



TEXAS A&M UNIVERSITY  
Vision 2020 Advisory Council  
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To: President Robert Gates  
Texas A&M University

Subject: Progress Report, Vision 2020

Dear President Gates,

In August 2004, you appointed an Advisory Council to interact with your administration and to periodically aid in appraising the University's progress on Vision 2020. This is our first report. In providing this report, the Council has been guided by the mission statement it has adopted (Exhibit 1). We see our role as trying to provide an independent and objective perspective on progress and challenges toward the achievement of Vision 2020. Our first meeting was on October 1, 2004, and we have met a total of six times.

We believe the University has made genuine progress since the adoption of Vision 2020, and we believe much of that progress has been the result of your enthusiastic embrace of the by-line of Vision 2020, "Creating a Culture of Excellence." Even as we acknowledge the progress that has been made, this report will also focus on a number of serious challenges the University confronts in its pursuit of Vision 2020.

This report is not intended to be a comprehensive evaluation of every component of Vision 2020 or even all important elements of the University. Rather, as a volunteer group, we have focused on those issues for which we believe there has been measurable progress and those which we believe are in clear need of ongoing attention. Thus, it is not only possible but likely that we have missed some important activities, accomplishments, or issues. We regret that we could not be more comprehensive but we preferred a strategy of trying to highlight subjects we considered vital to the future of our university.

### **The Vision's Intent**

A primary purpose of the original Vision 2020 Task Force was to continue the periodic efforts undertaken by the Texas A&M community to assess the quality and reputation of the University and to recommend areas and avenues for improvement (please see background on

previous aspirational efforts in Exhibit 2). As the current effort was launched in October 1997, President Ray Bowen suggested it was time to recognize a national and international arena in our thinking and in our evaluation of the institution. As ultimately expressed in the Vision 2020 report, the aspiration was – and is – to be “recognized as one of the ten best public universities in the nation by the year 2020.”

While our council is fully supportive of the idea of assessing ourselves against the nation’s finest public institutions, it believes our university should concentrate more on continuing to enhance the quality of our teaching, research, and service and less on the sometimes superficial rankings among institutions. While we should not hesitate to judge ourselves by objective and national standards and seek improvement in particular areas, we should also emphasize our unique strengths and strategies.

The Task Force and its report were very careful to emphasize that we wanted to improve the quality of our educational experience while remaining true to our heritage; that emphasis was stated as seeking improvement “*while at the same time maintaining and enhancing our distinctiveness*”. Our culture fosters a sense of community. We believe in self-responsibility and responsibility to others. We instill respect for others, and we embody service beyond one’s self. Vision 2020 asserted we should sustain these values and enhance the overall quality of our institution even as we advance toward the goal of being a higher quality educational establishment.

As the name suggests, Vision 2020 was a vision for the University – not a strategic plan. It presented many ideas for the community to think about, but the vision assumed, we believe properly, that implementation of the vision was the responsibility of the Regents and of current and future administrations of the University. We are pleased to see that your administration has accepted that responsibility with enthusiasm and with specific action steps.

Finally, of course, Vision 2020 is our generation’s response to the heavy responsibility the State has given us as one of its two Tier I Research institutions. The uniqueness and role of a Tier I Research University is generally misunderstood and underappreciated. They are different from other universities primarily because of their emphasis on research and the influence of research on all of its activities. Our university has generated more than \$2 billion of research expenditures over the past five years. These research funds help the University fund faculty and staff positions and are estimated to have a positive economic impact of almost \$1 billion annually for the State.

More importantly, this research distinguishes our university’s contributions to the human, scientific, cultural and economic well-being of the State. It enriches the value of our undergraduate teaching. It enhances our capacity to attract the best scholars and students to the State. It enhances the State’s academic reputation on the national scene. It prepares graduate students with advanced degrees to teach at other institutions in the State and across the nation. It leads to innovative collaborations such as the Texas Institute for Genomic Medicine and the Mexican American Latino Research Center.

We have always taken pride in our unique and substantial contributions to the State. As challenges to the State multiply, the citizens of Texas need and deserve our uniquely positioned university to continue to build worth for the State and all of its people as only a broad, high-powered, research-driven, well functioning educational institution can.

### **Progress to Date**

It is the Council's belief that a number of notable accomplishments can be traced to the initiative of Vision 2020 by the Bowen administration and its pursuit by the Gates administration.

