

Inaugural State of the University Address Sept. 17, 2014

James Conover, Chair of Faculty Senate

Good afternoon. Please be seated. Most of you are. (*Audience laughs*). Thank you all for coming.

I'm James Conover, chair of the Faculty Senate, which is the body that represents the University of North Texas faculty. I'm also a professor of finance. It's my pleasure to be here today for the inaugural State of the University and my honor to introduce President Neal Smatresk.

We're joined today by representatives from the UNT System leadership and from UNT, as well as many distinguished guests. As I call on you, please stand and be recognized. And I ask that the audience please hold your applause until everyone is standing.

Please welcome our UNT System representatives:

- Board of Regents Vice Chair and alum Donald Potts
- Regent Milton Lee
- Student Regent [and alum] Chris Vera
- Former Board of Regents Chair and alum Gayle Strange
- Former Regent and former UNT Foundation Chair [and alum] R.L. Crawford
- Chancellor Lee Jackson
- Regent [and former UNT student] Gwyn Shea

And we also have System administrators and the leadership from other UNT System institutions here with us today. Please stand as well. (*Audience applauds.*)

Thank you all for coming.

Now, let's please give a warm welcome to our distinguished guests. Again, please stand as your name is called. Audience, please hold your applause until everyone is standing to be recognized. Joining us today are:

- U.S. Congressman and alum Michael Burgess who is represented by Meagan Everett
- State Senator [and alum] Jane Nelson who is represented by Chandler Haake
- State Representative Myra Crownover
- Denton County Commissioners Hugh Coleman and [alum] Andy Eads
- Bill Patterson, publisher of the *Denton Record-Chronicle*
- Former Denton Mayor [and alum] Euline Brock
- Denton ISD Board Member and Former President Charles Stafford
- Mike Miller, general manager and publisher for the *Star Local Media* Newspapers

We're delighted to have so many of UNT's biggest supporters here with us today. Welcome to you all. (*Audience applauds.*)

Lastly, I'd like to acknowledge members of UNT's leadership who are here today. Would the following individuals and groups please stand to be recognized?

- President's Cabinet
- Deans
- Staff Senate Chair Don Noska and the Staff Senate
- Faculty Senate Chair and members of the Faculty Senate
- Student Government Association President Troy Elliott and Student Government Association members

Thank you. (*Audience applauds.*) Y'all are beating me to the "you may be seated" remarks.

All of these people — and each of you — are an important part of what makes UNT strong. It takes all of us — faculty, staff, students, alumni, administrators, donors, friends, representatives — working together with a common purpose to ensure that UNT will always be an excellent place of higher learning and transformation. And it will take all of us working together with a common vision to take UNT to the next level.

I'm a finance guy, I'm a finance professor, so I deal with data and numbers. And I appreciate the data-driven approach that President Smatresk has been taking to lead UNT. He's been here since February, and in that time, he's taken an in-depth look at UNT's operations and already has begun to improve our organizational structure and processes to make us better. As a finance guy, I also know that numbers and data only tell us part of the story. The rest is in the footnotes. Financial statements take four pages. Financial statement footnotes take 40 pages. The management discussion and analysis takes another 25 pages. (*Audience laughs.*)

So in addition to numbers and data, President Smatresk is also just as focused on listening to what people say about where we should be headed as a university. And as many of you know, he has been making decisions based in large part on that collaborative input.

Our shared vision for the future is what President Smatresk will be talking about today. I for one am excited to hear what he has to say.

But before President Smatresk joins us, he and his team have prepared something that acknowledges the good being done by so many people at UNT.

[[LOVE FOR UNT](#) VIDEO PLAYS]

President Neal Smatresk

President Smatresk gave his address in conjunction with a PowerPoint Presentation.

[Download the PowerPoint Presentation from the State of the University address \(22.6MB, PDF\)](#)

Thank you so much and I'm so happy you're all here. What a great turnout for what I hope is an auspicious occasion. What you just saw, I think, typifies this university. It's an amazing community. Our core strengths are terrific because they focus on the family feel of a campus. With 36,000 to 37,000 students, you could lose that, but we haven't lost it here and it's something we never want to lose. We're going to build on it as we grow into the future. And I know my

wife, Debbie, and I have felt so welcomed in this incredibly special community, and that's because of you. This is an amazing place. You are the ones who've made it that way, and I hope that we can take what we've started and build and reach our dreams.

Now, we have a pretty serious presentation here today. There is a lot to show and a lot to look forward to. I hope the data doesn't get too dense. I'll take you through it kind of fast. But you can always go back and revisit it on the PowerPoint that will be on the web or by reviewing the video of this. I know it's going to be, like, the most popular YouTube video ever. *(Audience laughs)*.

State of the University overview

So, today let's start with a quick overview of what we're doing. First, we'll take a look at the year in review. FY14 was a year that brought new promises and new challenges. We'll look a little bit at the data that drives us and creates decision-making — how we move into our planning process, which I think is going to be something a little different than what we're used to. And finally, we're going to look forward. What will we do this year? What are our concrete action plans? How will we put them into effect? And then, ultimately, how will they connect to the values, the mission, the vision and the dreams that we have?

Financial challenges

So launching right into it, let's start off with the one that we have spent most of our time talking about — our financial challenges. It's important to maybe put this in context. And I hope with the help of [UNT] System officials, and a great new staff in the [Division of] Finance and Administration, these things will be behind us by next year.

