

Speech to the Gwinnett Rotary Club April 28, 2009 • 6500 Sugar Loaf Parkway

Thank you for the opportunity to be with you today to report on the state of your university. And the news is both very good, thanks to many of you, and somewhat troubling. But let's talk about the good news first.

Earlier this month, we sent out the final admissions letters for the fall 2009 freshman class. Some of you in this room may know someone or be related to someone who received one of those letters. I hope the news in your household was good.

This is a bittersweet time for us at UGA. T.S. Eliot wrote that "April is the cruelest month," and he was right. We had more than 18,000 applications for about 4,800 spots in this class – 3.75 applications for every available slot. We make far more people unhappy than we make happy.

The academic competition for a spot at UGA is intense. Every pool sets its own standards; we don't go into this process with a predetermined notion. We know the size of the class we want to admit, and we rank the applicants based on their academic strength and performance.

What matters most? Taking the toughest possible curriculum in the four core academic areas is number one. Test scores are second. And finally, for the pool not admitted through early decision, a more extensive portfolio of assets such as creativity, intellectual curiosity and maturity

The admitted class for this year is exceptionally strong – a GPA of 3.90 and an SAT average of around 1308. That is for the 8,000 or so students we admitted, about half of whom will choose another school, leaving us the 4,800 students we targeted. We anticipate that the enrolled class will exceed the standard of the 2008 class – a 3.82 GPA and 1252 SAT average.

Not surprisingly, Gwinnett County and UGA are closely linked. Last fall, there were more than 3,600 total students from Gwinnett enrolled at UGA – 10.7% of the student body. (2,949 undergraduate; 559 graduate; 147 professional)

One of the best you've ever sent us is Deep Shah, now at Oxford on a Rhodes Scholarship. More and more, students like Deep are the rule, not the exception at UGA, and his fellow students have won more than 60 national academic scholarships in the past several years.

In the freshman class which enrolled last fall, 562 were from Gwinnett – 11.6% of the total. 325 Gwinnetians were transfers – 30.8% of the total.

There are 13,626 UGA alumni living in this county. (Show of hands?)

And just up the road, in the Intellicenter, is our Gwinnett University Center, where more than 500 local residents are taking graduate level courses in education and counseling, business administration, food technology, human resources, information technology, pharmacy, public administration and social work.

316 is truly a two-way street that symbolizes the relationship between UGA and Gwinnett County. You send us your best and brightest young people and we take seriously our obligation to you and to them. Here in Gwinnett, we are providing much-needed, on-site graduate education to provide the kind of highly educated people that 21st century economies require.

UGA is ranked 20th among public universities by *U.S. News & World Report*. We have been in the top 20 for eight of the past 10 years, and while I do quibble with some of the methodology of the report, I'd rather be in the top 20 than not. It is, I believe, evidence of a commitment to excellence in everything that we do at the University of Georgia.

About nine years ago, we began planning for the most ambitious fundraising effort in UGA's history. We named it the Archway to Excellence Campaign, using the icon of the Arch as the symbol of the campaign and focusing on that commitment to excellence.

We began to talk about the important role that private money plays in public higher education today. We told people that on a budget of some \$1.3 billion, we received about 31 or 32 percent directly from the state. And we said that in order to achieve the goals of the campaign – and to be the kind of flagship university that the people of the state so richly deserve – we would need to raise at least \$500 million.

Some people thought we couldn't do it, but many more people reacted positively and enthusiastically. In April of 2005, we "went public," announcing at that time that we had raised \$298 million.

By the end of the campaign on June 30, 2008, more than 102,000 people had made gifts or pledges to the Archway campaign totaling almost \$654 million – 30 percent beyond the goal.

Now, that is a lot of money and will do a lot of the good for the students, faculty and staff at UGA as well as the state. But what is more important than

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the number itself is that the people who love UGA get it. They understand that great public universities – Michigan, North Carolina, Virginia, California, Texas – have very strong private support. If we want to be mentioned with that group, the people who love this university will have to support it financially as well as emotionally.

