

President's Open Session Remarks

14Nov22 BOV

I'd like to start my report with some notes about our people. First of all, I'd like to add my welcome to Amy Sebring, our Executive Vice President and Chief Operating Officer. Amy joins us from a similar role at William & Mary. She has extensive experience in Virginia at VCU, and with the Senate Finance Committee and SCHEV. Amy has been with us all of two weeks, but she is already deeply engaged and making a difference. I'd like to thank Chris Kiwus for serving with energy, effectiveness, and good humor in the interim role over the past year.

Our rector, Tish Long, is being recognized at the GEOGala on Dec 1 as this year's recipient of the Arthur C. Lundahl-Thomas C. Finnie Lifetime Achievement Award from the US Geo-spatial Intelligence Foundation. Congratulations, Tish, and thank you for your distinguished service to our country <<applause>>.

As we approach the end of our Sesquicentennial celebration, it is an appropriate time to reflect on our achievements of the last 5 years, and our aspirations for the first 5 years of the next 150.

Among the performance indicators that have advanced over the past 5 years, since 2017, I would like to highlight a few among those that Dr. Pratt just shared:

- Applications for undergraduate admissions are up 65%. I will note that one-third the way through our Fall 2023 application cycle, applications are up more than 20% from last year. Clearly, demand for the Virginia Tech experience is robust.
- Undergraduate enrollment is up 12%. We approached our enrollment goal of 30,000 in 2019, four years ahead of schedule. As we promised back in 2017, we have held enrollment to within a few hundred of 30,000 since to allow time for assessing our capacity for growth, on campus and in the community. That work is well underway, and I will have more to say on that point in a moment.
- Enrollment of students classified as underrepresented or underserved, that is low income, first generation, veteran or underrepresented minority is up 36% to nearly 11,000. We also met our 2022 goal of 40% of our entering class, including transfers, identifying as low income, first generation, veteran, or underrepresented minority.
- Of undergraduates who live on campus, the percentage who live in Living Learning Communities has risen from 34% to 51%. National and Virginia Tech data show that living in LLCs is associated with greater student success and well-being.
- Extramural research expenditures are up 24%. The pandemic hurt us in this category, in part because of our emphasis on human factors research that could not be conducted during the pandemic, but we have rebounded nicely in FY 22. I believe we now have the

foundation for rapid growth in our research portfolio, especially, but not exclusively, in the four Research Frontiers – Artificial Intelligence, Health, Security and Quantum.

- Financially and philanthropically, Virginia Tech is strong and getting stronger. The endowment is up 69% during this period. New Gifts and Commitments are up 74% and the alumni giving rate has increased from 13% to 22%, a value that leads among public land-grant institutions.
- Where do we have the biggest opportunities for growth? Among those, I would highlight our graduate and professional student enrollment, which is up a meager 5% over this period. I am confident that resourcing our students properly, growing extramural resources for PhD student support, and enhancing our online and hybrid professional masters programs will fuel significant growth going forward.

Earlier in this meeting, Dr. Menah Pratt provided an overview of our progress toward the milestones and goals of our Strategic Plan, *The Virginia Tech Difference: Advancing Beyond Boundaries*. The world around us changed in the last three years, and so did we. In the spirit of continuous planning, we are taking this opportunity at the dawn of the next 150 to update Key Performance Indicators and reset milestones. The result is fewer KPIs that are better aligned to our four Strategic Priorities. Thank you for your feedback during this meeting.

We look forward to continuing to align our financial and resource plan to the strategic plan. Last year's addition of the Strategic Investment Priorities is an important step in that direction. Strategic Investment Priorities (SIPs) are short- to mid-term ramp-up investments that support our strategic priorities. As BOV members, you can more clearly see the impact of tuition rate decisions on the E&G resources available to advance the eight SIPs. As ramp-ups are completed, the associated SIPs will drop off the list. Certainly, others will be added. In some cases, we will realize financial support to advance strategic priorities without the need for a ramp-up in E&G base spending. In other cases, progress will be heavily dependent on tuition revenue and state support.