But let's first identify what happened. As I got here, we made a series of discoveries with the help of our System friends. We discovered that we hadn't reconciled our books for about 10 years. This is unusual, to say the least. And we didn't then have a strong foundation for understanding the numbers that we were building from. So that was problem one.

Problem two: We appear to have a spending problem. We routinely budget 100 percent of our revenues, and so when we get caught short, our numbers don't match. Or something surprising happens: we're in the red. And what do you do when you're in the red? You pull a little money out of the bank account. Well, this has gone on for at least a six-year period. And we haven't just pulled out small sums. We've pulled out some pretty hefty numbers. As a result, our reserves are depleted and that's a serious situation that we must attend to beginning this year.

And finally, we revealed the depth of a contingent liability we have with the state — our proportional benefits draw-downs. We have been drawing benefits that we shouldn't have. It's a pretty straightforward situation, but that hole that was created when we discovered it and stopped the practice, plus our spending issues, created quite a challenge over the last three years here for our campus. And what we need to do is to move quickly to rectify them.

Overcoming financial challenges

So let's move into the positive elements. Shortly after getting here, I was incredibly fortunate to hire an absolutely terrific VP for Finance and Administration, Bob Brown. Bob, I just want to say thank you for being here. What you've done is nothing short of miraculous. *(Audience*

applauds.) Bob has reassembled the team, built a high-quality team of folks who know how to fix our problems, has been working vigorously with our System. I want to give a shout out to Janet Waldron for a great job, and for being a wonderful partner and for leading a financial transformation process. So let's celebrate a little of the progress we've made. Sometime this week — and I'm looking at Bob and Janet right now — I think we're going to be able to announce that FY13 has been reconciled. That's a big deal. We will then, by the end of November, be able to say we have reconciled FY14. So for the first time in a long time, we're going to stand on solid ground from a fiscal perspective. A year from November, we should have a new chart of accounts, working with our System colleagues, that will create a robust system that gives us the data and the views that we need to better manage revenues and expenses, and to make budgets that make more sense. This is job one because if we don't manage our resources well, we can't reach our goals.

So, in looking at this problem — of course I got here and I said, "Wow, people set my hair on fire." And I can't afford that. (*Audience laughs.*)

So, what really happened? We were challenged. We were challenged as a team. We were challenged as a system. We were challenged as an institution. We rose to the challenge because every challenge is an opportunity. It's an opportunity to get better. And when you decide you're going to fix something, you don't have to go through the mistakes that other people have made. You can leapfrog into best practices. And that's where this university is heading. That's what we're committing to in every single operation that we perform. We're going to move from the back of the pack to the front of the pack so that we can do what we need to give a great education and a wonderful set of academic support services to the wonderful faculty and staff here. So that's a commitment that we make and is a top commitment for this year.

Research progress

Well, enough of the financial issue. We've made progress in a number of other areas. We have overhauled a great deal of the Office of Research. And the Office of Grants and Contracts now is processing grants faster. We hope to continue to improve on that. We won't stop. But if we're going to hit our Tier One goals, we need an effective customer service-oriented research program and Office of Sponsored Projects. We have prepared our Special Item request to support research projects in the Texas Academy of Mathematics and Science, as well as Tuition Revenue Bonds in the form of a new building for the College of Visual Arts and Design and a new science building — both of which are desperately needed to fuel both the creative and technological elements of this campus.

SACS and QEP progress

We have worked incredibly hard — and a good shout out to Allen Clark — because his team has created a great SACS platform. And for those of you who don't know what SACS is, it's the Southern Association of Colleges and Schools. It is our accrediting agency. And it's serious. And we want to make sure we have a great visit. And we have to prepare Quality Enhancement Programs, and in fact town halls on those are going on right now. We invite you all to participate and share your ideas with us about where we will focus to improve this campus and the environment for our students.

Capital campaign progress

Our capital campaign goal was exceeded and we delivered over \$200 million to close our capital campaign. And I'm looking for Eileen [Moran] — I think we topped out a little over \$200 million? (*Eileen responds: \$210 million*) — \$210 million, a great accomplishment and one that we will build on for the next bigger and better capital campaign. Thanks so much to the Advancement staff and to the Foundation for their great work in that.

Eagle Express Tuition Plan progress

We also did something kind of fun and kind of different. We launched something called the [Eagle Express](#). Now the Eagle Express is a tuition program. I think most of you know the state of Texas said, "All of you have to prepare a fixed rate tuition program." And most schools went, "OK, we'll do something." And as a result, they have plans that are slightly above the traditional rate program and they invite students to opt in. Well, the takership of these plans when there's a true option, is generally on the order of 3 to 8 percent — single digits. We said, maybe we could actually do something innovative. Maybe we could be a little bit creative. Maybe we could do something that was better for our students and made us better.

So we developed a fixed rate tuition plan with a kicker. If you can graduate in four years with a reasonable number of hours and a lean curriculum, your last semester your tuition will be \$4,000 less. Now, parents in the audience — those of you who have sent your children to college — I want you to imagine you're at orientation with Stephanie and someone hands you a brochure and it says, "Total academic cost of attendance [for four years] at UNT: \$42,000, \$38,000." Which one are you going to pick? It seems like such an easy choice.

