Thank you, Susan, for inviting me to take this opportunity to provide the campus with a mid-year update and look ahead to the coming semester.

It is fitting that we begin 2012 in a room that has seen so many beginnings in our history — thousands of students have sat in this room at orientation or on the first day of classes, wondering what their years here will bring. This room connects us to our history as do few others. Those students have gone on to be citizens, leaders, teachers and successful professionals — I hope you saw the photos of our alumni award winners before we began today.

But the students and their parents who filled this auditorium in recent years found themselves in a proud hall rather the worse for wear. We needed to get rid of the torn and sagging seats, replace the World War II-era lighting and bring this space into the 21st century.

I want to publicly thank the UW-Eau Claire Foundation and our Student Senate for taking the lead in restoring this wonderful historic room to full grandeur. This is again a public space worthy of a premier learning community.

Our Centennial vision doesn’t specifically mention restoring Schofield Auditorium — that was an opportunity that presented itself. But our vision does require us to preserve what is best, renew what is outdated and inadequate, and transform our learning and our university so we will continue to be a leading institution for liberal education and for rigorous academic programs in our disciplines.

For the past four years we’ve been working hard to do exactly that. We have created the Blugold Commitment to help us invest in high-impact learning — our International Fellows program and expanding immersion programs are models for the UW System. We have been able to invest in 27 positions to strengthen our academic quality.

We have reaffirmed our commitment to our value of equity, diversity and inclusiveness. Last week we learned that our very own Honors Program, led by Jeff Vahlbusch and David Jones, will be recognized with the 2012 Board of Regents Diversity Award for their innovative approach to Honors admissions. The program increased student diversity from less than 2 percent to 9 percent this year. Congratulations.

We have worked to transform our learning spaces, with the addition of St. Bede’s through the Foundation and construction on the new Davies Center and Education Building.

And we completed our facilities master plan that lays out a compelling roadmap for a thriving small-city, urban university, with multiple campus and community partnerships for the arts, special events, athletics and living spaces throughout the community — partnerships we are actively pursuing, to grow and enrich Wisconsin’s most beautiful campus.

(View the video of the chancellor’s address.)
We have done all this despite continuing and ongoing reductions in support from the State of Wisconsin. The decline in the percentage of state support to higher education over the past decade has affected not only the budget of this university and tuition costs to our students, but it also has had a personal impact on all of us.

You have all been asked to sacrifice with increased benefit costs and frozen wages that result, plain and simple, in reduced compensation, amid a rhetorical climate that also denigrates the value of the work we do as public university faculty and staff.

The past year especially has been one of uncertainty, as we faced changes to the UW System, the largest budget reduction in our history and, this fall, an additional budget lapse that will take even more resources from us this coming semester.

As of today, based on everything we have heard from Madison and the UW System, we believe that our portion of the lapse — the dollars we are required to give back to the State this coming semester — will be approximately $2.4 million. I have instructed Dave Gessner to cover half of the cuts from our fund balances, leaving us to absorb a $1.2 million reduction in the coming months.

While using our fund balances will help us meet this year’s financial challenge, it is not a sustainable practice.

As you know, the budget lapse comes on the heels of the largest state cut in our history: $5.1 million in base funding for UW-Eau Claire. Even with additional tuition revenue, we must still eliminate $1.7 million from our current 2011-12 base budget. Together with the additional lapse, we are looking at a total of $4.1 million in reductions this year, or $2.9 million after the fund balances are applied, as you can see from the chart behind me.

Provost Kleine, Vice Chancellor Hellwig, Assistant Chancellor Gessner and I have been working closely with our deans, directors and chairs to identify how each division will manage its required reduction. Last semester the divisional leaders met with their faculty and staff to outline how they will meet this challenging target. I hope you were able to attend those sessions.

I want to emphasize that while we have protected our academic enterprise as much as possible, each of our divisions is contributing to the budget reductions in significant ways.

Decisions are not being made across the board, but strategically, based on analyses of departmental needs, our institutional goals and what will best serve our students. Every vacancy from retirement or staff change is being filled or left open based on what is essential to our future success. And these decisions are being made within our divisions and colleges, not by central administration.

