

State of the University Address

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## Introduction

A State of the University address is a bit of a dinosaur these days. After all, there are many forms available for a president to lay out the themes and the challenges before the university community: scholarly symposia, satellite broadcasts, pep rallies. Perhaps what is really needed is a series of fireside chats in which we could discuss together key issues and questions with faculty and students rather than a single State of the University address. This would have the added benefit that it would allow us to focus this particular occasion on awards acknowledging the extraordinary achievements of some of our most distinguished faculty.

But since you paid your money--rather, you invested your valuable time in attending this evening--I will attempt yet one more State of the University address before I abandon it for more appropriate forums. However, rather than an oratory on abstract values of the University, I have decided to run the risk of talking instead on substance this evening.

## Setting the Themes

During the last year, I have given highest priority to three tasks:

1. Most important was to get out and listen and learn what people think about the University and its future.
2. High priority was also given to getting a leadership team in place.
3. And, finally, I gave priority to making an assessment of our external environment, our strengths and our challenges, here in Michigan and across the nation.

## Listening and Learning

Since I took this assignment over a year ago, I have spent much of my time listening to and learning from you and your colleagues about your visions of and expectations for our University. My meetings with students, faculty, staff, and alumni and friends throughout the state and the nation have taught me a great deal. I have sensed the extraordinary quality and excitement out there in the trenches among the faculty, students, and staff of this University, individuals deeply committed to teaching, scholarship, and service--that is, to learning. I have sensed as well the very special nature of this University, its extraordinary intellectual breadth and diversity, and its deep commitment to excellence and leadership.

## The Themes of Change

Yet, I have also sensed an ever-accelerating pace of change, in our society, in our state, in our nation, in our world, as we approach the final decade of the 20th century. Over the past year I have stressed three such themes of the future, three themes of change:

1. The growing pluralism of our society, as our minorities become our majority population, as new waves of immigrants arrive on our shores bringing with them unbounded energy, talent, and faith in the American dream, as women ascend to their rightful role as leaders of our society.
2. Our evolution into a world-nation, ever more tightly coupled to the global community.

3. Our rapid transition to a post-industrial, knowledge-based society as we enter a new age, an age of knowledge, in which the key strategic resource has become knowledge itself--that is, educated people and their ideas.

Of course, the themes of pluralism and globalization and knowledge are really not themes of tomorrow. These are already themes of today. And they are increasingly dominating every aspect of America life. And in this increasingly pluralistic, knowledge-intensive world nation that is America today, it seems clear that education in general, higher education in particular, and the research university most specifically of all are rapidly becoming the key ingredients that will determine the strength, prosperity, and social well-being of our nation.

### The Fundamental Goal: Leadership

Just think of the challenges that cry out for our attention:

1. The plight of our cities. The polarization of American society as segments in our population are victimized by poverty, crime, drugs, and the disintegration of the American family.
2. The greenhouse effect and global change.
3. International competition, whether from the Pacific Rim or Europe, post-1992.
4. Health care: cancer, heart disease, AIDS.

5. New frontiers: outer space or spaceship earth.

But the greatest need of all is for leadership, and this is the University of Michigan's great contribution to America; through its teaching, research, and service; through its graduates and their achievements. Indeed, leadership is both our heritage and our destiny!

Of course, we continually strive for leadership in our teaching, our research, and our service; in the classroom, the laboratory, the concert hall; and even on the football field. But I believe we have an even more extraordinary opportunity for leadership.

The winds of change are blowing, and they will bring with them changes in higher education. It seems increasingly apparent that our concept of the research university developed largely to serve a homogeneous, domestic, industrial society of the 20th century, must also evolve rapidly if we are to serve--indeed, even be relevant--to the highly heterogeneous, knowledge-intensive world nation that will be America of the 21st century.

Who will determine the new paradigm for the new research university in America?

Who will provide the leadership?

Why not the University of Michigan? After all, in a very real sense, it was our University that developed the paradigm of the public university capable of responding to the needs of a rapidly changing America of the 19th century; as America expanded to the frontier; as it evolved through the Industrial Revolution; as it absorbed wave after wave of immigrants.