We set six priorities for the campaign, and the people of this state responded to those priorities with generosity. Here is a quick report on gifts and pledges in each of those categories:

- Attracting and Supporting the Best Students -- \$82.3 million, including funding for 407 new scholarships
- Recruiting and Retaining Top Faculty -- \$54.7 million, including the establishment of 54 new professorships and 16 new chairs.
- Strengthening Programs to Serve the State and Beyond -- \$38 million
- Advancing the Quest for Knowledge -- \$174.3 million
- Enriching the Campus and Building the New Learning Environment -- \$51.9 million
- Ensuring Annual and Long-Term Unrestricted Support – \$84.9 million
- Support of Varsity Sports Programs -- \$151.8 million
- Support for non-featured programs -- \$15.7 million

Alumni committed 43 percent of the total; friends of UGA, 28 percent; foundations and corporations, 26 percent; and other organizations, 3 percent.

On behalf of the entire UGA family, I want to express our deep gratitude for the generosity of those who love this university and support its goals and missions. The simple fact is that the difference between a merely good public university and a great one is the level of private support.

Those financial resources make us competitive in hiring the world's best faculty, provide a learning environment equal to the quality of the student body, broaden the scope of our research programs and extend the reach of our public service mission.

Perhaps most importantly, in this financial climate, those funds provide a buffer against the vagaries of state budget cycles. You are probably aware that state agencies, including the Board of Regents, had to make cuts of about 10% in the

current fiscal year; for UGA, that amounted to about \$40 million from the state portion of our budget, which this year was 38% of our total budget of almost \$1.5 billion.

Our FY10 budget has been cut almost 12%, or \$60 million. Now, I don't know about you, but I don't have \$60 million lying around. So what are we doing to manage the cuts?

We aren't filling positions. About 81% of our state budget is tied up in people – salaries and benefits. We have more than 400 vacant positions at present. We have cut travel expenditures by about one third over last year. We have achieved some efficiencies in energy use through good management and a campus-wide effort, led by students, to encourage individuals to reduce water and energy use.

Some of you might be wondering why we are not using some of the \$654 million we raised to offset budget cuts, and we will, to an extent. There are two things to remember – first, some of that money goes into the endowment and is invested; we don't spend the principal, just the earnings, and then only at a defined rate.

Second, most donors contribute to specific programs of the university. We call that restricted money, which simply means that it was given to support scholarships or a faculty chair or a particular research or service program. Very little private money goes toward annual operating costs.

So the endowment provides a revenue stream which can mitigate the loss of state funds, but it cannot offset the entirety of the proposed cuts.

It goes without saying that these are difficult times – for state government, for higher education, for the construction industry, for all of us. There is no blame to be assigned; no one is being singled out; everyone is making difficult choices.

Despite the budget difficulties, we are proceeding with some very exciting projects at UGA. The biggest, and the one which will impact this state the most, is the partnership with the Medical College of Georgia, which will bring medical education to Athens.

There is a critical shortage of physicians in this state. Georgia is the ninth-largest state in the Union and the sixth-fastest growing, but ranks 37th in the supply of physicians.

MCG is a great medical school, but it does not have the space or the residency capacity to grow enrollment to meet the need in Georgia. We

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believe that the Navy School site offers the potential to serve up to 40 medical students per year.

In 2005, we created the College of Public Health, which will be important collaborator in this effort. Facilities such as the Coverdell Center for Biomedical and Health Sciences, the Animal Health Research Center, the Complex Carbohydrate Research Center have built a critical mass of some of the world's best scientists.

Meeting Georgia's need for more physicians is the responsibility of the public university system. That is not to say that there is no role for the very good private medical schools in the state – there

is. But this is a public health issue that demands a public university system response, and I am excited about the role that UGA will play in helping meet that need.

This will be a year of significant challenges, but, more importantly, tremendous opportunities for the University of Georgia. We will manage the budget cuts; we will maintain the quality of the education, research and service missions; and we will continue to improve the quality of life for Georgians.

Thank you for the many ways you support the University of Georgia. I'd be happy to take your questions.