Now, I was asked this question by Brint Ryan, the chair of the Board [of Regents], and he said, "Well, how many students are going to take it?" And I kind of panicked. I said, "Uh, 20 percent," and I thought I was being a little crazy. Well, if 20 percent of our incoming students took this plan, about 800 students would have signed up. And I got it wrong. Instead of 20 percent of our incoming students taking it, we only had 50 percent of our incoming students take this plan. Instead of 800 students, we had 4,700 students sign up. What does that say? It says half of our freshman class wants to graduate in four years. They want a lean curriculum. They want to limit the debt that they get in college. And they want to get to the workforce faster. Boy, I think that's really great for them and I think it's going to change their behavior. Plus mom and dad will be going, "Are you on track? I want that \$4,000." (*Audience laughs.*)

We've got a good situation going on right now, but more importantly, it's a stress test for us. We're kind of used to students taking the slow boat. We're kind of used to them taking five, six, seven, eight years. Let's see if we can get our students through in four. Let's see where the leaks in the pipeline are. And as we do that, we are going to get better. And that's a commitment that I am incredibly excited about and I believe it will transform how we deal with and help our students to prepare for their professional lives.

In addition to the Eagle Express, you're going to hear a lot through today about how we have a focus on students. We're going to really be talking about academic support structures and inculcation and some of those are going to come up in what I guess I'll call the highlight reel.

Password changes

Now, I know this is hard to see, so I'll just touch on a few of the high points. This is an insider thing. On the very top of this list is something that looks pretty mundane to any of you. *(Audience laughs.)* And I hear laughing. How many of you who are here at UNT really loved changing your password every 90 days? And you were up to, you know, W35B005. *(Audience laughs.)* I can't remember that. I'm getting too old for that stuff so I talked to one of our good friends, Michael DiPaolo, who is working with System IT and I said, "You know, I want to make you a hero." *(Audience laughs.)* All I ask is we don't have to change our passwords anymore and he went, "Oh yeah, I don't know why we're doing that." *(Audience laughs.)*

So one of the things you have to do and one of the advantages of new blood is you question what's there. And we now will change passwords maybe once a year and if we don't have a lot of problems, we might not have to change them again. It's little, but I consider it one of my major triumphs of this year. *(Audience laughs and applauds.)*

I've already bragged about it, but we've hired a new VP for Finance and Administration who has an absolutely fabulous staff to work with and now is being complimented by a very strong System staff. I think this partnership bodes well for the university going forward.

Freshman class

We have the highest incoming SAT scores in school history. I have to tell the truth here — by one point, but hey, it's up. *(Audience laughs.)* We have the largest total number of graduates in our history, another auspicious number. Mandatory freshman advising and First Flight — now it may seem obvious that freshmen ought to get advised, but it hadn't been happening until last year. This year, every single freshman and every single transfer student who walks into our door will receive advising. It's part of how we're going to move students through faster and make them more successful. First Flight is an inculcation program, a weeklong orientation and celebration of what it means to be Mean Green on our campus. And I think it's going to be great and will make our alum even happier when they finally graduate.

Community college articulations

We also have really moved hard to improve our CC articulation. Community colleges send us a lot of students. We put seven advisors out and we're trying to develop more efficient pathways. Many community college students accumulate credits they don't need that won't transfer well and support their degree — we're trying make their plans lean as well.

Rankings

We have a lot of good news with various academic programs, but two of the most exciting are that supply chain and logistics moved from No. 23 national rank to No. 6 in one year. Oh my goodness, that's nearly unheard of. This is an amazing program, and with Alliance in our backyard, a very important economic driver for our region.

Another famous program that's really important for us is our accounting program. It had slipped out of the Top 50 and this year it moved in at number, I believe, 38 and 42 [46]. I'm looking for Finley [Graves]. Help me, is that about right? Thank you. You wouldn't disagree. He's too gentlemanly. *(Audience laughs.)* But what I love about Finley is he said, "You know, it's really

nice we're back in the Top 50, but let's not celebrate until we're in the Top 25." And I love that attitude and that's going to carry us a long way. So, thank you for that. Our accounting program is one of the rocks we built this university around and has many of our alum – like Brint Ryan and others who have been through it — and have done extremely well.

Research and student union space

Along with that, we opened a number of new labs at Discovery Park and we hope to continue that process over the next couple of years as we move some System facilities out and continue to build our research space. Research space is critically limited on our campus and you'll hear me discuss that later. We also broke ground and topped off our new University Union. The topping off ceremony was, I believe, just last week. It feels like about four weeks ago. But that will be one of the largest student unions in the state and in a state that's known for liking really big things. *(Audience laughs.)* It's a fantastic facility and we've got some real surprises for you in store when we open it up.

Faculty recognition

Some more highlights. And I just have to say I almost didn't put in individual faculty highlights because there are so many incredible faculty here, being so awarded and so honored that you don't want to leave anyone out. However, just to make the point, two of our faculty have done some really outstanding work. Angela Wilson, who has also been a fellow in the Provost's Office, was named by the American Chemical Society the Woman Chemist of the Year in the country. That is no small accolade. That's an amazing tribute to the quality of our faculty. She's in our computational chemistry program, a nationally recognized and prominent program. We also have Richard Dixon who was named president-elect and president of the American Society for Plant Biologists. And oh, did I forget he's also in the National Academy of Science and he was just asked to serve on the genetically modified food panel for the United States, which is going to be controversial and very interesting. But it tells you that UNT faculty are in demand and recognized on a national level and that's what we bring to the classroom. In fact, I'm going to say this more than once through this talk. I will put our faculty up against the faculty anywhere. They're terrific, and they're terrific because they care.

