem that I have a very pessimistic view of the future for public higher education in the U.S.
- That is absolutely not the case. I am confident that within the University of Illinois we have the intellectual resources to both create our future and to ensure that we are among the world's leaders in higher education and discovery science.
- While I do not have the exact answer as to what the public university of the future will look like, I believe the following will be essential components for success with the changing funding model:
  - Reliance on technology in a way that we cannot imagine today.
  - Key emphasis on philanthropy to cover costs formerly covered by federal and state governments.
  - Partnership between public entities, higher education institutions and industry to spur innovation and foster research.
  - A strengthening of a liberal arts education to teach the critical thinking skills that are valued by businesses and necessary in a time of rapid change.
  - Enhancing the student experience, both in and outside the classroom, with internships, study abroad, service learning and on-campus residential experience to develop the cultural competencies increasingly needed in our global society.
- Now, to close, I want to return once again to the question **Why do we do the work that we do?**

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- About 10 years ago, we dedicated a new library for the College of Agriculture on the Urbana campus – a \$21 million building, half-funded by private gifts.
- The first event in that library was the 60<sup>th</sup> reunion of the class of 1941.. The Great Generation.
- I was the dean and privileged to be in the room as they told their individual stories of how they had come from nowhere to study at the U of I and how their lives were transformed.. It was a moving conversation...
- I left that day asking myself--- are we still in the business of providing transformative opportunity?
- We are -- and I think Loreal Latimer -- can tell the story far better than I.
- Loreal is among students served through a university program known as Illinois Promise, which provides financial aid to help students from needy families attend the U of I, and offered these remarks as a junior in a presentation to donors who helped fund the program.
- **video**
- My thanks again to all of you for your time and your service to this great city.