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State of the University Address

**September 19, 2013
11:30 am – 12:30 pm**

**Convocation Hall
Old Arts Building**

**I.V. Samarasekera, OC
President and Vice-Chancellor**

- Faculty, staff, and students . . . colleagues and friends,
- Thank you for joining me today. I know that there are many demands on your time and I thank you for making this occasion the priority for the next hour. My plan today is to speak for about a half hour, leaving another half hour for your comments and questions.
- I haven't addressed the University of Alberta community from this historic space since the launch of our centenary celebrations in January 2008. I wanted to invite you back here today to remind us of where this university has come from, and hopefully, find inspiration for how we can move forward.
- Some of you may know that there's a bit of a story behind the construction of this building. As this the anticipated main teaching building on campus, the sod-turning for its construction occurred to much fanfare in September 1909.

- Indeed you've likely seen the photo taken that day—Premier Rutherford is holding a plow with a crowd of people looking on from behind.
- The plan for the building was ambitious but after the hole was dug and the foundation poured, everything stopped. There was disagreement between President Tory and his faculty about the building's design.
- Then, there was a change in government, and with that, came changes to the University Act and a setback in university funding.
- Sound familiar?
- It all added up to a hole in the middle of campus that collected water each spring for four years.
- By 1913, Tory had managed to shore up the funding and support needed to move ahead once again and by 1915 the building was nearing completion. And then.... the money ran out again with only the roof left to go.
- Not to be defeated, Tory turned on his impressive powers of persuasion and convinced the contractors in New York to finish the building and allow the university to pay over time.
- And thus the building was finally completed and from that point onward became the heart of campus. It housed the library and classrooms—the Senate and the President's Office—and of course, this hall for gathering the community in celebration and reflection.

- Today it's hard to imagine that this building had such a rocky beginning—and yet, for me, this building and its story reminds me that *persistence and resilience* are as hardwired into the U of A's culture as excellence and ambition.
- Until this year, I have held a major welcome event in the main gym for about five or six hundred new students and their parents. Each year, I took a different theme for my speech, but one message remained the same: I asked them to be open to change.
- Open to hearing new ideas. Open to the insights of their professors and classmates. And open to a change in their plans and their programs. A university education fully experienced, I tell them, has the power to truly change their lives.
- None of this will surprise you. I believe that you and I stand united in our belief that education and research are quite possibly the most powerful agents of personal, social, and technological transformation available to humanity.
- All of us strive to spark and facilitate change—as teachers, researchers, and learners.
- And, yet, like all other types of organizations, we also struggle to make important institutional changes even when we recognize that it is vital that we do.
- Today, I ask all of you to be open to change.
- Our university faces serious challenges that call each of us to action and leadership. Decisions have been made by the provincial government in the last several months that have been out of our control. However, we **can** control the steps we take next.

- I want to assure you that I have been doing all in my power to mitigate the impact of provincial decisions. Members of the senior leadership team and our Board Chair have been doing the same.
- We meet frequently with government officials at all levels, speaking powerfully about the role that the University of Alberta plays in the province.
- We speak about how Alberta's future economic prosperity is directly linked to Albertans' ability to participate on the global stage, diversify and build new industries that match the strength of the energy industry today. Who will be those innovative Albertans?
- The highly skilled, educated workforce emerging from our university.
- Where are the seeds of social and cultural change, health and wellness, and resilient communities planted? In the innovations in social, legal, and economic policy as well as advances in knowledge emerging from U of A scholarship, creative activity, and research.
- To make this case, we often draw on historical evidence showing that much of the province's current prosperity is an outcome of U of A teaching and research. More importantly, the historical record also shows that U of A alumni have provided essential leadership in every sector of society—whether we speak of the province's vibrant theatre community, its strengths in healthcare, or its world-leading K-12 educational system. And that's not just history.

- Alberta government data confirms that 89% of Alberta university graduates today choose to live and build their careers within the province. 72% of U of A graduates, in particular, stay in Alberta.¹
- Given that the province projects a labour shortage of 114,000 workers over the next decade—62,000 of whom will require a post-secondary education—it is clear that our institution is filling an essential role.
- The faculty at this university are a catalyst that sets the stage for our students to go on to do great things.
- In the soon-to-be-release study by two of our faculty members about the impact of U of A alumni, we have learned that the annual revenue of organizations founded by alumni is over 330 billion dollars. Yes, billion with a B.
- Our alumni have impact and so does our research. Many of you are working with provincial partners—in government and throughout the community—to strengthen such areas as Alberta’s health system, its environmental regulatory policies, its agricultural outputs and cultural organizations. Your work is affecting the daily lives of Albertans—and making those lives better.
- We have also spoken in detail with government about the budgetary pressures resulting from year-on-year enrolment increases—in the last 8 years, our student enrolment has increased by 14%--that is nearly 5000 students.
- We stress our commitment to being accessible. We’ve opened our doors for three important reasons:

¹ These numbers have been corrected since the speech was originally delivered and posted. The statistic that 89% of all universities graduates in Alberta stay in the province was originally attributed incorrectly to only U of A graduates.