- In May 2001 the University was invited to become a member of the prestigious Association of American Universities (AAU), joining the University of Texas at Austin and Rice University as the State's three member universities. The AAU is an association of the 62 leading research universities in the United States and Canada. It is hard to overestimate the significance of this in affirming the progress and the potential of our university. It is clear to the Council that the University's commitment to excellence in the form of the Vision 2020 aspiration was an important factor in this major achievement. Your administration's commitment to priority setting and measurement of progress is in keeping with this new status.
- Subsequent to our admission to AAU, the University was granted authority to organize a Phi Beta Kappa chapter. Phi Beta Kappa, founded in 1776, is a national academic honor society that serves as "the nation's leading advocate for the liberal arts and sciences at the undergraduate level." The University was formally installed as a member on February 17, 2004. The Council believes Vision 2020 and its imperatives were important to this achievement as well. More specifically, the University's commitment to enhance the stature of its offerings in the liberal arts and sciences allowed consideration for membership in the 270-chapter organization. As we aspire to mark our academic strength against national standards, this is another important step.
- You have initiated a significant faculty reinvestment program with a goal of adding 447 new faculty positions by 2008. As of September 1, 2005, 234 of these positions had been created and filled. These positions are being distributed across all colleges as determined by the President and Provost in collaboration with the Deans. Our strongest and highest potential academic programs have been allocated significant new positions, and other programs have also been enhanced. We believe that more than any other single action the faculty reinvestment program demonstrates that Vision 2020 is about improving the quality of education at our university. This major program will enhance educational quality; we expect the administration to develop further data to illustrate and document these improvements as the program unfolds.

- The diversity of our faculty and student body is improving. Your decision to pursue a number of initiatives has led to a strong percentage increase in the enrollment of all minority groups. This momentum was sustained in the fall of 2005, with gains of 63 and 46 percent for African American and Hispanic enrollments, respectively, since 2003. Your initiatives included aggressive recruitment outreach leveraging new Regional Prospective Student Centers in key areas of the State, the creation of an Office of Institutional Assessment and Diversity, and internal and external advisory bodies. We applaud your encouragement and use of former students to assist in attaining diversity objectives. These efforts were augmented by the Texas A&M Foundation, which increased the number of Foundation Excellence Awards from 370 in 2002 to 542 in 2005, and by the Regents Scholars Program.

Since 2002, progress has also been made in the area of faculty diversity. For example, 35 percent of the new tenured/tenure track faculty hired recently are women, compared to less than 20 percent among the current faculty. There have also been gains in tenured/tenure track African-American, Hispanic, and Asian-American faculty of 27 percent, 32 percent and 41 percent, respectively.

- Research at Texas A&M is growing. An additional Nobel Prize winner has joined the faculty. Several faculty members have achieved national and international recognition. A Technology Commercialization Center has been established. Important new facilities for the life sciences, emerging technologies, physics, and chemical engineering have been initiated. In partnership with Columbia University and the Joint Oceanographic Institute, the University has been awarded a new ten year contract worth \$450 million to manage U.S. participation in the international ocean drilling research program. The Texas Institute for Genomic Medicine partnership has been formed and funded. Two centers related to homeland security have been established. The State has allowed the University to retain the overhead allocation on research grants that previously was not available for actual payment of costs. As a result of these and other actions, the University's research expenditures have grown by almost \$50 million from fiscal 2000 to fiscal 2004, to over \$500 million. Although final data is not yet available, fiscal 2005 was a record year in terms of the number of proposals submitted.
- Our university library is improving, although our library spending per student is still below comparable peer institutions. Using the American Research Council's ranking, our relative position has climbed by more than twenty positions over the last ten years. There is a crisis in scholarly communications as the traditional model becomes less sustainable in an era of increasing academic specialization; the library is engaged in initiatives and collaborative efforts to address this crisis.
- An enlightened campus master plan for the development of the physical campus has been completed, providing a roadmap and a planning ethic for the future and helping to assure a beautiful and functional campus environment in the twenty-first century. Above all, the plan identifies the best qualities of the campus and advocates their conservation and extension by reestablishing a coherent pattern of buildings, landscape, and open space. It provides an open space plan, a building

location and density plan, architectural and landscape guidelines, and a planning process. Above all, the plan seeks to develop one integrated pedestrian campus rather than an “east” and “west” campus. Critically, the plan is being used as a basis for implementing one of the largest building construction programs in Texas A&M’s history.