Michigan developed in Ann Arbor a paradigm that still dominates higher

education today. In a sense, we have been throughout our history the flagship of public higher education in America. It was the University of Michigan which invented the university of the 20th century. Perhaps it is time that we once again played that role, reinventing the nature of the university once again, a university capable of educating the citizens and serving the society of not the 20th, but rather the 21st century.

I believe we must seize this opportunity as we enter the 1990s to determine our own direction in the light of our tradition, our strength, and our values. The alternative is to passively react to change and to be shaped by the forces around us.

But here we face some major challenges: Generally, any discussion of the challenges facing higher education is peppered with an assortment of "isms"--elitism, professionalism, racism. But these don't seem to me to be especially helpful. In fact, I am dismayed by the labeling and posturing that dominates our discourse at a time when we most need clarity, reason, and tolerance. I prefer to classify the critical challenges that lie before higher education into several different and more useful categories: i) the costs of excellence, ii) our relationship with a myriad of constituencies, iii) what might be termed the "corporate culture" of the University, iv) and those forces of darkness that surround us, namely, politics!

## Facing Up to the Constraints

### The Costs of Excellence

My predecessor, Harold Shapiro, used to propose two theorems about the cost of higher education:

**HTS Theorem 1:** *There has never been enough money to satisfy the legitimate aspirations of a truly enterprising faculty or administration.*

**HTS Theorem 2:** *The costs of quality in teaching and research will rise faster than the total resource base of most institutions.*

To put it another way, we face the challenge of making the transition from the growth era of the 1950s, 1960s, and 1970s characterized by increasing populations, resources, and prestige to a limited growth era of the 1980s and beyond. We know all too well the impact of demographics: the decline in the number of high school graduates, the aging of our faculty, and the challenge of educating and recruiting the next generation of scholars and teachers.

So too, we see more and more institutions demonstrating both the effort and the ability to compete for the same pool of resources, whether it be state and federal support, private support, the best students, or the best faculty.

The absence of adequate resources to build and sustain excellence in all institutions suggests that in the years ahead there will be a shake-out. Most institutions will likely tend toward the mean, a common level of quality. However, those few institutions that have the critical mass of excellence and the determination and capacity to sustain them, will be able to draw the best from the available resources of students, faculty, and funds and accelerate away from the pack, leaving the remainder of higher education to compete for a dwindling resource base. Further, since these institutions will be competing in the same marketplace--for the best students, the best faculty, the same research contracts from Washington, the same grants from foundations and corporations--they will

become increasingly similar in nature. The distinctions between public and private education will blur even further. Indeed, there are already clear signs of this evolutionary trend, perhaps it is exhibited best by our institution in recent years.

#### Case Study: Brave New World

Last month our Board of Regents approved our budget for the 1989-90 fiscal year. In that budget our state appropriation will provide \$267 million. Tuition and fee revenue will provide \$269 million. Federal support (both research contracts and financial aid) will provide \$256 million. Now if only our development staff can increase private fund raising to a similar share of the total, from its present level of \$72 million per year to roughly \$250 million per year corresponding to our state appropriation, we should be in remarkably good shape! From this perspective it is clear that the University has become, in effect, a "privately supported public university" in the sense that tuition revenue now exceeds state appropriation. Further, in the year ahead, support from Washington will pass that from Lansing, and we will become in effect a federally supported state university.

The changing nature of the resource base of the institution has motivated one of my colleagues, Dr. Douglas VanHouweling, the University's Vice Provost for Information Technology, to suggest a third theorem characterizing University finances:

**DEVH Theorem:** *Over a sufficiently long time span, none of our constraints are rigid. They can be managed or changed.*

And I can assure you this is exactly the approach we are taking. Indeed, we view the well-balanced portfolio characterizing the University as having certain advantages, such as resilience in the face of political and

economic vicissitudes. However, it also increases dramatically the importance of the University's ability to interact effectively with a remarkably broad array of constituencies, and this in itself, poses yet another major challenge.