- First, because we recognize that access is a central priority for the province and for parents—as I just mentioned, the province is going to need highly skilled educated people to meet the labour shortages of the future.
 - Second, because we believe that as citizens of this province, our young people should have access to a post-secondary education that stands up against the best in the world.
 - And third, because we believe that if we limit enrolment too much by raising entrance averages unreasonably high, we will be closing off opportunities for students who have the capacities and talents to succeed here and after graduation.
- To continue to support the province's access goals, however, the Campus Alberta grant needs to keep pace.
 - This gives you an overview of the kinds of conversations I've been engaged in and will continue to have—not only with government but also with a wide-range of third-party advocates. I believe that the conversations I was able to have with Premier Alison Redford while in China were positive.
 - However, I believe that we now need to move forward with the understanding that the province—like most other governments in North America—is pulling back from a period of major public investment in our sector.
 - We must now focus on making the necessary changes—on both the academic and administrative side—to bring about long-term financial sustainability and stability. Simply put we must bring our operating expenses into balance with operating revenues in order to support our core mission with excellence.

- Since March 7, we have been working to do just this. We've acted and put in place new budgets and plans for handling the reality of the 7.2% reduction in the Campus Alberta grant. We have tried to do this while preserving as much as possible our core mission and the quality of our students' educational experience.
- We haven't always been able to fulfill our original hopes. We had hoped, for instance, that we would not have to offer a program for voluntary severance or retirement.
- We did not want to ask the associations to open discussions around amending agreements and we respect their decision not to agree to do so.
- We felt that those agreements had been negotiated in good faith, and that both faculty and staff associations showed leadership across Alberta's post-secondary sector by coming in under the anticipated 2% increases promised by government.
- You and I both recognize that the university's greatest resource is people. It's talent. And we recognize that there are risks to our reputation, to our ability to deliver excellence in research and teaching, which come along with amending agreements and seeking voluntary severance.
- However, we have had to make some difficult decisions.
- In late August, Deputy Premier Thomas Lukaszuk informed us that we should bring the U of A's budget into a balanced, sustainable position by April 2015—a full year ahead of the schedule we had proposed in our Comprehensive Institutional Plan.

- That means that our plans to manage a total a reduction of \$84 million dollars in our Campus Alberta operating grant over three years must change. For 2013-2014, we reduced expenditures by \$28 million—and now we must find the remaining \$56 million in the next several weeks, as we prepare the 2014-2015 budget for the process of governance approval which will begin later this fall.
- We must act quickly.
- We simply cannot make a reduction of this magnitude to our operating budget in one year without looking at our largest expense—the compensation of staff and faculty. Thus, we have offered the Voluntary Severance Program. And many units have also offered voluntary severance options to NASA employees in accordance with their collective agreement.
- Since April, the number of full-time equivalent positions affected due to this year's budget reductions is approximately 143 .This includes lay-offs, abolished positions, closing of vacant positions and retirements.
- We've let go employees of talent and skill, and the U of A is diminished by their departures.
- We are, I believe, united in the ultimate goal. That is to preserve and enhance the University of Alberta's core mission of delivering excellence in teaching, research, and service supported by sustainable, balanced financial models.
- Let me turn now to the longer-term outlook. I want to share with you now the outlines of a three-year action plan that should lead to the stability we need.

- The plan consists of four main strategic objectives, guided by an overall commitment to our core mission and excellence. This commitment was the focus at the senior leadership retreat in late August.
- The Board of Governors met last April and also publicly reaffirmed their commitment to building one of the world's greatest public universities.
- Let me take a moment now to read to you the U of A's core mission statement as it appears in *Dare to Discover*.

Within a vibrant and supportive learning environment, the University of Alberta discovers, disseminates, and applies new knowledge through teaching and learning, research and creative activity, community involvement, and partnerships. The University of Alberta gives a national and international voice to innovation in our province, taking a lead role in placing Canada at the global forefront.

- It is **this** mission statement that will guide and inspire us as we make decisions in next three years to achieve the four objectives of the action plan.
- Objective #1: Academic transformation
- The University of Alberta is always evolving and continuously seeking improvements. *Dare to Discover* and *Dare to Deliver* have guided this evolution over the years of my presidency. This work will and must continue.
- What are the next steps? The following are some priorities to help us achieve the transformation we need now given new financial realities, many of which we have already been working on.