In particular, Academic Affairs has reduced the number of sections offered this semester, while ensuring that our more than 10,000 undergraduates have been able to complete their spring schedules. Chairs have reviewed the range of courses offered, and this has reduced the number of part-time instructors we employ.

Because the budget lapse must be taken from Fund 102, Student Affairs staff is limited to seeking its reductions from only four areas: the Dean’s Office, the Office of Multicultural Affairs, Athletics and Counseling.
Nevertheless, Student Affairs is selectively reducing programs to cut costs, has hired staff in collateral assignments and has increased efforts to fundraise. Several staff have voluntarily reduced their hours and departments are collaborating to maximize their resources.

In the Business and Finance division, staff are assessing open positions and delaying major expenditures such as replacement squad cars for our campus police.

My division, which includes the Foundation and Facilities, is operating under reductions taken to senior administrative staff from the previous biennial budget. For the lapse we are leaving positions unfilled and reducing expenditures in University Communications and Alumni Affairs. The Foundation continues to focus on picking up additional costs while increasing annual giving each year.

I know all of us would prefer to return to even 10 years ago when the state provided almost two-thirds of our general purpose revenue. But as I've been saying since my arrival, our return to a time when we were truly state supported and not just state located is simply not going to happen. Budget cuts are not only this year’s challenge, nor even a Wisconsin phenomenon. This has been a decade-long trend, amplified by the current recession, which has increased the shift from state support to student tuition.

UW-Eau Claire is caught up in a seismic, national reshaping of higher education.

This year all but nine states saw declines in state funding to higher education. California’s cuts may have dwarfed ours, but they are just another symptom of the public’s transition from the idea of education as a public good to a private benefit.

As government funding stalls, federal and state legislators demand more, not less, efficiency and accountability for the fewer dollars we do receive. For example, Governor Walker’s biennial budget included — in addition to the $250 million cut to the UW System—almost 40 accountability measures on which we must annually report, from profiles of enrolled students to faculty teaching loads to number of jobs created in our area.

Demands for greater accountability also come from outside Madison, from foundations, corporations and think tanks that increasingly have the ear of legislators and the public. For example, the Delta Cost Project, supported by the Lumina Foundation for Education, is focused on promoting efficiency and streamlining of costs, especially non-instructional costs. That is the new mantra — and we will have to respond.

As education is increasingly defined as a commodity, and as student tuition must fill the gap in state support, more and more students, parents, legislators, taxpayers and even Occupy protestors are demanding value for their education dollars.

As this recent Texas billboard illustrates, people are drawing a direct line between tuition costs and graduation outcomes. Educational value increasingly translates to a degree that can be efficiently completed so student debt can be minimized.

Our own students made this clear when they passed the Blugold Commitment. They agreed to raise their tuition with the assurance that we would improve timely graduation. As you can see from this
comparison of our graduation rates with our 31 regional and national peer institutions, we have opportunities to help our students manage their financial burden by graduating in four years.

Another consequence of seeing education as a private benefit is the rising demand for degrees that lead directly to jobs. This quote is just an extreme example of a growing public attitude that equates college with job training.

Just this month, our own Governor Walker formed a new College and Workforce Readiness Council that is charged, among other things, with “designing shorter and less costly degree programs aimed at filling high-need positions.”

Too many people now believe what I call “the Big Lie” that college is not worth the cost, that students don’t learn anything, and that the only return on their investment of time and money in college is a job.

This, then, is the current reality — and the sure future — of higher education: Less state support. Higher student tuition. More public accountability for efficiency. And students and legislators who demand timely degrees that will lead to jobs.

Many of you in this room, myself included, are probably uncomfortable with this new reality. The increasing tuition burden we see placed on students is limiting access and may be discouraging applications. We who have dedicated our careers to higher education know that this is not a consumer good. We don’t produce widgets. We know transformed lives will not be produced by adopting the latest business trend.

