

STATE OF THE SYSTEM ADDRESS

Mr. Frank T. Brogan
Chancellor
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Thank you, madam chair, for your insights today, and for your leadership over these last six months. As you all can see, the Board of Governors is in good hands.

On behalf of everyone in my office and at all of our campuses—and, on behalf of especially our students—I would like to extend thanks to our Board members for your service.

And it is service. Our Board members, as well as our university trustees, are volunteers. They do this on their own time. As Cindy said in her remarks, for many, it's a labor of love—especially for those who are giving back to their alma maters in a very meaningful way.

And I certainly agree.

To the rest of our audience, including our students, faculty, staff, university presidents, foundation members, and other friends of the System who are with us today; I am grateful to each of you, for the contributions you make on a daily basis to the success of our students.

To the students in the audience today, I say look around the room. The people you see are a big reason why you have access to a high-quality, high-value educational experience.

Also, I wanted to take a moment to recognize some very special students who are here with us today.

They are part of the State System's Harrisburg Internship Program. For nearly 30 years, this semester-long internship program has brought outstanding students from across our universities to the State Capitol to gain valuable experience working with policymakers in Pennsylvania government.

These are some talented students who are remarkable ambassadors for the universities and the System as a whole. I want to recognize those students and ask them to stand, along with Dr. JB Smith, a faculty member from IUP who organizes the effort for us.

I know this is the first week of classes, but I wish we could fill this room with students and faculty to thank them for making this System what it is.

Faculty are the heart and soul of our institutions. They make a difference in our students' lives every day. Their knowledge and dedication; their creativity; and—most of all—their commitment to the education of their students is what make our universities special. They are what make a State System university education what it is.

As our Board chair noted earlier, last year was quite a year for the State System. Every day seemed to bring a new challenge.

Without a doubt, the state of our system is directly tied to the state of our Commonwealth. As Pennsylvania wrestles with lagging revenues, rising operational costs, and intense competition for growth, so too do our public universities. We have a symbiotic relationship.

And that relationship can be a good thing. As our public universities thrive, so too will the Commonwealth.

With almost 90 percent of our students coming from Pennsylvania and the vast majority remaining in the Commonwealth to work and raise their families, we know that investing in our public universities is an investment in Pennsylvania's future.

Consider this, our universities generate 11 dollars of economic impact for every dollar of public support. That is an amazing return on investment.

Thanks to the support of Governor Wolf and the General Assembly, we are receiving a second straight year of increased funding from the Commonwealth. That couldn't have happened without the hard work and advocacy of so many. No doubt, there's a long way to go in that regard, but we are very thankful for the state's efforts to keep higher education affordable.

In addition to working hard to keep a State System education affordable, we have taken important steps that will help the students of Pennsylvania achieve their higher education goals.

As part of an historic meeting attended by the presidents and provosts of our 14 universities and the presidents and provosts of Pennsylvania's 14 community colleges, we signed a first-ever system-wide reverse transfer agreement that makes it easier for students across the state to receive their first college degree.

We must continue to coordinate closely with our partners in the community colleges for two reasons: one, to ensure there are no gaps in service for Pennsylvania's students; and two, to minimize any unnecessary duplication of effort among the colleges and universities.

The Board made other important policy decisions last year that strengthened the universities' general education requirements.

Our universities are also working hard to align their program array with the evolving needs of students and the Commonwealth.

Last year alone, the universities added more than 30 new degree programs and nearly 200 new minors, certificates, or concentrations. At the same time, our universities discontinued more than 70 degree programs.

These changes are crucial if we are to remain relevant to our students and to the state of Pennsylvania.

While revising policy might not sound very sexy, these changes will all directly benefit students. They'll help ease students' arrival on campus, enhance their overall learning experience, keep them on track toward timely graduation, and ensure the relevancy—the relevancy—of their degrees.

You've heard me talk about the work we are doing to identify any gaps that might exist between the array of programs our universities offer and the kinds of programs our students—and their future employers—demand.

We've continued to develop tools that provide the universities with resources so they can better align their programming to ensure every State System student has a plan for the future as they go through college.

Good data is necessary for good decision making. That's why we're relying more than ever on the new data tools we have been creating, including the university action plans, our financial risk assessments, and the forthcoming student success dashboard.

These resources combine to provide a three-part accountability toolkit that empowers our university and System leaders with an unprecedented level of useful information and analysis. This will help them make strategic decisions—decisions that will change the face of our universities and this System for years to come.

That's just some of the good news—extraordinary when you consider the myriad daily challenges confronting our system.

Certainly, we're not alone in the challenges we are facing. Lagging state support, rising costs, and declining enrollments all are issues affecting university systems across the United States.

As our chair noted in her remarks, from the beginning of the recession, state support to higher education has been reduced by billions of dollars nationwide. At the same time, overall college enrollment declined this year for the fifth straight year.