- The faculty and administration have completely reviewed the undergraduate experience. The Undergraduate Task Force’s report, *Defining and Identifying Undergraduate Excellence at Texas A&M University*, has emphasized access to majors, retention and graduation rates, accelerated progress to degrees, better teaching and educational effectiveness, and student enrichment. The review also highlighted the need – urgent in the Council’s opinion – to find a “path to graduation” for the several thousand students who, while meeting the University’s academic standards, currently have no academic home that will allow them to proceed to graduation. The recommendations of the Task Force were completed in the spring of 2005 and are expected to positively shape the undergraduate learning experience for years to come. We hope implementation of the recommendations is vigorously pursued and that you will periodically appraise the university community of progress.
- We are on the verge of completing a very ambitious capital campaign. With about a year remaining in the campaign, the University has already raised over \$1.1 billion, exceeding the original goal of \$1 billion. Over 118,000 Aggies have endowed 55 faculty chairs and 44 professorships, have given \$9 million for Foundation Excellence Award Scholarships, \$11 million for over 100 Presidential Endowed Scholarships, \$24 million for 80 graduate fellowships, and over \$80 million for non-endowed scholarships. All campus units have been actively engaged in the campaign under your leadership and that of the Texas A&M Foundation staff.
- A new position has been established to strengthen the University’s visibility and standing among key external constituencies. With all that the University has accomplished, the story of who we are and what we have done is not well known. In late 2004, you created the position of Vice President for Communications and Chief Marketing Officer to lead, coordinate and unify marketing and communication efforts across the University. In late July of this year, Steven B. Moore was named to this position. The Council agrees with you that there should be significant benefits for students, faculty and the entire University from telling our story more effectively to prospective faculty, students, employers, sponsors of research, and potential donors.
- Perhaps most significantly, the Council has observed an energized and more collaborative leadership style taking hold across the University since the inception of Vision 2020, with greater accountability and engagement in both academic and administrative arenas. Communication has improved, we believe, and in general there is a greater sense of participation and shared leadership.

Overall, it is the Advisory Council's unanimous belief that Vision 2020 has been a useful catalyst to analysis and actions that have enhanced the quality of the University and its capacity to fulfill its mission of teaching, research and service. We are unequivocal in our belief that the institution is better today for having a vision of excellence and thinking about how to improve its quality.

### **Challenges Remaining**

One of the major benefits of a vision that engages the community is the focus it brings to institutional strengths, weaknesses, strategies and impediments. As noted above, clear progress has been made. Yet, of course, much remains to be done. We have organized our comments about what we see as remaining significant challenges in the following general categories:

- Institutional goal setting, metrics, and assessment
- Interdisciplinary research and studies
- Diversity
- Institutional leadership and governance
- Resources

### **Institutional Goal Setting, Metrics and Assessment**

The Council reviewed and evaluated the 12 *imperatives* of Vision 2020 and believes each of them remains relevant and important to achieving the University's stated vision of attaining excellence while retaining distinctiveness. The Council also reviewed the *precepts* supporting each imperative and found that they also, in our opinion, remain valid.

*Goals*, on the other hand, by their nature are more context and time specific, and thus review and potential revision of the *goals* enumerated in Vision 2020 are needed. The goals should be meaningful and measurable similar to those you have established in your focus on three of the original imperatives and what you refer to as the "13<sup>th</sup> imperative" of space planning. Such focus has led to real progress in each of these imperatives. Furthermore, the outcomes are contributing to progress on other imperatives as well.

The Council recognizes a broad array of accountability, assessment, and accreditation initiatives, which have the potential to provide insight on the quality and effectiveness of the institution. Accreditation agencies, in particular, are increasing their requirements for institutional assessment, especially around educational outcomes, and typically call for programmatic responses to the results of such assessments. The University is taking steps to centrally coordinate and enhance such unit-level assessments and to improve the capability within the units to plan effective responses. It is also attempting to leverage these discrete activities to gauge overall institutional progress. Taken together, we believe the increased emphasis on accountability and assessment at all levels is contributing to the "culture of excellence" called for in Vision 2020.

We see challenges, however. While we fully recognize the legitimate need for accountability as a publicly-assisted institution, we are in some awe of the number, variety, and complexity of these separate and discrete efforts of others to judge the quality and effectiveness of our institution. The effort to manage and respond to these many requirements, it seems to us, could easily diminish our capacity and ability to assess ourselves on the overall institutional measures of progress so central to Vision 2020. It also creates an atmosphere of competing demands across the organization, which may diminish or distract from the pursuit of University-wide goals.

Thus, we suggest careful attention to the coordination and results of all of these assessment requirements. It is obvious that legitimate accountability efforts must be satisfied, and your administration has made specific efforts to respond to these needs. However, we are uncertain exactly how these externally-driven requests fit within an overall need for broader institutional assessment allowing the University to compare its progress to its own standards and relative to other institutions with which we compete (e.g., for top students, faculty, and research dollars). Absent a more coordinated external set of requirements or the capacity to selectively respond, incremental intellectual and financial resources may be required to ensure that providing assessments to others does not prevent us from proactively and effectively assessing ourselves.