I am increasingly disturbed by these narratives, and I intend to be much more vocal in disputing them. But my role also has to be translational, from inside to out and outside to in. And, if we are honest, we must also admit that there is some truth to the challenges being leveled at higher education.

Some of our academic practices are looking as tired as the old Schofield Auditorium.

In this economy we cannot ask our students to take on more debt as they struggle to graduate in five or six years. And we cannot expect to receive more money from Wisconsin taxpayers or our students without looking more closely at the costs of what we do.

So today, I want to do more than just talk about our budget and the challenges that we face. We must continue to explore and recognize the ways we can improve higher education and achieve our vision task of transforming both learning and this university.

I would like to ask you to consider just one important task for the semester ahead: renovating liberal education at UW-Eau Claire.

As I’ve just outlined, the value of liberal education is under attack in this country and yet I believe it has never been more important for our students, our state and our nation’s future. Redefining, modeling and championing liberal learning in this new century is critical — and it just happens to also be the core of our mission.

If you look at the fine print in our mission statement, at the detailed explanation we provide for what our mission includes, you’ll note our final statement:
“We fulfill our mission through a pervasive university commitment to provide academic leadership in transforming liberal education.”

The students who sat in your seats over the past decades have been here because of our commitment to leadership in liberal education. They believed that here they would find rigorous academic programs that can compete with the best public or private institutions in the region.

This is where students can experience collaborative research, study abroad, community engagement and internships — helping them to connect theory and experiential learning.

We were leaders in high-impact practices long before AAC&U coined the term. With UW System we were the first official partner state in AAC&U’s Liberal Education and America’s Promise campaign in 2005.

Based on LEAP research, we adopted our own Liberal Education Learning Goals in 2007. These goals have guided a comprehensive rethinking of liberal education here at UW-Eau Claire that is focused on creating a common core of learning outcomes, not just inputs, that integrates high-impact, immersion experiences across disciplines and a student’s entire academic career. Our learning outcomes are based on what we know students need for livelihood and for life.

We know that we must be able to prove to students, their parents and their employers that our graduates are the best prepared. To that end, our general education and majors must be aligned with our learning goals and rigorously assessed.

“Trust us, our students are learning” doesn’t cut it in the new higher education environment. And so, spearheaded by ULEC and championed by APC, faculty are developing program-level learning outcomes — both in our academic departments and Student Affairs.

Our new assessment director is helping faculty and departments to evaluate student learning more effectively — remember that our need for improved assessment was a primary conclusion of the PEEQ report. And this year more than 50 faculty have been involved in leading integrative courses that will be a distinctive feature of our current efforts to reinvent liberal education.

So today, I ask you: If we are to live up to our mission of leading the transformation of liberal education, … and if we are to honor what you and your colleagues have worked so hard to develop over the past decade, … and if we are to create a transformative liberal education program that creates a stable cost structure in place of our too-unpredictable distribution model, … then it’s time to call the question.

It’s time to support APC and pass liberal education reform this semester so that the students who sit in these seats in July can begin to benefit from our curricular leadership.

Revised liberal education at UW-Eau Claire is a first step, but there is more we will need to do.
As the Apple advertisement said, we all need to “think different.” Since Schofield Hall was built, we have been justly proud of the quality of the programs we offer. Yet today, our array of undergraduate and masters programs is no longer distinctive.

As the provost shared at her open forum last semester, our program array is traditional, even compared to our UW System sister institutions.

Excellence to me is fulfilling your mission better than anyone else. I believe that we are on the path to reasserting that excellence in liberal education, but that is only part of our job. We also need to look at our curricular array in terms of the choices students will make about their careers and passions.

Liberal education is not, in my view, about disciplines, but about using our disciplinary perspectives to achieve our common learning outcomes for students. If we are to prepare students for a world in which they will have multiple careers in fields yet to be invented, we must help them learn to make connections within a discipline and synthetically across disciplines.

We sometimes do this within our majors and also across disciplines. One example is the Watershed Institute, which draws on our existing strengths across disciplines to “enhance the strong liberal arts experience offered at UW-Eau Claire.”