- The priorities are:
 - Build a stronger, more vibrant graduate research culture. This is something that distinguishes us within Campus Alberta—and along with our other CARI partners, we continue to make the case that graduate institutions require differentiated funding models.
 - Take greater advantage of opportunities for collaboration and cooperation between faculties to reduce duplication and leverage common or related strengths—both in terms of academic programming and administrative management of faculties.
 - For example, the Acting-Provost has asked the small health sciences faculties to move ahead with plans in this area.
 - We also need to ensure that we engage in active and efficient processes of program elimination and renewal. Adding new programs is critical but so is eliminating programs and courses which are consistently under-enrolled. Both advances in knowledge and changes in student demand mean that programs should not continue simply because they always have.
 - I'd like to commend the Faculty of Arts for their leadership in this area.
 - Ensure that faculty review processes play an instrumental role in enhancing excellence in our research performance, revenue, and impact.

- Finally, we must continue to grow in areas of identified and potential areas of excellence—and to expand student opportunities and support research advancements in those areas.
 - Two examples of such opportunities are the digital learning pilots and the recently announced Peter Lougheed Leadership Initiative.
- Action plan objective #2: Sustainable financial models
- Achieving balanced, sustainable, and flexible financial models has been a topic of many conversations that Martin Ferguson-Pell, Phyllis Clark, the deans, and I have been having with the community and I believe that most of you will know our tactics on this well. As we plan, excellence and quality are in the forefront of every decision.
- Today, I will just note the main areas we've identified for change:
 - Compensation—not only in the short term but also in the long-term as we need to eliminate the structural deficit. Here the recommendations of the Renaissance Committee—due later this fall—will be of great importance.
 - Revenue generation and sharing—watch for information to come in the near future about a new institution-wide initiative on increasing the recovery of indirect costs of research—your help will be essential here.
 - Results-based review—this is a government initiative. We've been in discussions but are still waiting to see how exactly this will impact us.

- Tuition—we're exploring all options related to tuition, especially international differentials, and are consulting closely with government and students.
 - Philanthropy—definitely a top priority of mine, but also an increased responsibility of deans as well.
- Moving now to objective #3: Efficient administration
 - This is certainly not a new objective but one central to our transformation. Over the last several town halls, I have urged the community to seek innovative ways to find administrative efficiencies. We have heard you and many of your ideas have been put in place.
 - Given our focus on preserving our core mission, administrative units took a 3% cut to their budgets for this 2013-2014 budget year while faculties were asked to take 1.5%.
 - This has resulted in changes within all of the portfolios. As an example, University Relations restructured the portfolio, significantly reduced the number of employees, and changed how they will provide services to the faculties in the future.
 - Going forward, the aim is to seek effective and efficient administrative changes not only centrally but across the institution that lead to simplification, . . . consolidation, . . . and where appropriate, the digitization and outsourcing of administrative processes, policies, systems, and reporting structures.
 - U of A expenditures on administration are not out-of-line—they fall below the ministry's guideline of 5%. With the challenges we face, it can be tempting to think that we could deal with it by cutting

deeply from administrative supports and then rebuilding them when the financial situation improves.

- This is not the answer. The U of A is a 1.7 billion enterprise; it cannot function without essential administrative support and the highly skilled people who work in areas such as student services, libraries, residence services, financial planning, human resources, research services, or IT.
- However, we have identified a number of areas where consolidation of administrative functions and services across campus could eliminate duplication and achieve substantial savings.
- We are also benchmarking against other institutions to glean best practices and apply them at the U of A.
- This is one reason why I ask you to be open to change. We will be asking all you to do things differently and we need your cooperation to help us reach the objective faster.
- Finally, objective #4 of the action plan: Culture change
- At the senior leadership team retreat in late August, the deans, VPs and I committed to a new level of transparency and communication—with the aim of ensuring that our faculty, staff and students feel informed and have the tools they need to participate meaningfully in consultations about the long-term transformation of the institution.
- Providing greater clarity on decision-making processes and lines of accountability at every level are also part of this endeavor. I would like each member of the U of A community to feel empowered to act and lead change in whatever role you fill.

- I am now posting a weekly bulletin, we've developed a budget primer, shared memos to deans and so on. Many of your deans have likewise begun sharing faculty-level data and memos as well.
- This new commitment to communication and transparency is not only my responsibility or that of the deans—it is, again, the collective responsibility of every member of our community.
- Chairs and supervisors share information and decisions with members of their departments; professors pass along important information to students; representatives on committees at various levels ideally share the content of discussion and decisions with their colleagues.
- What happens in General Faculties Council, for instance, should be communicated widely—the consultation and decision-making there is better informed if ideas come from across the faculty ranks.
- The U of A takes pride in its collegial systems of governance—but that collegiality depends on all of us sharing reliable, accurate information in an atmosphere of respect and trust. That is the culture that I hope we can all cultivate as we negotiate the significant changes that lie ahead.
- I would like to quote wisdom from a book I am currently reading. *Babel and the Ivory Tower* by W. David Shaw. He writes:

Higher Learning may be fragile and unstable. The Ivory towers may tilt and waver: they may even need structural reinforcement like the leaning towers of Pisa. But before we allow..... anyone to raze the towers to ground zero we should know why our

ancestors raised them and how they may still provide a homeland for the exile who is seeking beyond technology and consumerism, and beyond Babel's confusion of tongues – a community where scholarship and civility, science and enlightenment, may peacefully coexist.