UNT Alumni Association

We also hit 10,000 [members] for our alumni association. Now, on the one hand, that's a number to celebrate. On the other hand, we have 361,000 students who've walked through our halls. Ten thousand is simply not enough. And you're going to see that in our plans for next year engaging our alumni, bringing them back and having our alumni take a more active role in the development of this university will be incredibly important.

Other highlights

Our libraries rank ninth in North America for digital holdings. We have a number of sustainability efforts underway. Oh, and by the way, we beat UNLV in the Heart of Dallas Bowl. *(Audience laughs and cheers.)* And shortly thereafter hired a new president. *(Audience laughs.)* That's on my highlight reel.

Metrics

I talked to you about metrics and you heard Jim talk about metrics — and thanks for the kind introduction, Jim. Metrics are important. If numbers don't move, you may not be making the changes that you think you're making. And while they don't tell the whole story, we better take a look at them every year.

We have a number of metrics, and this is a partial list that measure student progress, as well as institutional progress that embody the Texas National Research University Fund characteristics as well as the gold standard of rankings, the Carnegie Classification of Universities. Now, to put this in perspective, we would aspire to be a Carnegie RU/VH university, which isn't to be confused with some kind of recreational vehicle. (*Audience laughs.*) RU/VH means Research University, Very High Research Activity. We are currently in one notch down from the top as an RU/H university. There are 108 RU/VH institutions in the country, basically the top 100, primarily a measure of how much research funding you get. There are about 99 in the RU/H category, so the good news is we're in the top 200 of research universities in the country. And that's a pretty darn good place to be, but it isn't good enough and you'll hear me talk about our Tier One goals as time goes on and we will reach our Tier One goals one of these days.

There are a number of challenges, and I'll be leading you through those as we move through the presentation. We also have a number of key measures that will make every year with a hot chart — now this isn't it. And part of the reason this isn't it is because when we look at our data structures, we have two data warehouses, each of which have different data — one of them structured, one of them is unstructured. We use one of them for some measures and one for another set of measures. Did I just turn lights out? No, I turned the projection off. (*Audience laughs.*) There we go. And what we need to do is have one very good data warehouse to draw data from that we can use to measure ourselves, as well as allow our sister institutions in the System to have great measures for them. So this will be another one of the major projects you're going to hear me talk about that will be done in collaboration with System IT.

Enrollment and retention

To recap some highlights, our numbers are pretty flat this year, but our full-time student equivalents are up, which means students are taking more classes and our retention is improving. In fact, our first-year retention numbers jumped 2.5 percent, which in the world of retention is a big jump. If we can do that for two or three more years in a row, we will really have met peer standards in a strong, strong way and it's a top priority. And I'll point out that a student retained is a student who is paying tuition, and helps our revenue flow.

We have great celebration in the number of Ph.D. degrees we've produced — up 27 percent. Now, we had a bumper crop this year and I'm not sure the number will be replicable, if this is something stochastic or if it's something we're building on. But one of the things great research universities do is produce Ph.D. students and our numbers certainly are reflective of that right now. We've got to keep the pressure on there.

Rankings

Research space is up because of the modifications I've talked to you about. We have 14 programs in the *U.S. News & World Report* rankings in the top 100, and that is actually a really strong number. It almost makes you wonder what ranking systems are all about, because there are

certainly programs ranked Carnegie RU/VH that do not have 14 programs. In fact, I was talking to Tom McCoy, our VP for research, and he said, "Well, at Montana State, we hit Tier One generating about \$100 million in research a year. We had about five top 100 programs." So by all measures, we have a high level of national visibility on a program-specific basis. We now have to convert that into recognition for our entire university.

Graduation rates

Our graduation rates are up and our endowment's up. Now on the downside, our graduate numbers are down. But there's two reasons for this. One: As more students move into Ph.D. categories, fewer students will be in the master's category. Two: The College of Education, which trained hundreds and hundreds of graduate students in master's programs for upgrade salaries and degrees for teachers, has lost a great deal of enrollment because the state of Texas isn't reimbursing master's degrees like they used to. So we now have to create a new business model in our College of Education. I'm not going to say that's bad. I'm going to say that's one of the challenges that Jerry and his team are going to have to look at to see how we can continue to add value to K-12 education by offering upward paths for the teachers who are around us in our region.

Faculty

The number of tenure-track faculty's down — no surprise after three years of cutting budget and concomitantly, the level of research funding is down, about 12.7 percent. I would say if there is any statistic up here that really concerns me, it's this number and it's one we have to attend to and you'll see it features prominently in our plans going forward.

5-Year Metrics

We won't just use year-to-year comparisons, of course, we're going to look at five-year trend lines. These [charts] have no specific significance so don't bother trying to read the little teeny, tiny titles. What you'll know is that these will appear on our website once we've cleaned up the data and we have some degree of confidence that it's accurate. And you'll be able to see not just the hot chart with year to year, but you'll be able to watch five-year trends for all of the variables that guide how the institution grows and prospers, how we manage students and how we achieve national prominence. So, this is going to be something publicly available and we'll test ourselves every year to see how we're doing. If we're not closing the gaps, we'll have to get on it and develop a new plan.