On the funding side, while most states—including Pennsylvania—have begun to restore some of the cuts resulting from the recession, the vast majority of states have not fully done so.

States are wrestling with the same issues we are, leading to the reorganization of public university systems in a number of states across the country—including the merger or even closure of institutions.

Is that where we are headed? That's a question I can't answer today, nor can anyone else.

But it is a question we must ask—and answer—this year because this system—our universities—are essential to Pennsylvania's future.

Consider this: by 2020, more than 60 percent of jobs in Pennsylvania and nationally will require at least some postsecondary education, and one-third of the projected job openings in this state are expected to require a bachelor's degree or higher. We must be there to meet that need.

That's just one more reason why we have to rethink how we are organized to ensure we're serving students, first and foremost.

As Chancellor, I lament the fact that in the past—and still in some cases today— we've expected students to come to our universities and required them to organize their lives around us, rather than inviting them to our universities to witness how we have organized our universities around them.

If we're serious about the future of public higher education in Pennsylvania, that has to change. And we are taking steps to make that happen.

For the past several months, we have been in the "information gathering phase" of a strategic review of our system—the review Cindy talked about earlier. I congratulate the chair, our Board and the universities for their willingness to take this important step.

We will be taking a hard look at how we are organized today, and how we need to be organized in the future in order to continue to serve our students and the Commonwealth as its public university system.

We don't have the luxury of waiting for someone to do this for us. And frankly, I don't think that's what we should want.

Every bit of this System—as great as it has been over the years—will be examined. From how we operate the Office of the Chancellor to how we are organized as a System, we are approaching this strategic review with no restraints, no preconceptions, and no limits.

And I cannot underscore enough the sense of urgency with which we do this. If we don't act now, if we don't act today, it is a guarantee that the rising tide of circumstances and time will swamp the boat.

We know this: the current approach as to how we do things—how we're organized, how we're funded, how we operate—all of it is unsustainable; that is an undeniable fact.

That's not just philosophical; it's mathematical; and it's only going to get worse if we don't do something about it.

As our Chairwoman stated earlier, this is going to take a team effort. Everyone must work together.

Toward that end, we will gather input from students, faculty, staff, alumni, elected leaders, and everyone who cares about publicly supported universities in Pennsylvania as we define the pillars of excellence for our future.

Too often, we treat our public universities like government bureaucracies rather than as the intuitions of higher learning that they are.

We must take steps now to unshackle our universities from arcane rules, practices, and procedures that are preventing them from being the engines of opportunity they are intended to be.

What worked 30 years ago doesn't always work today.

Change can be hard, but sometimes it is necessary. More important—to perhaps paraphrase our Board Chair—it can create new opportunities.

For anyone who might choose to lay obstructions across the path of solid change and real progress, know that you are putting at risk the very existence of our public universities.

We must overcome any such obstacles. The destination point is too important not to make it.

People will always disagree over ideas; that's to be expected. But we still need to hear everyone's ideas. You've all heard the saying, "There are no bad ideas."

Well, I submit the only bad idea is the one that is never spoken—the one that is never shared—because of the fear of change or because of the fear of those who will not—themselves—accept change.

Not only do we have an opportunity to make some dynamic changes; we have an obligation to do so. If our state-owned universities are to survive: more than that, if they are to thrive into the future, we must be willing to evolve.

We cannot just tinker around the edges; we must be brave enough to explore every option as we move forward.

Through this all, we must remember that there are factors affecting our universities that we do not control.

There should be a larger conversation in this state about higher education in general and the hundreds of institutions that operate in Pennsylvania, many of which benefit from some sort of public support.

In a very real sense, we are working against ourselves competing for students rather than coordinating together on behalf of students.

Several months ago, Gov. Wolf brought together higher education leaders to begin a conversation focused on affordability, and I applaud him for that. Now, we must reaffirm our mission to provide a high-quality, high-value education with any changes we might pursue. Our students and their families deserve no less.

Hear me on this: We cannot resist change simply to protect our own self-interest.

It's not about us. It's about students; those in the classroom today, and those who have yet to be born.

Higher education has always been known for big thinking. And that big thinking has resulted in some of the most important accomplishments ever achieved—from curing disease to landing a man on the moon.

It's time we use that same kind of big thinking to chart our own future.

In a very real sense, this is our moon shot. This is our chance to shape the future of our universities and the future of our students' lives.

To everyone in this room and to everyone in the Commonwealth, I challenge us to harness the same entrepreneurial spirit of creativity and shared resolve that allowed our nation to reach for the stars.

We need an army of individuals who are willing to step up, right now, and pursue real change. Working together to create positive change is the point.

We must act now to create a better future for our students.

I want to thank each and every one of you in the room and those at the university campuses who work every day to make a difference.

The Board and I are proud to serve with you in this great cause. We are excited about what the future has to bring for our System and look forward to the important and pivotal year ahead.

Thank you.