We are already strong in the health sciences — can we think differently and create a health science cluster of programs to attract new, highly qualified students and meet the demands of the modern workplace? I know there are better ways to describe and portray our truly innovative curricula to capture the attention and understanding of students and families who are buying into the commodification of higher education.

There also may be new programs we need to create that will expand the power of existing clusters. We could partner regionally with complementary programs at our sister institutions to expand our offerings to UW-Eau Claire students.

We could integrate living-learning programs and student leadership opportunities with existing disciplines.

I want to applaud all of you already involved in some of these integrative efforts or those who have explored ways to be more programmatically entrepreneurial. I also recognize that such efforts are not always easy, especially in light of our own policies and procedures, which can make innovation a challenge. If we are going to be successful at thinking and acting differently, we need to also think differently about the structures and processes of how we accomplish our work.

Last summer, for example, the University Senate tallied up the institutional cost of the hours spent in Senate meetings each year — and then resolved to use those resources more effectively.

By posting reports online and restructuring meetings, the Senate was able to reduce the number of meetings from 7 to 5 and save 156 people hours of time. That’s 156 hours the Senators could devote to our students, while still serving shared governance. I want to commend Susan Harrison on her leadership of this effort.
Business Services has also been working to find savings by expanding regional partnerships around shared services. We have established a shared server farm with CVTC that promises significant savings to both institutions. We are also exploring other ways to collaborate regionally to reduce non-instructional operating costs and to take advantage of already very expensive technology. Students Affairs has approached community partners with a Request for Information, seeking ideas on how to best provide health services to our students. We have also included public/private residence hall development in our master plan.

There are also opportunities for re-imagining our work in Academic Affairs. We might re-formulate how we manage our administrative work by creating administrative and service hubs that would better facilitate cross-disciplinary learning, teaching and research. Cornell University recently won a $100 million grant competition for a new Manhattan-based university center that will feature just such multi-disciplinary hubs.

Thinking differently about our programs and how we structure our work is also the only way in which we will be able to finally address a significant institutional challenge: providing more competitive salaries. As these peer comparisons illustrate, for example, the gap between our average salaries for assistant, associate and full professors is unacceptable. We are falling behind in our ability to attract, retain and reward the best faculty and staff.

The resources to remedy this inequity will NOT come from the state. We have been told already that there is no pay plan this biennium. We must generate these resources ourselves.

We will do that by focusing on our mission and strengthening what we are already doing well: growing our tuition revenue by retaining highly qualified students and providing timely graduation; attracting new students by continuously revitalizing our programs to meet the skills needed for the 21st century; expanding our online and on-campus offerings during Winterim and summer session; becoming more effective in how we all work, and by making sure that our constituents know about all of this.

As we are able to generate new tuition dollars and create savings on existing resources, it is my priority to assure more competitive salaries. I believe we can begin to do so as soon as next academic year if we all work together to make it possible.

2012 will be another critical year for UW-Eau Claire. We will have our challenges: the lean budget we now have in place must be lived.

And we will have our triumphs: the opening of the new Davies Center, groundbreaking for the new Education Building and more Blugold graduates.

Just as important, however, is the leadership challenge that lies ahead. As we did here in Schofield Auditorium, we must ask what we can give up, clean out, or replace with state-of-the-art. This year, we can take major strides to lead the nation in strengthening liberal education.

Because in less than six months, new, future Blugolds will be sitting in your seats at student orientation.

They will be here because they believe this university will provide them with the creativity, critical insight, empathy and intellectual courage that a transformative liberal education provides.
We must not fail them by failing to lead.

Their success will be our best response to all those who question the value of a liberal education or a Blugold degree.

Thank you, and now I’d like to invite Provost Kleine, Assistant Chancellor Gessner and HR Director Donna Weber to join me to continue our conversation. Vice Chancellor Hellwig is out of town and not able to join us. Susan Harrison will have a microphone for those of you who would like to ask questions. Susan, I’ll turn this meeting back over to you.