#### Relationship with Constituencies

The relationship between the modern university and its many constituencies is a bit like the parable of the elephant and the blind men. People perceive us in vastly different ways, depending upon their vantage point, their needs, and their expectations. Students and parents are concerned with both the quality and the cost of education. Business and industry seek high quality products: graduates, research, and service. The patients of our hospitals seek quality and compassionate care. Federal, state, and local government have complex and varied agendas, which can both sustain and constrain us. And the public itself sometimes seems to have a love/hate relationship with higher education. They take pride in our quality, revel in our athletic accomplishments; but they also harbor deep suspicions about our costs, our integrity, and even our intellectual aspirations and commitments.

As we become ever more dependent upon a broad range of constituencies, we will face increasing pressures to establish our relevance and credibility to this array of interests, while we sustain our fundamental values and purposes. Quite a feat! The balancing act poses several serious problems:

1. The diveristy--indeed, the incompatibility--of the values, needs, and expectations of these various constituencies, who all view higher education through quite different lenses, poses a challenge in and of itself.

2. We must grapple with the increasing narrowness of the public's support for higher education; i.e., the "what have you done for me lately?" syndrome.
3. There will always be a tension between our efforts to respond and our role as a center of learning where all ideas can be freely questioned in the light of reason.

### The Corporate Culture

Of course, there are some fundamental aspects of the character of the University that we must preserve at all costs: our fundamental commitment to excellence and our teaching and scholarship; our respect for and defense of fundamental academic values such as academic freedom, freedom of expression, disciplined reason, and academic integrity. Then, too, there are some uniquely Michigan traditions, such as our liberal spirit and activism; our unique blend of quality, breadth, and capacity. We thrive on a rich diversity of truly outstanding programs. Our openness and candor.

But I am sure we can all point to other aspects of our University and culture that could stand improvement. My personal list includes the following:

**More of a Sense of Community:** While many of our achievements occur through the efforts of individuals, our strength as an institution arises from our ability to join together as a true academic community, in which the human mind is brought boldly to bear on the most enduring questions that confront us. We simply must look for experiences designed to bring people together, to establish new bonds of mutual trust and understanding.

**More Respect for Pluralism and Diversity:** While an increasing number on this campus understand the importance of diversity to our future, it is also clear that we need to work and talk more together in the months ahead to clearly define our goals and values. These are not easy matters we are dealing with. We simply must find ways to engage in an open and honest discourse about the meaning of diversity and pluralism to this University--and to American society--and relate it to our everyday lives as faculty, students, and staff.

**More of a "Customer" Focus:** We must never forget that the primary endeavor of a University is learning and that our principal customers are our students. It seems clear that we need to re-evaluate and intensify our commitment to the learning process on this campus: the way we teach, our total environment for learning, the nurturing relationship that must characterize interactions between faculty and students, and between staff and students.

**More Daring and Venturesomeness:** New ideas and concepts are exploding forth at ever-increasing rates in so many of our disciplines. The capacity for intellectual change and renewal has become increasingly important for the continuing vitality of academic institutions. To this end, we must seek a culture in which the creativity, initiative, and innovation are valued. We must stimulate more of a risk-taking, intellectual culture in which people are encouraged to take bold initiatives. In a sense, we must achieve more of a fault-tolerant culture in which failure is not punished but rather is viewed as a natural part of the learning process associated with aiming high!

**More of a Long-Term Strategic Focus:** All too often the University has tended to

respond to external pressures and opportunities, rather than taking strong actions to determine and pursue its own objectives. We must also counter the tendency to become preoccupied with process rather than objectives, with how rather than what. In this sense, we must think and act more strategically: to decide first what we want to do and what we intend to become, and then to move purposely forward toward these objectives.

**More Pride in our University:** An unhappy legacy of the 1960s is the tendency to distrust and denigrate institutions, including universities, and including in particular our own University of Michigan. This negativism may still be fashionable in some circles, but not in any I value. Of course, the University has flaws; it can improve. But we have much to be thankful for, much in which to take pride, much to look forward to; and we have every reason for confidence in ourselves, each other, and this great institution.