- In an atmosphere of respect and trust, we can control the steps we take next.
- In an atmosphere of civility, we can hear each other speak.
- Academic transformation . . . sustainable financial models. . . efficient administration..... and culture change....these are the four main objectives of the three year action plan.
- To fulfill these objectives and emerge from our current situation in as strong a position as possible, the U of A will need leadership and action from every member of our community.
- Let me return again to Henry Marshall Tory.
- I know that I've returned to him before—and I do because I look to models who can inspire me. And in my view, few other Canadians can rival our first president's gifts as a university administrator and his passion for post-secondary education and research.
- Over his life, he founded four universities and took the National Research Council from a failing idea to the nation's pre-eminent scientific research organization.
- He had the ability to take a challenge—study various models for meeting the challenge—determine goals, create the plan, and then get it done.

- I think that we—I know that I—can learn things from him. Most especially, he taught us that to build something truly exceptional—to create a community in which the pursuit of truth and excellence is core to its identity—you need to have persistence and resilience.
- Throughout his 20 years as the president of the University of Alberta, he faced plenty of opposition—and lots of public resistance.
- Through successive battles, he had to face the agricultural community—the medical community—the legal community and so on—and each time, he had to convince them that the university was the right place to educate and professionalize the next generation of farmers, doctors, lawyers, and so on.
- On every occasion, he had to enlist his skills in persuasion to help the province and its citizens to understand that the university, its teachers and its researchers, could enable them to achieve their own long-term goals.
- Today, we must continue to do this work—with the same kind of persistence, sensitivity, and creativity as Tory.
- The University of Alberta has proven to be a resilient institution—thanks in part to the example set by Tory. Read Professor Emeritus Rod McLeod’s history of university and you see that the U of A has experienced many periods of precipitous plunges in public funding. More than once during Tory’s first 20 years, then again in the Depression, in the early 1980s, and in the 1990s.
- Despite these significant setbacks, the U of A has also steadily strengthened its reputation within Canada and across the world and has increased its capacity to attract exceptional students and

researchers. And then effectively supported their desire to learn and conduct cutting-edge research.

- Later today we'll see evidence of this reality at Celebrate!—our annual celebration of excellence in research, teaching and learning. I encourage you to attend.
- The U of A today is truly a global institution. That Premier Redford asked me to be part of the delegation to China indicates that the University of Alberta is one of this province's conduits to stronger, more influential connections to regions strategically important to the province.
- We really do connect Alberta to the world and the world to Alberta.
- We are home to thousands of international students; . . . we have major partnerships with global institutions which are themselves acknowledged global leaders; . . . we have alumni in positions of authority all over the world across many different sectors; . . .
- and we are engaged in teaching and research that is focused on the great global challenges of today.
- At the same time, we are also an active partner within the Campus Alberta system, having negotiated more than 5,200 transfer agreements to date; helping smaller, rural institutions educate teachers and nurses within their communities; sharing administrative systems and best practices; working in partnership with Campus Alberta colleagues on research projects; and much, much more.
- Debra Pozega Osburn, VP University Relations, has been visiting Alberta's smaller communities—re-enacting Tory's early rural

tours—talking to municipal councilors, MLAs, school officials, and other members of these communities about the U of A and listening to their aspirations for our university and the province. Their pride in this institution is palpable.

- I mention these international and provincial connections because I believe it will be our global outlook—our connections and partnerships both at home and around the world—that will give us the openness, vision and resilience we need to transform this university in ways that will ensure our strength in the future.
- Our Board of Governors has charged us to manage the current financial challenges with the long-term goal of preserving excellence for one main reason:
- Alberta and its citizens need the benefits that a university of our provincial, national, and global influence and leadership can bring.
- A university that educates future citizens and leaders, . . . generates research and discovery leading to economic diversification and social and physical well-being, . . . and builds influential networks that stretch far beyond the borders of the province.
- We are that university—and with action, persistence and creativity, we will remain so.
- Thank you for your passion and dedication to the University of Alberta—for your everyday acts of leadership. I look forward to working with all of you on the 4-point action plan. Together we will achieve our shared goal of preserving and enhancing excellence in teaching, research, and service at the University of Alberta.
- Thank you.