### **Interdisciplinary Research and Studies**

It seems to us that further advancement as a research university will require much more interdisciplinary work – teams of scholars from various disciplines as well as partnerships between scholars and researchers from academia and industry. In the immediate future, some issues requiring strong interdisciplinary participation include institutional repositories, systems biology, and the development and use of future technologies such as nanotechnology.

In our interactions with academic units prior to this report, the Council noticed that most of the presentations did not include information on interdisciplinary activities involving a given unit. It was only in the discussion with the University Libraries that such activities were discussed in the context of TAMU Libraries Digital Initiatives Research. It is important that our university facilitate and stimulate collaborations between various units throughout the University. It is encouraging that the planned Life Sciences building is the first building in the University's history that has not been assigned to either a college or department. We do believe that interdisciplinary activities will be crucial in enhancing the overall quality of our research and education.

### **Diversity**

Despite the progress that has been achieved in the last several years, the Council believes a sense of continued urgency toward diversity is warranted. Our university still does not reflect the diversity of a world-class university, despite a long-standing goal to become more diverse. For example, African-American undergraduate enrollment remains below pre-Hopwood levels at 2.7 percent of the student body. And while Hispanic enrollment has increased significantly

relative to pre-Hopwood levels, Hispanics, along with African-Americans, remain underrepresented within the tenured/tenure track faculty at 5.5 percent and 2.5 percent respectively, and in senior administrative positions.

We appreciate your more systemic approach to the diversity issue and the ongoing focus on tangible progress. We are aware that the resources and commitment required to sustain the current set of initiatives are considerable, but we urge you and the broader university community to see ongoing measurable progress in this area as absolutely critical. We believe the momentum you have established in creating a more diverse student body and faculty must be sustained.

While not limited in its impact to the diversity issue, the problem of not providing paths to graduation for a significant number of our undergraduate students also remains a concern. The Council finds it unacceptable that a large number of students who are academically qualified to be admitted and to remain in the University are given little chance of graduating except in a major they have not chosen and do not want. We believe that providing such paths to graduation in students' chosen fields would enhance the University's ability to attract and retain, and ultimately graduate, a more diverse population of undergraduates.

### **Institutional Leadership and Governance**

The tenth imperative of Vision 2020 is to *Demand Enlightened Governance and Leadership*. While this imperative speaks to a number of important governance issues, it emphasizes the critical role played by the University's titular leadership: "To achieve our aspirations, strong, enlightened, stable, and forward-thinking leadership focused on academic quality is essential... Our regents must be as good as any in the United States at any public university. Our chancellor and president must meet the same standard. ...the deans, department heads, faculty, and staff must be identified for their leadership capability, which must be measured by national standards"

In addition to the qualities of the individuals placed in leadership roles, the report speaks to a need for greater inclusiveness in decision making: "... the University administration must make decisions through a process characterized by openness and appropriate faculty and staff participation."

As noted earlier, the Council believes that progress is being made with respect to creating a more open and shared university governance model. In this regard, the University has benefited from a positive working relationship between the President and Chancellor wherein the unique requirements and responsibilities of the flagship institution within the System are recognized.

Within the University itself, you have taken steps to more fully engage the "community of scholars" on such issues as tuition levels, admissions requirements, resource allocation, and space planning. Through the use of four councils, you have brought the college deans into more of the collective decision-making at the University and have sent a signal to the Deans that you expect them to be similarly inclusive within their own colleges and departments. You and the Provost have met periodically with the Deans Council, the Council of Principal Investigators, the Faculty Senate, and various student governance organizations.

In all of this, the University is continuing to move away from a more hierarchical model of governance toward a more collaborative and dynamic model. It is probably fair to say, however, that more progress is needed over a sustained period of time for this more inclusive model of governance to be fully embraced within the University's culture.

During the Vision 2020 process 5-7 years ago and in the period since, much has been made of the fact that the University has benefited from what has been referred to as a "favorable alignment" among the Regents, Chancellor, and University President. This alignment has facilitated the rapid progress the University has made recently, the highlights of which are enumerated in this report. Looking forward, however, the Council remains concerned by the lack of an explicit commitment to transparent, rigorous selection or recruitment processes – targeted towards academic excellence and the broader themes of Vision 2020 – for all key positions: the University President, the Chancellor, the Regents, the Provost and the Deans.

In the case of high-level System and University leadership positions, the Council believes that there is merit in the traditional academic search model wherein a large field of candidates is considered for each position and the vetting is conducted by a broad cross-section of the System/University academic community. Nothing in this model precludes the aggressive recruitment of attractive candidates, but such recruitment does not obviate the need for vetting by the larger community. It need hardly be said that such appointments should be based exclusively on individual merit and character, encompassing the broad range of intellectual and leadership qualities of the candidate relative to the position in question.