### Political Issues

There are a variety of issues involving external politics. For example, we continue to see threats to the autonomy of our universities by both state and federal government: Recent efforts by state government to control University activities, including tuition levels, non-resident enrollments, admission standards, contact hours, the use of teaching assistants, and even curriculum to some degree. To this we must add recent incursions by the federal government, stimulated by concerns of academic misconduct, the content of research and art, default on student loans, price fixing in tuition and financial aid, restrictions on publications, and even the threat to begin to intrude on intercollegiate athletics. Further, there is an erosion in public confidence concerning higher education. This has been stimulated in part

by the spiraling costs of education, scandals in intercollegiate athletics, perception of academic misconduct, a perceived imbalance between research and teaching, and a string of "isms," including elitism, racism, sexism, radicalism, conservatism--indeed, even populism!

An underlying complication is a serious erosion in the American public's willingness to invest in the future. Our approach to education, like so much in life, has shifted away from that of investment and moved instead toward that of consumption. It can best be characterized by that tee shirt slogan, "Eat dessert first, life is uncertain!" We see ourselves caring about the future, but as a nation, we are simply not preparing for it.

To this must be added a series of issues involving internal politics. It is clear that as we move closer to our goal of reflecting the increasing diversity of the American population among our students, faculty, and staff, we also run the risk of increasing pressures of separatism and distrust that can arise when people of vastly different backgrounds and cultures come together for the first time to live, work, and learn together. So too, we note the fragmentation of the University arising from a series of special interest groups in the "multiversity," just as we have noted this trend in American politics in recent years.

### Building The Team

Hence, my first objective a year ago was to attract people of great ability in the key leadership positions to give them the opportunity and encouragement to push to the limits of their ability, and then to get out of their way! Included in this series of appointments were: Provost Charles Vest, Vice President and Chief Financial Officer Farris Womack, Chancellor of the Dearborn



Campus Blenda Wilson, Dean of the College of Literature, Science, and the Arts Edie Goldenberg, Dean of Dentistry Bernard Machen, Executive Director of External Relations Walt Harrison, Director of Affirmative Action Zaida Giraldo, General Counsel Elsa Cole, Director of Minority Affairs John Matlock, Director of University Events Anita Miller, and of course, the Bo Schembechler/Jack Weidenbach team running intercollegiate athletics.

Underlying this group was a number of new structures of the University designed to support our activities, including an Office of University Events; an Office of University Relations; advisory committees in the area of fund raising and endowment investment; task forces on issues such as the quality of student life, student and faculty housing, faculty recruitment, retention, and retirement, and the costs of higher education. We have also formed important new standing bodies such as the Presidential Commission on Women's Issues.

But there remain some significant structural issues that we will have to deal with in the year ahead. In this University, for example, the Provost serves as the chief academic officer, responsible not simply for all academic programs, but for the entire budget of the University. Yet, in the present structure of the University key elements of the academic enterprise, namely, research and student affairs, are presently structured to bypass the Provost--and, in essence, the academic units themselves--and report directly to the President. Most universities have concluded that these separate reporting lines really don't make much sense since clearly: i) Research and scholarship are closely related to teaching and learning, particularly at a graduate level, and; ii) One cannot--or at least should not--separate the extracurricular activities and environment of our students from their

formal learning experience. Hence, most universities have changed organizational structures to better reflect this close relationship.

I believe that Michigan too must reorganize to better support its academic mission. To this end, I have asked Provost Vest to work closely with Interim Vice President William Kelly and Dean John D'Arms to develop a plan to realign the activities of the Vice President for Research to report with the other academic functions to the Provost. Similarly, I have asked Provost Vest to work closely with Vice President Henry Johnson and the Deans to develop a similar strategy to realign the reporting relationship of student services through the Provost to help us better the quality of student life outside of the classroom and to integrate it more effectively with our academic programs.

Vice President and Chief Financial Officer Womack has been working closely with his staff to re-design the organizational structure of the business and finance area to achieve greater responsiveness and quality of services. Over the next several months these and other changes will be implemented as a result of these discussions. There will also be several changes in the structure of state relations, federal relations, communications and public relations, and community relations.

