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Lunar New Year 2009

Dear faculty and staff colleagues,

Recently, President Mason, Senior Vice President True, and I held discussions with collegiate deans about budget planning and strategic initiatives. We also had discussions with the Faculty Senate leadership and the Faculty Council. I'd like to share with you the substance of these conversations.

### **The economic context**

Our country is in the midst of an epochal economic crisis. Like everyone else, The University of Iowa is starting to feel the pain. And, like everyone else, we don't yet know the duration or depth of the economic retrenchment. In recent years, we've received generous funding from the legislature and the Governor, upon the recommendation of our Board of Regents. We are grateful to all for their support. Now, Governor Culver has announced his recommendations for cuts to next year's state budget, but we won't know until April the official mandated cuts for FY2010. The colleges and other University units need to start contingency planning, because we'll have only a short turn-around time to submit our budget in the spring.

So, there's a sense of urgency now. There's an understandable anxiety in the face of uncertainty. But let me assure you, there's also a sense of confidence because we know we can meet the fiscal challenges.

It's sobering that many states suffer economic woes far worse than ours. Many public research universities face draconian choices. We shall have to do belt-tightening, as we've done successfully in the past. A national economic crisis provides a chance to re-examine, more closely than ever, our institutional priorities. It's a call to measure everything we do against our fundamental values. If we do that hard work, we will emerge a bit leaner—but also a bit stronger. We can make wise, strategic investments in focused areas of growth. And when the economy improves, our University will be well-positioned to continue on its trajectory of ascendancy and expansion.

### **Budget planning FY2010**

I've asked collegiate deans to prepare—in consultation with their faculty, staff, and students—plans for their respective colleges to:

- (1) Achieve cost-savings and thus absorb the budget cuts that are sure to come for 2010;
  - (2) Make strategic re-investments over the next five years in areas of strength and/or areas of emerging opportunities; and
  - (3) Generate revenue by becoming more enterprising in education, research, and clinical activities.
- This planning assumes that there might not be appropriations for salary increases next year.

We can and we will become even more efficient and more productive. We'll look at options such as differential teaching loads for faculty and expansion of class sizes. We'll look at consolidating programs, downsizing programs, and possibly phasing out selected programs or services that are less central to our mission or aren't meeting the highest standards of excellence. We'll defer or cancel some searches. Business travel on state funds will be curtailed.

We will grow by substitution, if not by addition. Colleges and the University will reallocate internally, taking a percentage of our General Education Fund—the central fund that pays for instruction and operations—and re-investing in programs and activities that will enhance our excellence and distinctiveness as a research university.

And, we will become even more enterprising. Over the years, as state appropriations have diminished as a proportion of the overall budget, we've relied increasingly on earned revenue, primarily tuition and extramural funding. There will be new incentive plans to reward colleges that generate additional revenues while fulfilling the mission of delivering the highest quality education and the highest quality research and creative work.

In short, we will emerge from this economic crisis a leaner, more enterprising, and stronger university in selected areas. This is all about maximizing our resources. If we're going to carry out our mission at the level of excellence that our students and the people of Iowa deserve, then we must be as resourceful and innovative as we can.

### **Budget planning principles and values**

When I asked the collegiate deans to begin their planning, I provided them with a set of principles to guide their work. These are principles to which President Mason, SVP True, and I are deeply committed. We believe that they reflect the values of our University community.

First and foremost, colleges must maintain the overall quality of their core functions of education, research, clinical care, and outreach.

Second, “budget balancing or flood recovery?” is a false choice. We will do both. The remediation and/or replacement of the devastated arts campus will continue as a top priority.

Third, we shall hold harmless from budget reductions certain critical areas. These may include, for example, student financial aid, library acquisitions, student success and safety, utility costs, and academic units severely harmed by last summer's flood.

Fourth, colleges will strengthen quality in selected programs and activities and will nurture the growth of emerging areas of excellence.

Finally, the budget planning process will be consultative and transparent. It's important that we all work together. We gain strength from our tradition of shared governance, our sense of community, and our shared values. We have hard decisions ahead of us. Our collective future depends on working together, learning from each other, and pursuing common goals. Only by collaboration and shared responsibility will we manage to grow through this economic crisis, not just survive it.

At times like these, psychology is as important as economics—the psychology of the 4 “Cs”: Calm, confident, creative, and compassionate. We remain calm and confident about our ability to weather the economic storm. We’re creative in meeting the challenges ahead. And, when members of our University community are hurting due to the economic downturn, we respond with compassion, and we make shared sacrifices for the common good.

The good news is that such qualities are woven into the fabric of our community. We don’t have to look back any further than the epic flood of last summer to see the willingness of so many faculty, staff, students, and community residents to work toward a common goal: To protect this University we all love, and to make sure that we can go on serving the people of Iowa and others we are entrusted to serve.

### **Strategic initiatives FY2010-14**

Budget planning has to be informed by strategic vision and priorities. The University’s strategic plan for 2005-2010, *The Iowa Promise*, has served us very well. Pursuant to it, we’ve raised faculty salaries, strengthened undergraduate education, and increased the diversity of faculty, staff, and students. These overarching priorities will continue to guide us.

