

## Continuing UVM's Advance: Contexts for a Refocused Strategic Plan

by Daniel Mark Fogel, President

Higher education is entering an exceptionally trying period of demographic and economic stress. All indicators predict a sharp decline in the college-age population, especially in New England and the Middle Atlantic states. Economic forecasts are unsettling at best, and most are dire. The conjunction of these challenges has the potential to be daunting for a comparatively high-cost, tuition-driven university such as ours, particularly given the region from which we traditionally have drawn most of our students.

UVM enjoys, nevertheless, significant competitive advantages that present as many opportunities as challenges in the gathering demographic and economic storm. I believe that the University's successes of recent years can be sustained, indeed accelerated, if we seize those opportunities with a shared determination to act on the strategic and fiscal imperatives that will allow us to prevail as we face the challenges ahead.

Although the coming period will almost certainly be tighter financially than the period we have recently enjoyed, UVM's relatively low level of state and endowment income provides a hedge against the significant shocks that many public colleges and universities and many well-endowed private institutions are likely to undergo. This week, as we circulate for campus-wide comment the draft of proposed revisions to the UVM strategic plan, I want to suggest that the comparatively constrained circumstances we will in all probability experience are simply another prod to us to stay the course that the revised plan would keep us on toward clear programmatic focus, selective excellence and, consequently, greater competitiveness.

In this brief essay, designed to accompany the distribution of the draft strategic plan, I want to offer a quick, broad glance at the landscape in which we must be prepared to operate and a summary of what we in the UVM community must do together to continue our success.

### **UVM and the Competitive Landscape**

The difficulties UVM experienced in the 1990s have been followed in the new century with significant progress and momentum. Especially notable are our increased doctoral and undergraduate enrollments, historic student application levels, and high-water marks of research funding and philanthropy. The University's reputation and visibility have soared. Investment unparalleled in UVM's history in people, programs, and facilities has raised our competitive metabolism, increased pride among faculty, students, staff, alumni, and friends, and built justifiable confidence in UVM's future.

The success of the invest-and-grow strategy has allowed us to enjoy annual revenue growth and, according to our financial modeling, we will continue this trend at a time when higher education funding elsewhere is at risk, though it is important to note that the rate of revenue growth at UVM will slow significantly as we come in the next two or three years to the end of our planned enrollment increases. The undergraduate application trajectory at UVM has been so strong that we do not foresee a serious threat to meeting the enrollment goals we require for fiscal health over the next two to three years. We now have a precious window of time to deliberate together on where we should invest effort and resources to continue building academic quality and fiscal strength. In short, we must implement smart measures for these uncertain times, continuing on the course we have chosen with intensified discipline and focus.

If we succeed we will fortify UVM's competitive advantage— our distinguished intellectual history, our comparative freedom to chart our own course, our human scale, our talented and dedicated faculty, staff, and students, and our peerless Vermont setting—by being optimally well-positioned. Many of our competitors must deal with significant reductions in public support at a time when we benefit, ironically, by being comparatively insulated from the vicissitudes of public finance precisely because our state appropriation is such a small proportion of our annual revenues. American colleges and universities must also cope with reduced spendable earnings on endowment—a threat to many of our wealthier independent peers that draw a much larger percentage of their budgets than we do from endowments. Other institutions also face potential enrollment declines exacerbated by rising tuition at publics in response to reductions in public funding and by the financial insecurity that will burden many families in the face of universally rising tuition at a time when public confidence in the national economy has reached a low not seen in decades.

The news in public higher education is deeply troubling. Recent press accounts report, for example, that Kentucky is cutting higher education budgets by 15% and California by 10% and that Wisconsin has recently raised tuition by 37.5%. Similar stories are being written in Rhode Island, Minnesota, New Jersey, Maryland, Florida, Nevada, Alabama, New York, and Maine. Prospects are no less daunting for the vast majority of private colleges that have modest endowments; only forty-five of the nation's independent four-year colleges and universities have endowments of \$1 billion or more, whereas for the remaining 1,565 independent institutions the median endowment is only \$14 million. Many of them will face serious challenges in the form of declining applicant pools, rising prices and costs, and scant reserves.