## Strategic Actions and Early Results

### Images of the Past Year

In any State of the University address it seems appropriate to make some comments on the year past. By any measure, it was a very good year for the University, in the quality of our teaching and research, and the great achievements of our faculty, students, and staff. To attempt to

summarize the accomplishments of such a vast, complex, and richly diverse institution in a few short moments is clearly impossible. Perhaps it would be better simply to convey a montage of brief images that I recall from the last year:

- The excitement of Rackham's golden anniversary, to which scholars from around the country came to discuss the remarkable impact Michigan has had on the intellectual life of this country.
- Leonard Bernstein, performing with the Vienna Philharmonic to celebrate his seventieth birthday, then returning to our house to hold court with a large group of music students, reminiscing, playing, and singing.
- Toni Morrison holding a packed audience in Rackham spellbound for over two hours while she discussed her deeply moving novels.
- And who could ever forget Michigan athletics, from the Rose Bowl victory to an NCAA basketball championship.
- Then it was the CBS Morning News broadcast live from a luxury condo in East Quad!
- The Alumni Satellite Broadcast in which Anne and I hosted alumni clubs in over fifty cities for a reception in the President's House by electronic linkages.
- The May Festival, a remarkable series of concerts with Kurt Masur and the Leipzig Gewandhaus Orchestra, ending that final night with Jesse Norman singing Strauss's

Final Four Songs, and the magical moment of silence as the audience prolonged the spell.

- And, of course, Spring Commencement, notable not for the dignified behavior of our students, but rather for the fact that the three extraordinary individuals we honored with degrees this year all happened to be Michigan graduates.

It was truly a remarkable year for the University.

## The Themes of Change

But what about more substantive events, particularly those that relate to the themes of change:

### The Michigan Mandate

A year ago I placed a challenge before the University in the form of a quite personal statement that has become known as the Michigan Mandate. It was my belief that for the University to achieve excellence in teaching and research in the years ahead--for it to serve our state, our nation, and the world--we simply must achieve and sustain a campus community recognized for its racial and ethnic diversity. I suggested that the University had a mandate, not merely to reflect the growing diversity of America in our students, faculty, and staff, but to go beyond that by building a model of a pluralistic, multi-cultural community for our nation. A community which values and respects and indeed draws its intellectual strength from the rich diversity of peoples of different races, cultures, religions, nationalities, and beliefs.

In such an effort to build the multicultural university of the 21st century,

we are attempting to address the most urgent and difficult issue confronting our nation today. In setting out this challenge before the University, I conveyed as well my growing sense that the traditional approaches of affirmative action and equal opportunity that we had developed and implemented over past years were inadequate to achieve these objectives. I suggested a quite different approach: to develop a carefully designed strategic plan to achieve fundamental and permanent change within the University necessary to respond to a changing America and a changing world, an organic plan that would evolve through continuing interaction with the University community as we gained experience and insight into how to improve or expand on it.

The initial objectives of this plan were focused in four areas: i) faculty recruiting and development; ii) student recruiting, achievement, and outreach; iii) staff recruiting and development; and iv) the environment for diversity. We have since broadened this effort to include a number of initiatives aimed at re-energizing the women's agenda for the University. Key in our effort was to keep these objectives clear and focused, capable of measurement and evaluation, and capable of expansion and adjustment.

The results of the first two years of the Michigan Mandate have been quite encouraging. For example, in the area of faculty recruitment we have seen total minority faculty representation increase by thirty-five percent, corresponding to seventy-three new appointments, of whom forty were African American and eleven were Hispanic. True, we experienced some set-backs. For example, we lost Professor Ali Mazrui to the Schweitzer Chair at SUNY-Binghamton and Professor George Jones to the position of Vice President for Research and Dean of Graduate Studies at

Emory University--although both of these departures were on leave from the University. Further, we lost Professor Ray Fonseca to the position of Dean of Dentistry at the University of Pennsylvania. Here I should note that while we regret these losses, we should also take pride in the accomplishments of these individuals.