With respect to the specific issue of presidential succession, the Council would note the benefit to the University of the continuity of leadership that it has enjoyed under two presidential administrations since the Vision 2020 report was published. The corollary to the expectation that the most able individuals be recruited into the key leadership positions is that these individuals be allowed the time and discretion to take the steps necessary to shape the institution.

We are not immune to the governance failures that have become almost commonplace in the rest of society. To protect against such failures, as we are asked to do more with less, we need to reevaluate our governance requirements and our process for meeting those requirements. The Council believes that we cannot have a world-class university without a world-class governance structure and process.

## **Resources**

The original Vision 2020 Task Force believed that the State of Texas and its people would be the ultimate beneficiary of Texas A&M becoming more competitive with the better Tier I Research universities at the national level. Our Advisory Council strongly believes that is the case.

One of the most powerful messages from the original Vision 2020 Task Force was the concept of challenging public and private supporters of Texas A&M to recognize the necessity to attain resource parity with the best national Tier I Research universities. The data in the original report demonstrated striking deficiencies in funding per student between Texas' two Tier I Research universities (UT-Austin and Texas A&M) and their national peers.

As this report attests, we have made progress as an institution. Yet, as we review that progress and its sources of funding, our council has come to believe that it is unlikely we can continue the current trajectory of improvement without a major shift in state funding strategy. Without such a policy shift, it is our current view that neither Texas A&M nor, in our opinion, UT-Austin will be able to be competitive with the better national Tier I Research universities. The following points are key to our assessment.

*Dwindling state support*

The Council is struck by the trend in state appropriations. In 1985, state funds made up 48% of Texas A&M's overall budget. In 2005, state appropriations covered less than 28% of the University's overall budget. This radical decline in funding challenges the essence of our role as a public institution.

The consequence of the State's diminished funding role was a decline in the quality of education at Texas A&M during the late 1980's and 1990's. Faculty positions decreased while enrollment rose and faculty pay lagged nationally. Vision 2020 was our university's initiative to reverse that trend.

Since Vision 2020, the State has provided crucial supplemental appropriations and your administration has moved aggressively on efficiencies, increases in research funding, tuition increases, and private giving. We commend the State leadership and the administration for their success on each of these fronts.

For the reasons we articulate below, however, our council's conclusion is that these efforts are only a beginning if we are to achieve the Vision 2020 objective.

*Funding formulas favor those with enrollment growth, not Tier I Research universities*

The Texas formula funding system for higher education, while recognizing differential rates for funding programs at various levels, does not adequately take into account the level of funding necessary for excellence at institutions of a Tier I Research character. Furthermore, the formula system (which is predominantly driven by semester credit hour enrollment) rewards institutions that are dramatically growing and unintentionally penalizes institutions that are experiencing either capped enrollment or moderating enrollment growth in order to maintain quality. Thus, the formula system redistributes resources based on semester credit hour growth throughout the higher education system in Texas. With substantial capacity available at other Texas institutions of higher education and with enrollment essentially capped at Texas A&M and the University of Texas, the redistribution effect of the formula has caused dollars to move toward the faster growing enrollment of these other institutions of higher education and away for Texas A&M and UT-Austin.

We doubt that this policy consequence is intentional, but it is very real nonetheless. If higher education policy in the State continues on a path of not recognizing the different requirements of Tier I Research universities – with their responsibility for graduate education and research and their contributions to economic development – we believe the results will be very predictable. In our judgment, the absence of differential financial support, combined with the necessity to educate the growing statewide undergraduate population, will result not only in a

reduction in the quality of higher education overall but in a reduction in the associated economic benefits Tier I Research universities can bring to the State of Texas.

*“Closing the Gaps” state strategy also favors enrollment growth, not Tier I Research universities*

In the Texas Higher Education Coordinating Board plan, *Closing the Gaps*, a 5.7% participation rate of state citizens participating in higher education is targeted for 2015. That represents a total of about 630,000 additional students in the higher education system. Obviously, reaching such a goal will require a tremendous expansion of facilities and faculty dedicated to undergraduate education, not to mention the resources that will be required at the K-12 level to adequately prepare students to matriculate. In fact, most of this enrollment growth will be accommodated by non Tier I Research institutions in the State that have excess capacity and are predominantly oriented to an undergraduate/masters level mission.

While the Coordinating Board plan also calls for increasing research and programs of excellence in Texas higher education institutions, the goal of increased access appears to have overshadowed the goal of increased excellence, research, and graduate education. The former goal is easy for the public to grasp, laudable, and probably necessary. However, the evidence of state funding suggests that neither the public nor the State’s elected leadership is sufficiently aware that without explicit action the Tier I Research universities are being degraded. A strategy that degrades the Tier I Research universities is a blow to the head of the State’s higher education capacity and diminishes the State’s economy and overall well being.