Budget

Let's talk about our budget. As I said before, our custom was to budget 100 percent of our revenue every year. How many of you do that at home — 100 percent of your monthly budget, no problem, already budgeted? You don't do it, do you? You put a little money away in the bank. That's what we have to do. So, our budget estimates for this year are that we're going to earn about \$548 million, but our spending will be about \$539 million. Now there are some other lines on there, it's more or less pass-through. Don't worry about it. What that means is we're going to have about \$9.1 million as a buffer, a pad. This is conservative financing. I'd prefer being more conservative but there is a balance that we have to achieve in how much we cut versus how much we spend versus how much we save. It leads to a set of budgeting priorities, and you can see them in black and white. Our first commitment is we will stay in the black. We will not go into

the red, unless something incredibly unforeseen arises. Our second is that we will build our reserves back up to a healthy status. Our third will be, even in the worst of times, we will provide a very modest merit raise for our great faculty and staff. And I just would submit to you that in a budget-cutting climate — when we still commit to raises — that is the litmus test of sincerity. We believe in you. We want you to know that we value your work, and that when you're meritorious, there will be a reward.

We will also account for all of our ad hoc funding. We had a curious habit of having very large pieces of budget that never showed up in any budget. It was just fixed at the end of the year. We've tried to gather those all up in a bucket. I know one day Bob came in, he put his head down on my desk and he went, "You can't believe this, Neal." But I think we've tracked down most of them because we hate surprises.

Once you've done that, your budget's about right-sized. We also have accounted for all non-state-funded benefits. There won't be any charges to the state that aren't 100 percent justifiable, at least to the best of our ability — unless someone changes work classification or something otherwise complicated. We'll have a little bit left over. We hope to invest in student recruitment and retention — it's our core business, it's where our revenues come from. We need to focus on it. And we're also going to improve our operations.

Planning Process

I talked a little about a planning process. This is new for the campus and it's being done in a slightly different way. Plans are not a set of goals. Plans are a series of action steps that you use to get to your goals and that you measure yourself against with real numbers. So, one of the things we heard as we ran a wonderful planning exercise, a planning implementation workshop this past August — we had 120 faculty, staff, students, community members, academic leaders and rank-and-file come and sit around the table. And during this time, I heard all kinds of things about what we were doing right and what we needed to do better. And one of the things we needed to do better was to get out of the silos we were living in. I heard it time and again. "We're siloed. It isn't good for us. We're not always sure what's happening."

So the first thing we want to do is promise the world that we will get out of our silos. We will be collaborative. We will be transparent. And we will be adaptive. And one of the mantras that I would like to say came to me from my co-facilitator, Sara Smith, who's joined us today, is that we are going to try our best to turn common sense into common practice. Sounds easy, probably a little bit harder than it sounds.

Our annual planning cycle will focus on urgent issues and on closing our Tier One gaps. But it will also have a pulse that we'll see soon. The planning implementation workshop will go on annually. After you're done with that, if you don't align your budget to your planning goals, you may not actually have a plan. And so that's the other commit we're going to make. When we decide we're going to do something, we'll fund it to "get 'er done." We'll also report our results and update our annual metrics. And by the way, there will be planning implementation teams headed up by Bob Brown, Tom McCoy, Warren Burggren and Elizabeth With. They will have accountability for delivering these plans. We'll put them into project management format. We

will deliver change to this campus in a way that everyone can track and that will be healthy for us as an institution.

After we report out our progress, we turn the crank and we do it all over again. And so every year, we're going to be in a planning exercise that will continue to move us closer to our goals. Our planning will evolve, while we'll look at urgent issues as they arise. This year, when we looked around, we decided, especially with our financial situation, that a focus on operations was going to be utterly critical, and that improving revenue flows would be necessary for us to have the funds to invest so that we could get a return on that investment in the form of enhanced student success and research. And we also decided that we needed to align our academic support systems to those operational challenges that we faced as well as to the student success pieces that are healthy for everybody.

Next steps in planning process

One of the other things we heard in our planning exercise is we kind of have to get rid of something called the "UNT runaround." Yeah, I hear the laughter. I heard it a lot — we eliminate the runaround and we develop a "can-do" attitude. And I think that's a key feature, and I've heard so many positive comments about how we're going to be able to systematically attack this. I really appreciate the support of all of you who have sent in comments and recommendations on it.

Next year, we'll begin to align academic programs to our mission and our values. We will support the world around us with what we do. We will build on our strengths and we will build further strengths. But we're going to do it incrementally, so we have to make very wise decisions about where to invest limited resources. Finally, in the following year, we will focus on the unique attributes of this campus, our creative spirit, and how that becomes our identity, creates a market niche and builds us toward national prominence our way.

And so these three topics give you a thumbnail sketch of how planning will proceed, and in each case being followed by implementation steps that put plans into action. We're not going to only do one thing at a time, though. Can't afford it. We'll be working on all of them at a time but it's a question of focus and attending to the most urgent issues first. And that's how we're going to approach this, year in and year out.