Simply recruiting more minority faculty to the University in and of itself, of course, does not address the serious need to enlarge the pool of candidates. An important component of the Michigan Mandate is a strategic plan to dramatically increase minority graduate enrollments. Here, through the efforts of Deans John D'Arms and James Jackson and our faculty, we have made great progress. For example, total minority fellows have increased over thirty-two percent over the last two years, now up to 444 fellows, far and away the largest number at any university in the country. Further, of these we have experienced an increase of 233 percent in the number of Black minority fellows and 223 percent in the number of Hispanic minority fellows. The University is second only to Howard University in its production of African American Ph.D.s. In a very real sense, we are now among the national leaders in producing the next generation of minority faculty members.

We have had dramatic success as well in more general minority student enrollments. For example, during the past two years total minority enrollment in our student body has increased by over twenty-five percent to its present total of 5,454 students. African American enrollment has also increased about twenty-five percent to its present level of 2,140 students; Hispanic American enrollment has increased by thirty-seven percent to its present level of 927 students; Native American enrollment has increased by seven percent to the present level of 138 students; and Asian American enrollments

have increased by twenty-five percent to the present level of 2,249 students. Buried in this data are some particularly impressive statistics characterizing our professional schools. For example, the entering MBA class in the School of Business Administration will be twenty-two percent minority, fourteen percent African American--hence leading the nation in both of these categories. Our Schools of Medicine and Dentistry have achieved their targets of twelve percent African American enrollments and Public Health is up to nine percent.

To sustain these increases, we have dramatically increased our efforts in a number of areas. We have increased undergraduate minority financial aid by fifty-four percent to its present level of \$4.6 million and graduate student minority aid by over twenty-eight percent to its present level of \$6.8 million. We have dramatically expanded our outreach programs; for example, through the King-Chavez-Parks Program (with over 4,000 participants thus far), the Wade McCree Incentive Scholars Program, the Detroit Compact, a close relationship with the Detroit Public School System, the DAPCEP Program involving over 1,500 Detroit public school students interested in engineering education, and a host of other cooperative programs with school systems across the state, including the City of Ann Arbor. We have also strengthened our relationship with historically Black and predominantly Hispanic colleges and universities.

We also are beginning to make some progress in the area of student achievement. While the retention statistics for underrepresented minorities are not yet where we would like them--amounting to roughly fifty-five percent for African American and Hispanic American students compared to seventy percent for our majority students--they are nevertheless

among the highest among our peers and are moving upwards. Under the Michigan Mandate we have also addressed a number of issues involving the campus climate. For example, we have completed the six-point plan proposed by President Harold Shapiro in the spring of 1987. Although we suffered a near term setback in the recent ruling by the federal courts on our student harassment policy, we have modified that policy to alleviate concerns about constitutionality and put in place. We have attempted to involve the broader University community in an extensive series of programs during the week of Martin Luther King, Jr. Day to both educate and celebrate diversity on the campus. We have a full range of other activities, including the Native American Pow Wow, Hispanic Heritage Week, and the Asian American Lunar Festival. Further, we have recognized the important leadership role of the University by completing our divestment of University stock holdings in companies with South African interests.

We have made several key appointments in the area of minority affairs as well: Richard Shaw as Director of Admissions, Zaida Giraldo as Director of Affirmative Action, Melvin Williams as Director of the Comprehensive Studies Program, and John Matlock as Director of Minority Affairs.

But most of all, we sense a change in attitude on the University campus. We are beginning to get people's attention. They are beginning to sense that our commitment to this new agenda is both intense and unwavering. As more and more student, faculty, staff, alumni, and friends understand this commitment and throw their own weight behind our efforts, we can sense the momentum beginning to build.

It is important to state here once again that in drafting the Michigan Mandate, I

certainly did not view myself as Moses returning from the mountain with the stone tablets. Rather, the Michigan Mandate was intended simply as a very personal statement of my own views and recommendations on these matters. And the plan I proposed was simply a roadmap, setting out my personal commitments to an eventual destination for the University. As more and more students, faculty, and staff have responded to this challenge, the plan has evolved accordingly to reflect their wisdom, experience, and commitment.

In this sense, my challenge to the University, the mandate I set before it, has already changed and will continue to change as more and more of you buy into its themes. What cannot change is my personal determination to lead the University in a direction which serves all members of our society.