Texas A&M is supportive of the goal of greater access. It has taken steps to decrease the time most undergraduates take to complete their degree, thereby creating additional undergraduate capacity within the current enrollment caps. It is also reaching out to traditionally underrepresented communities in an attempt to increase both interest and acceptance rates. It leads the State in six-year graduation rates. The fact that our faculty reinvestment program was necessary to remedy an excessive student-to-faculty ratio illustrates, however, the pressure the Tier I Research universities are under to maintain quality and serve their current student base, much less an expanded one.

*Other states have figured this out; Texas is being left behind*

Unfortunately for Texas, other states have been able to achieve a role and funding differentiation among their institutions of higher education. States such as California, North Carolina, Michigan and others have recognized the importance of having a few Tier I Research universities combined with a number of other institutions focused on providing high quality undergraduate education. In every case, the states have acknowledged these different roles and have provided differential funding. Thus, their superior standing among research institutions will likely continue as long as their current system of resource allocation is maintained.

Therefore, if the State really wants excellence as well as access, it must find a way to recognize the very different funding requirements for excellence between Tier I Research universities and those of the institutions whose mission is driven primarily by undergraduate education. Our Council believes it essential for the State to meet both the goals of increased access and the State’s unquestioned need to be nationally competitive at the Tier I Research level.

*New realities complicate the resource challenge*

Finally, since the time of our original Vision 2020 report, three new complicating financial realities have emerged. The first is the identification of a significant cumulative deferred maintenance requirement, particularly on the plant built to serve the dramatic growth and enrollment in the 70s and early 80s. This plant is now 25-30 years old and is at the peak of its need for refurbishing. In the intervening period of intense resource competition, it has been impossible to adequately set aside funding to meet this ever growing deferred maintenance burden.

A second need is to continue to add and to improve sophisticated physical space for faculty and research at Texas A&M. As research and teaching become more interdisciplinary, such space is essential. This need is plotted against the severe limitations of the Permanent University Fund to provide sufficient revenue to service additional bonded indebtedness for physical growth, repair, and rehabilitation.

Finally, and somewhat representative of the unpredictable and uncontrollable costs to the institution, there has been a significant impact from increased energy costs on the University's budget. Fundamentally, this is the cost to provide basic utility services to the institution. While not a new dilemma, the expenditures for utilities for the education and general program of the University has already exceeded state appropriations by \$64 million during the period 2000-2005. The shortfall between state appropriations and the University's costs on an annual basis is currently \$30 million. In the fall of 2005, based on spot gas prices, it is estimated that for every ten-cent increase in the price of natural gas, the University's budget is increased by \$500,000. While the University and System are attempting to identify measures to help moderate this through the employment of hedging techniques, the ultimate cost will likely increase for the foreseeable future.

*We have made progress, but it has been on the basis of potentially unsustainable sources*

There have been points of progress on the resource front. First, the capacity for the University to set tuition rates has not only generated additional resources but has provided some financial incentives for students to move to degree completion more efficiently and make room for additional student demand. It should be noted, however, that these very necessary increases in tuition have already moved the University's required tuition and fees to a level approximately equal to or above three of the seven Vision 2020 peers. While administered with sensitivity thus far, it should be recognized that the capacity to set tuition rates has an inevitable negative effect of moderating access for both those least capable and the middle class. Families in the income range of \$50,000 - \$100,000 miss the opportunity for substantial financial aid at the low end and typically have inadequate resources to fund higher education without substantial student loans. This dilemma should continue to be a significant concern for the institution.

In the private fund raising arena, the institution's second comprehensive campaign has passed the \$1 billion mark, and the private endowment held in combination between the Texas A&M Foundation and the Texas A&M University System has doubled from the base reported by the Vision 2020 Report. Endowment growth is above the trend line to achieve the long-term targeted levels suggested by the initial Vision 2020 report. Nevertheless, endowment spending – vital to constantly improving the quality of the institution at the margins – represents less than

five percent of the University's total budget. Unfortunately, due to the inadequacies of public funding, the strong endowment progress we are making will not be enough.

Progress has been made toward the most important of the twelve imperatives identified in Vision 2020. Most notable of these have been in the four areas of concentration during your administration, specifically, growth in faculty and faculty quality, diversity, improvement of undergraduate and graduate programs and initiatives to provide space to accommodate these initiatives. The bold moves to initiate these programs have been refreshing and have garnered national attention. As the progress on these and other Vision 2020 imperatives has thus far been achieved through a combination of resource reallocation, tuition increases, substantially increased private resources and one-time special legislative appropriations, the key question for us is whether or not this trajectory of progress can be sustained without substantial additional state funding. We believe it is unlikely.