Four of the current SIPs are directly related to two primary emerging aspirations of the university. Those two aspirations are 1) to become a top-100 global research university, and 2) to ensure that Virginia Tech is accessible and affordable for students whose families do not have the income or wealth to support their student without sacrifices that diminish the value of the Virginia Tech experience.

The first aspiration is about continuing to advance the impact of Virginia Tech's research, scholarship, and community engagement. It's about attracting talent and partners to Virginia Tech and the Commonwealth from all over the world. We track Times Higher Education global rankings, the THE Impact rankings, and our progress in A.A.U. metrics. These are all imperfect proxies for the Virginia Tech that we aspire to be, so we are careful to compare ourselves to like universities, the U.S. public land-grant research universities. The central feature to our

investments to achieve this goal revolve around recruiting and retention of world-class mid-career faculty with diverse backgrounds and expertise.

The second aspiration reflects the current reality that while we have been successful in increasing access, with over 40% of our entering undergraduate class identifying as first generation, low-income, veteran, or underrepresented minority, we know that many students among these populations do not have the full experience of being a Hokie. Some lack generational wealth, and that makes them and their families financially fragile. We saw this in the pandemic – a small unexpected expense is enough to make a student stop out or drop out. Some are not able to participate in paid internships or study abroad because of opportunity costs associated with relocating. They often have not established the networks that wealthier students take for granted. Some take on too much debt, and are then limited in choices when they graduate. As a land-grant university, we should be a positive force for upward economic and social mobility, not just an engine for propagating wealth and opportunity from generation to generation.

Making progress toward these two aspirations will take new resources, reallocation of existing resources, and continuous improvement in efficiency and effectiveness. We look forward to working with the Board over the next few months to solidify our plans for resourcing this future.

I would like to come back to one strategic goal that we met early, and that is the goal to reach 30,000 undergraduates by 2023. The 30,000 target was set to the scale at which comprehensive land-grant peer universities thrive. Knowing that we would be straining the infrastructure, we pledged in 2017 that we would pause at 30,000 to take stock, to invest in infrastructure needed on campus, and to work with our partners in the community before proceeding further. Well, we hit about 30,000 (actually 29,300) four years ahead of schedule, in 2019 when 1,000 more students than we expected accepted our offers of admission. We have stayed within 500 of 30,000 since then, using this time to invest in infrastructure (note the cranes and orange cones) and consider our enrollment growth future in partnership with the Town of Blacksburg and the larger community.

Part of the internal analysis is reflected in the Student Life Village proposal, a modification of the 2018 Master Plan to substitute the Student Life Village for the 21st Century Living Learning District in the land bank between the Inn and Oak Lane. This is not a change in land use – it was designated for residential LLCs in the 2018 plan – but the new configuration has an ultimate capacity of 5,000 beds at lower cost per bed than the ~3,000 beds in the previous plan. A lower cost per bed would address one of the largest challenges we have in affordability. Living costs – especially housing and food - have displaced tuition as the leading driver in increases in the cost of attendance. We first started work on the SLV concept last fall, collecting input from stakeholders. In October of 2021, we held a two-day charette with participants from the Town. In April, the SLV concept was shared with the Board of Visitors. Thank you for approving the change to the Master Plan. I pledge that our team will engage with all stakeholders, including the broader community, as we consider the opportunities to develop the SLV.

That number of 5,000 is what would be possible if all three phases were built over then next 10-12 years. As we discussed yesterday, that is not a net new 5,000.

We already know that we need 1,750 new beds over the next decade just to hold our first-year class constant under the assumption that we continue to require freshmen to live on campus and we maintain our current LLC program. That 1,750 would allow: 1) the removal of existing residential buildings that are approaching end-of-life; and 2) renovations that would remove about 500 beds per year from inventory. If we stop at 1,750 new beds, our models show that there would be a decline in enrollment capacity below 30,000, reflecting projected reductions in time-to-degree. If we aim for modest growth in the percentage of students in on-campus LLCs that promote student success and well-being and a small rate of increase in the overall undergraduate enrollment of about 0.75%/year, we would eventually need to build out the full 5,000 bed capacity. Under these conditions, the number of beds needed off-campus for undergraduates would remain fairly constant at about 20,000 over the next decade or so. We expect, however, that the need for affordable housing for graduate students, faculty and staff will continue to grow. Over the next several months, we will engage with the broader community, including those representing business, local government and our students to work through the details.