#### Globalization of the University

To stress the importance of the University as an international center of learning, we focused last spring's President's Weekend on the vast richness and diversity of our international activities. This past year, Professor John Jackson led an effort to assess our international activities and drafted a comprehensive report recommending some important actions designed to bring coherence, visibility, and priority to these efforts. In the months ahead we intend to work closely with faculty across the University to strengthen our commitments to this key area.

#### Serving an Age of Knowledge

How can one possibly measure the extraordinary intellectual excitement of this University? One way is through the various conferences, symposia, and seminars held on our campus, which attract visitors from throughout the world. For example, in the

weeks ahead we will be hosting: i) the EDUCOM conference, the largest higher education computer conference with over 4,000 participants; ii) the national meeting of the president members of the American Association of Universities; iii) Mozartfest; iv) the Rackham Symposium on Emerging Concepts of Democracy; and v) the seventy-fifth anniversary of the Department of Aerospace Engineering, the first such department in the world.

#### The Contributions of So Many

Of course, all of these accomplishments are due to the talents, dedication, and energy of the thousands of students, faculty, and staff who work so hard on behalf of this University. In this regard, I would like to thank in particular the members of the Senate Assembly and the Executive Committees of the various academic units for the leadership they have provided. Appreciated as well are the efforts of the thousands of staff members whose dedication and commitment to this University are essential to moving it ahead. A special thanks is due to all of those students who aid us in so many ways: serving in student government, community service, recruiting and mentoring, even cleaning up the campus, and demonstrating leadership by accepting responsibility for the quality of student life. And, of course, finally, I would like to thank the members of the extended University family--the spouses, children, relatives, and friends of all of our students, faculty, and staff whose own commitments to this institution are so essential to making Michigan the place it has become.

#### The Year Ahead

Now that the team is in place to provide leadership across the broad spectrum of

internal University issues, the real challenge in the year ahead will involve the relationship between the University and its external constituencies: state relations, federal relations, public relations, and development.

In this regard, we face a number of major challenges. Not all University problems are created by the administration, although we do contribute our fair share. Clearly, the world beyond our campus is more challenging, complex, and problematic than ever before.

For example, we continue to see signs of difficulty in the area of state relations. The State of Michigan has now slipped to forty-fifth in the nation in its increase in public support of higher education over the last decade. We are now entering the fourth year in a row of a total freeze on capital outlay funding for new facilities. The Michigan Education Trust Program poses one of the greatest threats to the quality of higher education in the history of the state. Furthermore, we continue to be buffeted by assaults on institutional autonomy: in the area of tuition control, non-resident enrollments, curriculum, or bureaucracy. Furthermore, much of the rhetoric from Lansing continues to be quite hostile toward higher education. It is clear that our relationships with state government are not nearly as strong as they need to be. State government itself is far more difficult to interact with. It has become far more fragmented, complex, and competitive; and we simply have not adapted as quickly as needed. In many ways we have continued to attempt to apply an approach to state relations more suited to the 1950s and 1960s than to the 1990s and beyond. It is clear that major changes are necessary to renew our compact with the people and the leaders of Michigan. This will involve an expansion of our Lansing team, building and strengthening of the University's

relationships with other colleges and universities throughout the state, linking together and activating our alumni across the state, paying far more attention to the University's interaction with and impact upon communities across the state, and interacting with the print and electronic media in a far more sophisticated fashion.

Similarly, the federal agenda will occupy much of our time and attention in the months ahead. Thanks to the quality of their work and their entrepreneurial zeal, faculty have been brilliantly successful in securing increased federal research support, increasing over twenty-four percent in the last year alone. Indeed, in the year ahead we will receive more federal support from contract research and financial aid than we will from our state appropriation. We believe, however, that we must become even more aggressive in the support of our Washington activities. To this end, we have a number of efforts in mind. We have committed to establishing a permanent Washington office to serve our faculty and students. Further, we are increasing our efforts to serve the Michigan Congressional delegation. We are improving coordination with the Michigan federal relations structure and activating our alumni distributed throughout federal government.