More specifically, the addition of 447 new faculty members over five years will require a significant additional investment. When fully implemented in the fifth year, the additional annual cost of these faculty will be approximately \$45 million (not adjusted for salary inflation). There will also be significant additional support costs, such as graduate students and labs. During its first two years of implementation, the legislature provided a "special" appropriation of \$20 million. For the second biennium, the legislature again appropriated another "special" \$20 million. If that level of support continues through the completion of the faculty additions, there will be a recurring annual gap of approximately \$15 million (+/-) for faculty reinvestment. This remainder will have to come from other sources of funds such as increases in tuition revenue or in one-time reallocations from other programs.

A similar funding pattern of tuition set-asides and reallocation supported the minority recruitment and diversity programs. Although a state priority, state scholarship and grant funding for low and middle income students has not kept pace with current needs. The number of students supported at Texas A&M under the Texas Grant Program, for example, has fallen from about 1,000 to 100. The University has had to find the funds to make up the difference. Likewise, one of the major bold initiatives to improve graduate education has been to provide for the payment of tuition for graduate teaching assistants. A common financial tool to allow high quality graduate programs across the country to be competitive for top graduate scholars, this \$10 million initial step has been taken by Texas A&M itself from the reallocation of internal resources. This is another example where the State of Texas is not competitive with other states in funding research and graduate education at Tier I Research institutions.

We are convinced we will never gain resource parity with our peers through a combination of temporary reallocations and continuing tuition increases to the education consumer. In 2003 most of our peers were spending about twice per student over the Texas A&M level. In several cases, we believe we have lost ground in total resources per student since 2003 relative to our peers. Sustainable resource parity will not occur until the State funding pattern for higher education matches our aspirations of achieving comparability with our Tier I Research institutions across the country.

In all fairness, of course, it is not possible to accurately project the resource environment to 2020. At the outset of Vision 2020, we did not have deregulated tuition. The legislature has provided special funding for faculty reinvestment over two bienniums. Innovative management

of the endowment and mineral properties of the PUF may provide some relief. Technology commercialization and internal reallocations must continue.

Yet, except for tuition increases and legislative appropriations, these sources of new funding are very likely to be at the margin. If we are forced to continue tuition increases, it will continue the slide toward privatization and endanger Texas A&M's historic role as a land grant university dedicated to the development of the State's people of all resource classes.

At one point in time, it could have been argued that the Permanent University Fund (PUF) provided the necessary differential funding. Unfortunately, over the last two decades the PUF resources have become less of a differentiating factor for excellence, principally due to: (1) expansion of the Texas A&M and UT systems, (2) ever growing demand for bonded indebtedness by the PUF-eligible institutions and, most importantly, (3) the necessity to substitute PUF excellence dollars into the operating budgets as a substitute for state appropriations.

Again, we emphasize that there is little doubt in our minds that with adequate resources and support, Texas A&M and UT-Austin can be competitive national and international leaders and produce the graduate research and service outcomes that will drive the Texas economy. Yet as of today, reality forces us to acknowledge that neither Texas A&M nor UT-Austin are in the top 50 in overall undergraduate rankings as compiled by *U. S. News and World Report*. In that particular publication's ranking of best public universities both of these important state institutions have declined in ranking since 2000. Probably because of the faculty reinvestment program, Texas A&M's rankings have rebounded somewhat each of the last two years.

Despite the enormous demands for state support at every level, the Vision 2020 Advisory Council believes that Texas should continue to value the outcomes of higher education and invest in it fairly. To suggest otherwise would be to abdicate the most fundamental tenets of our democracy and of Texas' rightful place among the states.

## **Conclusion**

Eight years ago, at the outset of the Vision 2020 Task Force, President Bowen made it clear that he felt Texas A&M needed to reaffirm *to what end* its faculty, students, and administrators worked. He engaged those constituencies, as well as many former students, to answer that question for ourselves and for the citizens of the state.

As one of the state's two Tier 1 Research Universities, the answer is important for the state and the nation. We believe that excellence in higher education is a critical ingredient not only in the development of the intellect but of societal behavior and economic prosperity overall.

The Task Force report was lengthy but clear. It emphasized an end of "Creating a Culture of Excellence". It said we should strive to assume a place of preeminence among public universities in the nation while respecting and even enhancing our history and uniqueness.

The vision of Vision 2020 was, therefore, to enhance our relative standing among public universities in America by insisting on higher standards for ourselves. The Vision identified

twelve imperatives where it thought progress would enhance the quality of the lives of all those who are touched by this important institution.