Given that our undergraduate applications have increased 65% over the past five years, and the Fall 2023 applications are up more than 20% so far this year, holding Virginia Tech's undergraduate population to a growth rate under 1% means that we would have to be increasingly selective. Over the past few years, our acceptance rate has decreased from the historical value of 70% to 57%. It is likely to drop further. As a land-grant institution, I would prefer to see Virginia Tech grow to accommodate all prepared Virginia students who really want to attend Virginia Tech. We know that many of our applicants will leave the commonwealth if they are not admitted to Virginia Tech, so it is a loss to Virginia. Unfortunately, significant growth does not look to be possible with our current on-campus housing constraints unless we were to sacrifice the residential living-learning environment for which we are known. I think that would be a mistake.

Since the SLV is designed to proceed in stages, we have ample opportunity to react to changes in the landscape, some of which may reflect internal decisions, and others will be imposed on us from outside. For example, we have long desired to grow our experiential learning opportunities, some of which may require students to leave Blacksburg for a semester or a year. Those students will remain engaged in their degree programs through online learning or remote in-person learning outside of Blacksburg. These opportunities will become available at scale in Roanoke at our VTC Health Science and Technology Campus, and someday in Alexandria at our Innovation Campus. Although these opportunities would likely not impact first-year students who are living on campus, they would allow some growth beyond Blacksburg.

Many have raised concerns about the SLV and the impact on our debt capacity. This is a valid concern downstream, and we will have ample opportunity through well-established governance processes to make those decisions at the time that we have actionable information, including other options for using that capacity. We will be discussing that plan with the Board in March.

I'd like to close with an update on our campus conversation around free expression and academic freedom. The Task Force on Freedom of Expression and Inquiry was constituted at the beginning of the academic year by Provost Clarke and Dr. Robert Weiss, president of the Faculty Senate. Dr. Robin Queen is chairing the task force, which has members from our students, faculty, staff and Board of Visitors. Thank you, Jeff Veatch and Anna James.

The issues of free expression and academic freedom have been front and center in recent years, especially on our campuses. Declining trust in higher education as a force for good in our country is in part due to perceptions that our campuses restrict free speech. On the right, the public increasingly believes that universities indoctrinate their students with leftist ideology. On the left, many believe that our universities propagate historical disparities in wealth, and fail in creating inclusive environments where everyone has a fair chance to succeed. You can find evidence for both arguments on any campus, depending on your perspective. I personally believe that our campuses reflect society as a whole more than they reshape it, at least in the short run. We do have a responsibility, however, to impart on our students the skills they need to have civil conversations across differences. They need exemplars, programs, and structure to build those skills. If we send our graduates into the world with these skills, they *will* reshape society for the better. I am particularly impressed by Closing the Gap, a student organization, and by the Civic Leadership Academy, a new program that is part of our Civic and Democracy Leadership Initiative.

While free expression is being challenged, it is also clear that academic freedom is under attack from all sides. It is difficult to untangle free expression from academic freedom on a university campus. They are interdependent. Our faculty need to be able to test a wide range of ideas through scholarly analysis and inquiry. Limiting the scope of inquiry diminishes the value, credibility, and staying power of that scholarship.

While programming is moving forward, we also need a firm foundation in our policies, statements and expressed values. Our Principles of Community and our strong statement in support of the First Amendment serve as a foundation. Saturday afternoon, I received the task force's statement on Free Expression and Inquiry. I look forward to reviewing the statement and discussing next steps with you.

I wish everyone a safe and enjoyable holiday season. I hope you take the opportunity to practice civil discourse across turkey!

Go Hokies!