Priorities

Now let's take a look at our priorities. There are a lot of priorities. I've got to set this up by saying when you run a planning exercise and you use large groups of people in listening exercises to surface issues, you're going to surface a whole lot more issues than you can attend to in any one year. But that's ok, because we have to get started. Time's a-wasting. We need to focus and move, recognizing we may have bitten off more than we can chew for one year, and that we'll continue to make progress in years two, three and four.

We'll look for critical leadership hires in the VP area and dean areas where we have vacancies. Those are going to make us stronger. We'll improve our operations, eliminate the "runaround," break down the silos and encourage a "can do" attitude. If I could break that up into a series of tasks for you, it would be daunting. But I think what you have to know is that every single shop

in this university is looking at how it's spending, whether it's efficient, whether we can manage costs better and how we can improve customer service. It's a mandate. It's not an option, it's what we're going to do.

We are also going to reward high-performing faculty and staff, we're going to move to performance-based funding by departments and colleges. When a college does better, they should share in the reward. I want to offer that to every dean who's sitting out there.

I see Costas [Tsatsoulis] perk up. Why? And I see Dorothy [Bland] perk up. She's laughing. Dorothy, who is head of the Mayborn School of Journalism, had a 24 percent increase in enrollment this year [*Editor's note: Journalism enrollment rose 9.4 percent and student credit hours rose 24 percent this year*]. Bravo, Dorothy. (*Audience applauds.*) Costas, who leads one of the most rapidly growing units in this university over the past few years, and one of the most diverse, I might add, has seen in the College of Engineering 17 percent growth this year after a year of about what, 20, 24 percent growth last year? [*Editor's Note: Enrollment in the College of Engineering increased 16 percent this year and 14 percent last year.*] Incredible gains. Congratulations to both of you. (*Audience applauds.*) And the check's in the mail. (*Audience laughs*). Really, talk to Bob [Brown].

So, we will be working on also how we can advance ourselves to our goals by providing training to people who may not have received it, by mentoring people, by letting people participate, by improving their skills.

UNT System

Other operational priorities, working with our UNT System. You know, I think for quite a while we just didn't want to do that. But the time has passed for us to be worrying about who provides a service. We have to function. We must get this done. We will do our part in being effective partners. And the System in turn is going to do their part in assuring good customer service and strong delivery. Working as partners, I think we can find our way through to the end. And this isn't a question of "if," or wringing our hands, it's about getting it done and delivering change, whether it's in HR, business processes or data warehousing. We know that we're going to make a lot of progress this year, and we're already well underway and well down that path.

Fundraising and alumni engagement

We'll also use strategic planning and project management to improve accountability of the implementation teams. One of the things I'm most excited about is we've had a long talk with our Advancement group and our [UNT] Foundation group. The Foundation group built a tiger team, they listened to what I said I hoped and dreamed for from Foundation support and for the university's fundraising efforts. They are now great partners. After some years of tension, I might say, we are now embarking on a joint exercise to build a new structure for Foundation and Advancement that I believe will help launch us into the next even-larger capital campaign. And I appreciate the efforts from Jerry [Holbert], from Bob Kimmel and from others who I think have just done an incredible job. Sam Golden in leading the tiger team as well.

We're going to also find ways to engage alumni in the community by celebrating our creative, cultural, athletic and aesthetic strengths. As Rick [Villarreal] might say, I want to see the stands

full. I want to see the hall full. I want to see alumni and community here, wearing green and supporting our institution. We need to bring people back. And that's going to be a strong priority. And it came out time and time and time again in our planning session. Bring our alumni back and create value in the relationship.

Physical infrastructure

We'll also be improving our physical infrastructure. I'm going to go over this list pretty fast, but we've got a number of key renovation projects, we're going to improve campus aesthetics, things like landscaping, parking, some of this project is all underway. You're going to see it rolling out over the next year. We want people to come on campus and we don't want them to say, "Gosh, those streets look funny." What we want them to say is, "Wow, what a beautiful campus." So, we're going to have a number of conversations about this and we're going to be putting specific projects into play, some of which we've started and some of which we'll continue.

We are going to continue and complete our capital projects like the University Union and the honors hall. We're going to create a master plan for Greek housing. We're going to acquire properties around our campus to expand our footprint. We will be a growing university. We need a proper gateway, we need a place to communicate better with the public. We need parking. Anybody? Parking? (*Audience laughs.*) And we also need to pursue our TRBs for — as I said — CVAD and for the research building. And finally, and this is something I give Bob [Brown] a lot of credit for. Our Facilities was in the habit of charging quite a bit for some of the things they did. We were reviewing those now. Some make sense, some didn't so much. We're going to be improving our pricing structure and customer service from our Facilities shop, so that the burden that some of the deans have felt as we work on these things is lessened and we're partners in creating a better campus infrastructure.

Enrollment planning

Student enrollment was worth its own section. We're currently closing in on a search for a vice president for enrollment. This is a big deal. Enrollment's our bread and butter. We need to adopt best practices, modern practices. We need technology-driven, data-driven, overarching goals for how we recruit. It's a huge, a huge deal for us. We have to market ourselves better. This is a top priority. And I hope we'll find an outstanding leader to help guide us into this new recruiting era. Because the competition's gotten kind of fierce. Where Oklahoma, Kansas, Arizona, Texas, Arkansas, Alabama — they're all coming to the metroplex to take our students! I don't know why we want to convert Texans into citizens of other states. I say we should particularly avoid converting Texans into Okies! No offense, Okies. (*Audience laughs.*) So, we have to do a better job of keeping our students and in turn we have to do a better job of bringing students from all over the country and the world onto our campus.