However, any strategic plan is a living document, to be refined and focused as circumstances change—and some things have changed! We have new campus leadership and new priorities defined by the Board of Regents (including affordability, productivity, sustainability, and economic development). We’re still recovering from the most calamitous natural disaster in our history. And, of course, there’s the economy.

So, this spring—concurrently with budget planning and following-up on preliminary thinking I presented at the President’s Forum last fall—we shall begin the process of “Expanding and Refocusing *The Iowa Promise*.” The aim is to develop and implement some specific strategic initiatives for the next five years that build upon the progress of *The Iowa Promise*. In consultation with governance groups, I shall appoint four task forces (composed of faculty, staff, and students) to address four strategic areas. They will consult with each other and with the campus community. By summer 2009, they will submit recommendations and fiscally viable implementation plans. Their recommendations will make appropriate use of our extensive information technology assets. Let me briefly describe the charge to each task force.

#### ***Task Force on Undergraduate Student Success and Safety: Educating the Next Generation***

We want—and the people of Iowa expect—our students to have nothing less than the most vibrant and integrated academic and co-curricular experience in the Big Ten. We will expand the recently created programs that enable our students to succeed and give them access to the distinctive advantages of a top-ranked research university. I will ask this task force to develop a multi-year enrollment management plan that preserves quality, affordability and access for resident, non-resident, and international students. I will also ask for the creation of new partnerships with community colleges so that we can provide baccalaureate degrees to more place-bound students throughout the state.

Students can only achieve their potential in a safe and healthy environment. There is a culture of excessive drinking among our undergraduate students that poses real risks to their safety and health. Working with Student Services, the goal will be to implement a variety of proven strategies that reduce harms (to self and to others), and foster a climate of safety and respect.

***Task Force on Graduate and Professional Education:  
Selective Excellence***

We offer more than 100 areas of study for graduate and professional students, including 70 areas for doctoral study. They all offer value, but in times of constrained resources, we're not going to be the very best in all of these areas. What we need to know is where we *can* be the best. Which of our programs have the potential to be among the top 25 programs of their kind in the country? Which are in the highest demand? How to generate new resources and redistribute existing resources to strengthen our top-ranked programs and invest in emerging programs of excellence will be a key assignment of this task force.

***Task Force on Research and Creative Excellence with Public Outreach***

Research universities are our nation's engines of discovery and innovation. Basic research and creative work are the foundation of new knowledge, and the translation of knowledge into practice improves the human condition across the nation and the world.

The quality of university research is determined by the quality of its faculty and staff. President Mason has already set forth an ambitious goal: To create 100 new tenure-track and tenured positions over the next five years. This task force will develop strategies, based on new and reallocated resources, to create new positions that will help create new knowledge and to put knowledge into action. The three broad areas of strategic focus where we shall make new "cluster hires" are (1) letters and arts, (2) sustainability, and (3) clinical and translational research.

I'm also asking this task force to recommend ways to improve faculty recruitment and retention, and to support endeavors across disciplinary and collegiate boundaries. And, this task force will consider how to extend the reach of the University's research and creative assets to enhance the lives and communities of the people of Iowa, thereby contributing to their cultural, social, and physical well-being, as well as to their economic vitality.

***Task Force on Internationalization and Diversity:  
A University without Borders***

At The University of Iowa, diversity is one of our core values. Diversity is central to other core values, such as excellence, learning, and community. And diversity is the new demographic reality of many Iowa communities, driven by immigration. Therefore, I will ask this task force to articulate a vision and recommend a plan to increase the internationalization and diversification of students and faculty on campus. I'll ask them to consider how we might bring the world to our campus and project our presence abroad. I'll also ask them to propose organizational changes that will better align current efforts to advance both domestic diversity and global diversity.

## Conclusion

As one of the great public research universities in the nation, our mission is to create a better future for the people of Iowa and beyond, by advancing excellence in education, research, patient care, and civic engagement.

In the current economic and financial milieu, The University of Iowa will have to be more strategic and innovative than ever in order to excel in our mission. We must make disciplined choices about what we do best; focus on our strengths and on new opportunities; and aim for targeted growth and excellence. We have to expand our partnerships with industry, government, community colleges, K-12 schools, and local communities to turn ideas and creativity into tangible societal impact.

Not all strategic initiatives will require new funding. But many will, and we have to implement them by substitution and consolidation of resources, as well as by the addition of new resources.

We have a good story to tell about how the University is creating better futures for the people and communities of Iowa—through education, scholarship, health care, economic development, arts programming, and a tremendous array of service and outreach activities. We will continue to grow by:

- Providing excellent and affordable education to the next generation of citizens and leaders;
- Developing selected graduate and professional programs that contribute to the distinction of our graduates and the University;
- Creating new knowledge and putting knowledge into practice; and
- Expanding the diversity of people and programs—both domestic and global—in the service of our academic mission.

For your dedication and service to The University of Iowa, thank you very much. My best wishes to all in this new “Year of the Ox.”

Sincerely,

A handwritten signature in black ink, appearing to read "W. D. Loh". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Wallace D. Loh