Public relations presents yet another challenge. We simply have to do a better job of communicating and representing our interest to the public. During the past year we have strengthened our communications program under the leadership of our new Executive Director of University Relations, Walt Harrison. Here our aim is not to project "images" or manipulate opinion, but rather to help each of us tell our own story effectively and truthfully. To stress the importance of this activity, I have restructured the reporting line of communications directly to the President.

We are working very hard to build strong relations with local media.

Finally, we recognize that the key to the future of the University may rest with private support as much as with public support in the years ahead. Indeed, we would even be so bold as to suggest that one strategy for the 1990s might be to increase the total private support for the University--that consisting both of annual giving and income on endowment--to a level comparable to that of our state appropriation. Of course, we already do quite well for a public university: \$72 million in private giving last year alone and an endowment of roughly \$400 million. But we must do even better. By the year 2000 we would hope to have doubled in real terms our annual gifts to a level of \$150 million per year (in 1990 dollars) and to have increased our endowment to a level of \$2 billion (in 1990 dollars) corresponding to a return in excess of \$100 million per year. If we can accomplish this by the year 2000, we will have entered the 21st century with a portfolio of resources equally balanced among state support, federal support, tuition, and private support.

#### Diversity and Pluralism,

##### Unity and Community

The University of Michigan has made a very deep commitment to the achievement of an environment which seeks, nourishes, and sustains racial, cultural, and ethnic diversity. Yet, we still must learn how to resist the great pressures of separatism, fear, and bigotry that push us apart and instead commit ourselves to a University, indeed to a nation, that works to achieve common purposes. We must remember that our institution is not a "di" versity"--it is a "uni" versity. We must learn how to weave together the dual objectives of diversity and unity in a way that strengthens our

fundamental goals of academic excellence and service to our state and our society. We must not abandon our quest for community and our allegiance to academic and civic values. I do not believe that the goals of diversity and community are incompatible any more than excellence and diversity are incompatible, but we will need to work hard together to find our way.

##### Pride

The University of Michigan is a very special place. This campus represents the investment, the sweat and tears, of over eight generations of Michigan citizens. Each of us as students, faculty, or staff benefits greatly from this heritage of excellence and commitment. Each of us has a responsibility, both as members and as stewards of this remarkable institution to do our part, not simply to preserve it, but to enhance it for future generations. Whether this is through our efforts to maintain and enhance the quality of our academic programs, or the care we take of the campus environment, or in our efforts to improve the University, or even to defend the University against those who would undermine it, we are all part of the Michigan family. And like all families, this is a lifelong tie that binds us together.

##### Humility and Humor

There is yet another characteristic of this University that I have always found most refreshing. It is our informality, our candor, our willingness to approach our efforts with not only a sense of humility, but more often than not, with a sense of humor. Of course, sometimes that is hard to do, for example, when we read about public officials trashing the University for political gain, or as we watch the final seconds tick off the clock in the driving rain in our loss earlier this month to Notre Dame, or when we read the opinion page of the Michigan Daily.

Sometimes it takes great patience and a very thick skin, but in the end, "lightening up a bit" is one of the most constructive things we can do.

### Excitement and Optimism

This past week we hosted on this campus a distinguished group of alumni and friends for the University Seminar series in which faculty and staff attempt to convey some of the rich intellectual diversity and excitement of this campus. In talking with this group afterwards, I was struck by their comments time and time again about the extraordinary vitality and excitement on this campus today, the sense of great energy, enthusiasm, and purpose. And of all the experiences with this, my first year as President, this "Go Blue" Michigan spirit is the thing that stands out foremost in my mind. It is our great strength.

### Concluding Remarks

We believe the challenge of reinventing the American university for the 21st century is not only an exciting and a challenging mission for the 1990s, but it is also a mission befitting the University's long heritage of leadership; and it is a challenge worthy of our students, faculty, and staff. Indeed, I would be very surprised if you settled for anything less from your University!

The 1990s will be a time of great challenge, opportunity, and responsibility for your University. But they will also be years of great excitement. We have truly embarked on a great adventure as we prepare to become the University of the 21st century.