We're going to be using the Eagle Express to drive graduation and retention rates. We'll improve financial aid distribution so it's faster, more timely, and supports our recruiting goals. We're going to simplify our fee structure. I know the regents are going to be happy to hear that, since students have a little bit more truth in advertising and can manage their finances better. And we're going to particularly — and I want to put an exclamation point on the end of this sentence — move toward minority- and Hispanic-serving institution status. Now, some of you say, "Why is that a goal?" I simply say to you, take a look at the demographics of Texas. They're changing.

We want to live in a prosperous state. If we're going to make a difference, we're going to embrace the education of first-generation students. And that transformation will ensure that Texas remains strong and prosperous in the future. And if we don't do it, if we turn our backs on this primary mission that we have, we will fail as a state. So I have to tell you, this is a strong priority. And I believe it's one of the things that gets me excited about waking up every morning. The transformational effect we have on the lives of students is huge.

Academic priorities

We have a number of academic priorities. I'm not going to really go over them all, the list is pretty long. But we are always, you'll always see something about improving the quality of learning outcomes in the classroom experience. It's a top priority for our provost and his team this year. We'll be creating much more focused retention programs, turn-key programs, that I think will enhance not only the success of Eagle Express students, but will also help our students to stay in school and be successful and graduate in a timely fashion. We're going to support the Eagle Express, we're going to expand summer offerings and we're going to have more lean degree maps so that students don't have to waste credits, *if* they know what they're doing. Now, some students will take a slow walk and change majors three or four times. That's OK — that happens. But we want to make sure the option is there to move quickly and to graduate in a timely fashion, if they're up to the task.

Class concierge

We also are going to do some things that I would call low-hanging fruits. We're going to appoint a class concierge this year from within the university. What might that be, you asked? Well, imagine you're a senior who's been waiting a year to get into the last two courses you need to graduate. And every time you try to get in, it's filled by other seniors who are more senior than you. That's a tough go. We're slowing people up. We're adding to their student debt. We're keeping them out of the job market. We want to be able to find someone who'll offer expedited service and support to help those students with those needs clear their degree programs and graduate in a timely fashion. I think the students are going to love it. I'm looking at Troy [Elliott, SGA President]. Sound good, Troy? (*Troy responds: It does*). Well there we have it, the student council president has said, "This is good." And it's something that we can deliver on pretty quickly.

Professional development

We'll align our academic and professional development programs better for student success. Now, I kind of chuckle about this. We actually have a statistic that we measure on a regular basis, which is the number of students employed on graduation. And our number is 73 percent for this year — 73 percent of our students are employed as they receive their diplomas and walk out the door. That's a phenomenal record. Now, just for fun and for the sake of comparison, we'll look at — UT. Sixty percent of their students are employed as they receive their degrees. Now, of course, the folks in the ivory tower go, "Well, you know, our students — they're going to grad school." My rebuttal? "Our students got a job." I think it's something that we can be proud of and it's something we can celebrate and it's something we can do better than anybody else in the state. And so, I'm very enthusiastic about how we use internships and practical programs and professional development programs to help move our students along and get them into the job market so that they can begin to be successful and productive citizens.

Departmental evaluation process

We're going to launch — and this is a really important one — a comprehensive departmental evaluation process using as much of our data as we have, using some help from some outside consultants. We'll be offering each department a view of itself so that they can see where they sit, vis-a-vis Tier One standards and national prominence or Top 100 institutions. And that's going to be part of a dialogue that we develop over the year so everyone knows that they can play a role and what the proper role for that department can be. Again, we have a limited amount of resource. We have to invest it really wisely. This kind of a conversation will help us to focus on where we can use our dollars to the greatest effect.

125th anniversary

We're going to launch a mass commencement in the spring of 2015. And as you'll see later this is going to be part of our 125th-year anniversary celebration. We were founded in 1890. Next year's a big, big year for us. I'm really excited about it. A lot will be in store, and I feel like saying I'd give a free parking pass to anyone who knows what the name of a 125th anniversary is in the next five seconds. Oh, time's up. (*Audience laughs.*) It's called a "quasiquicentennial." And so I look forward to celebrating our quasiquicentennial with all of you.

We will also learn to, once again, infuse that creative spirit that I think our campus embodies so well into our academic programs. And it will be a discussion item this year so that we can begin thinking about it from an identity perspective in the years to come.

Research focus

In research, again, Tier One focus, closing the gaps, supporting research, enhancing collaboration — all very high-level prospects. We need to definitely grow our Ph.D. numbers. We have a problem, here in the state of Texas we charge graduate students tuition. Almost every other state waives tuition for anyone who's a graduate teaching assistant or for anyone who has a graduate fellowship. I'm just going to say this is Texas shooting itself in the foot. It is not a strong policy because it prevents the emigration of brains into our state. We don't want to be a net exporter of students to other states that compete more vigorously for grad students. We want them to come to Texas. Now, it's not just a problem — it's less of a problem admittedly for a couple of the bigs, but it's a serious problem for all of us in this RU/H band, because we're in a national competition for the best and brightest, and we need to roll out the red carpet. Because we want them here participating in our economy, and I would invite a dialogue on this with any of our state representatives or senators.

