

The University of Michigan today is better, stronger, more diverse, and more exciting than at any time recent memory. This bold statement is supported by the following vital signs:

- National rankings of the quality of the University's academic programs are the highest since these evaluations began several decades ago. A close examination reveals that the academic reputations of our programs have increased more than any other university in America over the past decade. Further, when rankings across all academic programs and professional schools are considered, four institutions stand apart: Harvard, Stanford, the University of California, and the University of Michigan.
- Through the remarkable efforts of our faculty, the University now ranks as the nation's leading research university, attracting more federal, state, and corporate support for our research efforts than any other university in America (last year exceeding \$400 million).
- Despite the precipitous drop in state support over the past two decades, declining to only about 10% of the University's operating budget, Michigan has emerged financially today as one of the strongest universities in America. It is the first public and only university in history to receive an Aa1 credit rating by Wall Street. Our endowment has increased five-fold to over \$1.5 billion. And thanks to the generosity of our alumni and friends, with almost two years left in the Campaign for Michigan, we are already at 92 percent of our \$1 billion goal.
- We are making substantial progress in our efforts to restructure the financial and administrative operations of the University, including award-winning efforts in total quality management, cost containment, and decentralized financial operations. As a result, Michigan has among the lowest administrative costs among major universities in the nation.
- A walk around the University reveals the remarkable transformation in our environment as we approach the completion of our massive program to rebuild, renovate, and update all of the buildings on our campuses--a \$1 billion effort funded primarily from non-state sources.
- The University Medical Center has undergone a profound transformation, placing it in a clear leadership position in health care, research, and teaching.

- We have launched some exceptional initiatives destined to have great impact on the future of the University and higher education more generally, such as the Institute of Humanities, the Media Union, the Institute of Molecular Medicine, the Davidson Institute for Emerging Economies, and the Tauber Manufacturing Institute.
- And perhaps most important of all, through efforts such as the Michigan Mandate and the Michigan Agenda for Women, we now have the highest representation of people of color and women among our students, faculty, staff, and leadership in our history. Michigan has become known as a national leader in building the kind of diverse learning community necessary to serve an increasingly diverse society.

As we approach the twenty-first century, it becomes clear that the University of Michigan has become not only the leading public university in America, but that it is challenged by only a handful of distinguished private and public universities in the quality, breadth, capacity, and impact of its many programs and activities.

This progress has not been serendipitous. Rather it has resulted from the efforts of a great many people following a carefully designed and executed strategy. The University leadership, working closely with faculty groups and academic units, and our various constituencies throughout the state, the nation, and the world, sought to develop and then articulate a compelling vision of the University, its role and mission, for the 21st Century. Through a series of specific goals and associated initiatives, the University has become stronger, better, more diverse, and more--despite the significant deterioration in its state support.

We can all take great pride in what the Michigan family--Regents, faculty, students, staff, alumni, and friends--has accomplished during these stressful times. Working together, we have indeed built the finest public university in America--perhaps the finest in the world. But we have built a university for the twentieth century, and that century is rapidly coming to an end. The university that we have built, the paradigms in which we have so excelled, may no longer be relevant to a rapidly changing world.

The America of the twentieth century was a nation characterized by a homogeneous, domestic, industrialized society--an America of the past. Our students will inherit a far different nation--a highly pluralistic, knowledge-intensive, world-nation that will be the America of the twenty-first century. Many believe that we are going through a period of change in our civilization as profound as that which occurred during the Renaissance and the Industrial

Revolution--except that while these earlier transformations took centuries to occur, the transformations characterizing our times will occur in a decade or less. We live in a time of breathtaking change, at a pace that continues to accelerate.

The challenges and changes facing higher education in the 1990s are comparable in significance to two other periods of great change for American higher education: the period in the late nineteenth century, when the comprehensive public university first appeared, and the years following World War II, when the research university evolved to serve the needs of postwar America. Many are concerned about the rapidly increasing costs of quality education and research during a period of limited resources, the erosion of public trust and confidence in higher education, and the deterioration in the partnership between the research university and the federal government. However, I believe that our institutions will be affected even more profoundly by the powerful changes driving transformations in our society, including the increasing ethnic and cultural diversity of our people; the growing interdependence of nations; and the degree to which knowledge itself has become the key driving force in determining economic prosperity, national security, and social well-being.

If American higher education is to respond to the challenges, opportunities, and responsibilities before us, universities must develop the capacity to transform themselves into entirely new paradigms that can serve a rapidly changing society and a changed world. We must unshackle the constraints that prevent our institutions from responding to the needs of a rapidly changing society, remove unnecessary processes and administrative structures, question existing premises and arrangements, and challenge, excite, and embolden members of our university communities to embark on this great adventure. Our challenge is to provide an environment in which such change is regarded not as threatening but rather as an exhilarating opportunity to engage in learning, in all its many forms, to better serve our world.

And, as the University of Michigan evolves to serve a changing society, it is imperative that the people of Michigan understand, accept, and support these changes in their state university. For over one hundred and seventy-five years there has been an unusually strong bond between the people of this state and your university, the University of Michigan. Generation after generation of Michigan citizens have reaffirmed the commitment to building and sustaining an institution capable of providing to their sons and daughters an education equal to the best in the nation.

Your ancestors sought an institution capable of attracting to their state the most outstanding scholars, scientists, engineers, doctors, lawyers, teachers, and other professionals so essential to prosperity and well-being. They recognized the need for an institution capable of creating--through its teaching, research, and scholarship--the new knowledge and human capacities necessary to economic growth and development and to the fuller realization of the human potential. And they sought an institution that could address, through a myriad of public service activities, the many challenges facing our state and our nation.

This sustained public investment and confidence in the University over the decades, has enabled it to serve the state in all of these ways and more. Through this unique partnership, the University in its activities and education, research, and public service has served Michigan and its citizens well.

Today our state faces serious challenges that will call once again on the vast resources of this institution: the challenge of pluralism, the challenge of participation in a global community, the challenge of the Age of Knowledge that is our future, and, of course, the challenge of change itself. Indeed, at perhaps no previous time in our state's history has there been a greater dependence upon this University, for the people it educates, the knowledge it produces, and the services it provides.

It is true, indeed, that the University of Michigan belongs to the people of Michigan. It is your university. But it is also a university built and sustained through the commitments and sacrifices of your ancestors. And it is a university that must be preserved and strengthened through your commitments today if it is to serve your descendants tomorrow.

Through this unique partnership, between a people and their University, we face together a future of challenge and responsibility, a future of opportunity and excitement, a future in which the University of Michigan is deeply committed to serving the State of Michigan, and by serving our state, serving our nation and the world.