As John Gardner said years ago

*“We must face the fact that there are a good many things in our character and in our national life that are inimical to standards – shallowness, complacency, the pursuit of a fast buck, a fondness for short cuts, a willingness to tolerate incompetence, to name only a few.*

*The importance of competence as a condition of freedom has been widely ignored (as some newly independent nations have found to their sorrow). An amiable fondness for the graces of a free society is not enough. Keeping a society free – and vital and strong – is no job for the half-educated and the slovenly. Men and women doing capably whatever job is theirs to do tone up the whole society. And those who do a slovenly job, whether they are janitors or judges, surgeons or technicians, lower the tone of society. So do the chisellers of high and low degree, the sleight of hand artists who always know how to gain an advantage without honest work. They are burdens on a free society.*

*But excellence implies more than competence. It implies a striving for the highest standards in every phase of life. We need individual excellence in all its forms – in every kind of creative endeavor, in politics, in education, in industry, in our spiritual life – in short, universally.”*

This report is the first formal appraisal of Vision 2020’s challenge to get better. It points out important areas where we have made improvement. In those areas it would be fairly easy to conclude that we are about on track.

Yet, the Council points out in this report several major challenges we confront. Of these, the challenges of sustaining our current collaborative leadership model, of finding adequate resources, of reaching the desired level of student and faculty diversity, and of setting high standards in institutional leadership and governance strike us as very formidable. It is our view that if all of us – as a community – do not appreciate the fundamental case for excellence and standards, we will likely fail. We believe that would be an unfortunate and sad ending for an institution that means so much to its members, and that has contributed so much throughout its history.

One thing is clear. It is not an advisory council which will make the difference. The larger community of the leadership of the State, regents, administrators, faculty, students, and former students will make the difference. It is our fervent hope that they will acknowledge the importance of achieving a culture of excellence at Texas A&M University that endures and grows, and of which we can all be proud.

Respectfully submitted,



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for the Vision 2020 Advisory Council

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Mr. Jackson Hildebrand '05 (Member 2004-2005)

Former Student Body President

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Ms. Cassie Rutherford '02 (Member 2004-2005)

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Mr. Bill Toler '76

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Ms. Jamie Rae Walker '99

President, Graduate Student Council

Mr. Robert T. Bisor '86

Coordinator for the Council

**VISION 2020 ADVISORY COUNCIL MISSION STATEMENT**

The Vision 2020 Advisory Council serves in an advisory role to the President and Provost to facilitate the implementation of Vision 2020 for Texas A&M University.

***VISION 2020 ADVISORY COUNCIL GOALS***

1. To provide an independent perspective on progress toward the achievement of Vision 2020.
2. To periodically review the imperatives, precepts and goals of Vision 2020, and the Vision itself, to help ensure their continued relevance for TAMU to become one of the highest quality public universities by 2020.
3. To review, upon request of the President and Provost, the strategic thinking of major TAMU units regarding their contributions to the achievement of Vision 2020 goals and targets.
4. To communicate to the President and Provost our assessments of progress, issues, concerns and opportunities and any potential programs or strategic actions judged important by the council for the achievement of Vision 2020.
5. To the extent agreed upon by the President, champion the imperatives, goals and rationale for Vision 2020 to important internal and external constituencies.
6. Where feasible, and in coordination with the President, communicate the criticality of higher education excellence and an upper tier of research universities for the State of Texas, and the corollary need for appropriate resourcing.

## A Primer on Prior Aspiration Efforts Which Helped to Inspire Vision 2020

During the presidency of Earl Rudder, an *Aspirations Study* articulated a substantial change in mission for Texas A&M by proposing:

- That membership in the Corps of Cadets be made non-compulsory
- That women be admitted to the University on a full and equal basis
- That graduate education be more seriously developed

Each of these directions was a marked departure from the policies and traditions of Texas A&M at the time. The study set targets that called for the implementation of these proposals by 1976, the 100<sup>th</sup> anniversary of Texas A&M's founding.

All of the proposals were implemented. Many observers credit these steps with saving Texas A&M as a major educational institution and moving it to a new level of recognition.

A second effort in the 1980's called *Target 2000* called for continued emphasis on undergraduate education, more emphasis on graduate and research programs, greater internationalization, increased recognition for programs in various disciplines at the national level, a better system for faculty involvement in the leadership of the institution, and more serious efforts at fund-raising for the University. All of these were felt necessary for the University to continue to increase its stature.

One can see in the University today the broad effect of these two initiatives. For example, in the 1990's the University completed its first major capital campaign "Capturing the Spirit". Against an original goal of \$500 million, the campaign raised a total of \$637 million of private resources. The University has already exceeded its target of \$1 billion for its second capital campaign, *One Spirit, One Vision*.

*Vision 2020* was conceived with the understanding of the large benefits to the University of these two previous efforts.