Mentoring

Along with asking everyone to step up, we have to continuously be mindful that unless we offer improved mentoring, guidance and support to our faculty and staff, that we have asked them to do more without helping them to achieve more. So mentoring programs are going to become very important over the next couple of years, and we're going to make sure that we get people ready to hit the on-ramp and ready to run.

Technology Transfer

There are a number of other initiatives. I think stand-outs among these will be that we are going to be building a technology transfer office, hopefully turn-key, bringing private entities into the campus, bringing our research out to help support the world around us and helping to do technology transfer, intellectual property so that we can launch more small businesses. This is important. That level of entrepreneurship is something that's languished on campus. And we've got a start and Tom [McCoy] and I have our friend who used to be the CEO of the Rand Corporation for 27 years who helped me when I was at UNLV, building a tech transfer apparatus. And he'll be coming here soon and working with us along with some friends from the Brookings Institution who are very, very good at this. So, we're going to put a plan in place and we're going to start ramping up our ability to add to the economy by increasing intellectual discovery and innovation.

Collaborative support

One more priority: Let's celebrate our 125th anniversary! We'll have a series of events starting next spring, moving into our graduation — the first mass commencement ever. We'll then move that into celebrations as we open our new student union, as we give next year's State of the University address and finally close with an amazing Emerald Eagle Gala that we are beginning to plan at this time. So, I invite all of you to please come to campus and celebrate with us.

Now, the list that I just gave you is ambitious, it's too long and it's going to take a few years to do. But we've got to get started. There are low-hanging fruits in the list that we can knock off very quickly through quick actions, rearrangements of existing personnel or with very few dollars involved — and we're going to go after them immediately. But here's what I have to say to all of you. This is a daunting list. But if we have a "can-do" attitude and we work as a team, we can achieve a lot. We can make it to the end and we're going to be a better place as a result of it. So, this is an all-hands drill. I need your help. We need your support. We won't reach our hopes and dreams unless we can fix some of our operational challenges and then begin collectively building a future together.

Now, during the planning session, we not only discussed how we would work this year, but I indicated that I would commit to a year-long departmental listening exercise. I will visit every department and hear from all of the faculty and staff of that department. I want to understand what your challenges are, where you feel the service isn't as strong as it should be, but what your plan is to help us achieve national prominence and how we get there. Now, I have to chuckle because I think the answer isn't double the number of faculty and dollars. The answer is more thoughtful than that. We each play a role. What is the role that you'll play if you have limited resources? And I've said, think of me as a venture capitalist and you are trying to sell me on what you can do to make this university better. And I'm going to invest in you if I think there is a great return on that investment. There's a competition for resources. We have to be smart about how we use them, and so we're looking for great ideas, innovative ideas — things that build national prominence, improve research output, increase the number of students that we have, improve their success and serve our region. Those are the coins of the realm. And I'm looking for a great discussion with every single department about how we engage those topics.

Values

Now, as we went through our planning exercise, we began to seed the way for the next year's exercise and the following year's exercise so that we got the juices flowing. One of the questions I asked is, "What is our value to the world around us? What does the world need from us? What does our region need from us?" And if you really think about it, what the world needs from us is our mission. It's what we need to deliver on. If we can deliver on that promise, everything else is going to fall into place. The world's expectations of us — and here's what I've heard so far — are that we transform populations. You've heard me talk about it. It's the thing I think we do that is most utterly important and urgent to our state. We promote human development and an educated citizenry. I think that may sound like a throwaway line but we want people who can make great choices in life. We will add to the aesthetic and intellectual capital of the world. Someone has to show the region around them the mountaintops — usually that's a bastion of higher education. It's one of the delightful things we do, whether it's cultural, aesthetic, intellectual, scientific. We elevate the region around us through our presence. We solve problems. We drive the economy. And we are helping to create a modern workforce. That's what I've heard so far.

Dreams and expectations

What I want you to all do — I'm going to wave a little card here. I think when you came in, you may have received a card — do you all have it? OK. This card has two sides. One says, "What does the world want from UNT?" I would love for you to fill this out. And if you don't want to fill it out here, I'd love for you to go to our [website](#) and tell us what you believe the world around us needs from us. On the other side, "What is your greatest dream for UNT?" Now, this is a chance to blue sky it. This is an opportunity for all of you to participate in the vision that we're going to build for over the next three years. And so I hope you'll fill it out or go to our [website](#), and I hope you'll really give it your very best shot. This is important because we are listening. And in fact, here is what I heard from folks around campus about our dreams for UNT.

[[DREAMS FOR UNT](#) VIDEO PLAYS]

(Audience applauds.) Well, I've got to tell you, all of us have dreams. I just heard some big, audacious dreams. But one thing I want all of you to know is we're not done dreaming. We will find a path to national prominence. We will find a path to Tier One. And we're going to do it by working together. All of you who are here, I need you all in, the university needs you all in. We're going to pursue our dreams. We will chart a course and we'll get there with all of your help. I thank you so much. And I hope that if you have questions, you'll follow them up with me in the hallway as we go out. Don't forget to leave your cards in the baskets on the way out. And thank you! We're done. *(Audience applauds.)*