We would be naïve, and indeed remiss in our fiduciary duties, if we ignored these trends and indicators. It is against this landscape that many of our competitive advantages stand out in bold relief, including our comparative imperviousness to state appropriations declines (which in Vermont are still increasing modestly) and to drops in endowment earnings. If, at this time, we take smart measures that improve our chances of success, we will secure enhanced opportunities to continue to build excellence in programs and thus to attract exceptional faculty and students.

### **Building on Signatures**

Nearly two years ago we laid out a path for UVM in “Signatures of Excellence.” That essay emphasized our ongoing commitment to liberal education, health, environment, and, through research and scholarship that leads to applied problem-solving, to public service rooted in distinctive UVM and Vermont traditions that invoke James Marsh, Justin Morrill, and John Dewey. I call now for us to re-affirm and re-dedicate ourselves to the core commitments set forth in “Signatures,” including four enduring principles:

- faculty, staff, students, and alumni are central to the vision,
- an understanding of the unity of knowledge must be actively promoted,
- we will pursue the practical application of knowledge, locally and globally, and
- we must never compromise our commitment to freedom of inquiry.

We must also re-affirm and re-commit to the dozen or so imperatives that followed the “enduring principles” and that, with one exception, seem to me to have drawn widespread assent throughout the campus. The exception—the call for an assessment of competency before stu-

dents advance to candidacy for the baccalaureate—I now propose to set aside in deference to the wisdom of the community.

While dedicating ourselves anew to these principles and imperatives, we must take careful stock of the looming demographic and economic challenges. Specifically, I call on us to take steps to:

- Enhance programmatic value and the student experience through investment in academic quality
- Communicate effectively, far and wide, the news of our increasing value
- Reduce spending in areas less important to educational quality and student priorities, intensifying cost reduction and cost avoidance efforts in every domain
- Eliminate chronic unwieldy and unsolved bureaucratic and organizational structures and procedures
- Develop a long-term plan to increase the portion of annual expenditures from sources other than tuition and fees
- Intensify investment in faculty research and scholarly pursuits, focusing resources on a limited number of Ph.D. programs to build national distinction
- Contribute to the economic vitality of Vermont through innovation and entrepreneurship
- Understand and seriously consider best practices nationally in all University venues.

Together, we have created a solid foundation upon which to build new strength and realize even greater success. Our work must continue apace to weather the approaching challenges and indeed to flourish. We must be smart, focused, and nimble. Progress will require

that we make difficult decisions, but I have every confidence that if we do so with full attention to these priorities, UVM's future will be secure.

In a variety of venues—in the University Planning Council, the Fiscal Priorities Committee, at the Senior Leadership Retreat in January, and in governance bodies including the Board of Trustees and the Faculty Senate—there have been intensive deliberations about how best to pursue our strategic vision in these uncertain times. This call to action is designed to add energy to the conversations already under way and to point them with renewed urgency toward the development and implementation of more specific actions as our next academic year dawns. I welcome your thoughts, ideas, and reactions as we consider ways and means to achieve our objectives, based on the priorities we have already set as a community and to which we must continue to adhere.

As we gather contributions to this analysis from you, we will refer them throughout the University—to the Faculty Senate, the University Planning Council, the Council of Deans, student and staff bodies, and various academic and administrative leaders—in the conviction that a strategy that has been shaped through a broadly participatory dialogue will be far stronger and more viable as a result of the breadth and depth of a campus-wide conversation.

Thank you very much in advance for your participation in this important institutional process.

Please direct responses to [daniel.fogel@uvm.edu](mailto:daniel.fogel@uvm.edu), subject line “Sustaining the Advance”

The full text of “Signatures of Excellence: UVM in the 21<sup>st</sup> Century” is available at

<http://www.uvm.edu/~president/?Page=signatures/default.html&SM=submenu6.html>