



**50th Chancellor's Council Annual Meeting & Symposium
Friday, April 28, 2017**

**State of the System
Chancellor William McRaven**

Thank you Wallace for that kind introduction, and for all your leadership as chairman of the Chancellor's Council.

Thanks also to Lanette, who is with us today, for her support and friendship. Thank you both.

I also want to thank Randa Safady and her incredible crew for all the hard work in putting this event together.

Of course, I want to thank all of you for joining us today. I know you're in for a fascinating symposium.

Thanks even more so, for your unflinching support of the UT System and of Georgeann and me.

It has been incredibly helpful to have the wisdom, experience and expertise of this council to lean on.

My remarks this afternoon are on the State of the System.

And let me begin by saying, the State of the System is incredibly strong—it is incredibly strong because of the great leaders we have at the campuses.

Presidents who drive for excellence.

Faculty who are dedicated to educating our kids.

Employees who do everything within their power to provide the very best service to the institutions.

And of course, the magnificent students who are focused, driven, curious, active, and unrelenting in their desire to change the world for the better.

The State of our System owes so much to these leaders, but also to the great leaders who came before them.

We are honored this afternoon to be joined by four remarkable men who shaped the future of the UT System.

Who over the past 50 years, set the conditions for success that we enjoy today.

Chancellors Hans Mark, Bill Cunningham, Mark Yudof and Francisco Cigarroa.

We're going to hear from them shortly, but I want to publicly thank them – for their example, for the wise counsel they've provided me, and for helping make much of the last half century a time of incredible progress for our System.

I also want to thank five of our finest university leaders, also with us today, who will surely put their stamp on the next half century.
Presidents Kirk Calhoun, David Callender, Guy Bailey, Greg Fenves, and Vistasp Karbhari.

We are fortunate to have phenomenal leaders at our institutions, and I look forward to hearing from them in a little while.

Quantum Leaps

So, let me now talk about the State of the System. I want to begin with an update on the Quantum Leaps.

I'm sure most of you are getting tired of hearing about the damn QLs, but that's exactly the point.

My staff and the staffs of the campuses spend a lot of time focusing on the QLs.

They do so because if we expect to make any real progress we can't take our eye off the ball.

That means weekly, monthly, quarterly meetings. That means detailed project plans.

That means a project manager whose primary responsibility is to shepherd the QL toward success.

That means goals, metrics, a sustainable budget, and a critical eye toward improvement.

So, I don't want to rehash them all, but I do want to give you a quick update—because ultimately, I am responsible to the you, the Board and the people of Texas for their success.

Student Success

I'm going to start with Student Success.

At the end of the day, putting the young people on a path to a good life is Job Number One.

And it will always be Job Number One.

Every Chancellor before me and every President that ever led one of our universities understands that.

At System Administration and around campuses, that work of Student Success continues with great urgency.

For this QL, Dr. Rebecca Karoff from Academic Affairs leads a team of approximately 80 men and women from our universities.

They are incredibly committed to improving our four- and six-year graduation rates.

And, I have challenged our leaders to overturn orthodoxies, take risks, and most of all, collaborate with each other.

The goal is ambitious, but straightforward:

- No student should drop out because of finances,
- No student should give up on their education for lack of engagement-- for a sense that somehow they don't belong. And
- Every student should receive the advice and counsel they need.

These are the three tenets, that have been identified by the campuses and that will drive student success forward.

We won't get there overnight. But I'm encouraged by the sustained, energetic, and concerted efforts underway.

Texas Prospect Initiative

Our second Quantum Leap, The Texas Prospect Initiative is directly tied to Student Success.

It's all about ensuring the students that arrive on our doorstep are ready for college.

We will fail the state of Texas if we don't build a bigger and stronger bridge between higher ed and pre-K through 12.

The Texas Prospect Initiative is our attempt to more deeply engage with the pre-K through 12 communities to ensure that every young person who shows up at our doors is ready to learn and succeed.

I'm pleased to say that this initiative is moving along very nicely.

We have eight separate projects underway, the most high-profile being the statewide Dual Credit Task Force and our own Dual Credit Study.

Why are dual credits so important? Well, imagine your child or grandchild earning UT credits while still in high school.

Imagine being able to count all those credits and graduate in three years instead of four.

Think of what that means in terms of reducing student debt, not to mention starting to earn a college graduate's salary a year earlier.

However, while dual credit may sound like the Holy Grail, it is not without its problems. Quality control is the biggest issue.

Not all Dual Credits are created equally.

While the Prospect Initiative is still in early days, we have already engaged an unprecedented set of partners and stakeholders from across Texas to strengthen the student pipeline and help more Texas students be college- and career-ready.

While the impact of what we're doing is likely years away, we are off to a fast, and very encouraging, start.

The American Leadership Program

The third Quantum Leap is the American Leadership Program.

It sprung from our belief, reinforced by every CEO I've spoken to, that every student we touch ought to receive some kind of leadership training.

Whether their field of study is business or botany, law or literature, their career arc

will be a function, at least in part, of their ability to master the basics of leadership.

Right now we are compiling an inventory of all of our institutions' leadership training efforts.

And I'm pleased to say there are a lot of great leadership programs out there.

But as fine as these programs are-- they only touch a small portion of our student population. We want to go much bigger.

Once we have completed our inventory, we will have solid data on where the gaps are.

And I believe, in very short order, we will be able to come up with a plan to scale appropriately and ensure that young men and women we send out into the workforce – in any field – are ready to lead from day one.

The Talent War

The next Quantum Leap is called Winning the Talent War.

It is our acknowledgment that we operate in a very competitive field, and if we want to attract the best students, we need to invest in the best faculty.

This Leap was underway long before I arrived. But, it was so good that I asked to double down on our investment.

Our STARS program, launched way back in 2004 and has yielded a phenomenal return on investment – more than \$650 million in external research funding from an investment of \$100 million.

STARS is focused on attracting and retaining the best and the brightest faculty and researchers in the world. What we have done to make it Leap worth is to add an additional \$10 million to that program.

But, we also invested \$20 million in what we call our Rising Stars program, to bring brilliant minds into our academic and health institutions earlier in their career.

Nothing will shape our next 50 years more than making sure we are the destination of choice for the best – students and faculty alike – and we're determined to make that happen.

Fairness and Opportunity

That said, our fifth Quantum Leap is our acknowledgment that we won't have the kind of faculty and administration our students want and deserve---

--Unless... we aggressively ramp up our efforts to drive equal opportunity and fairness in our hiring and promotion processes.

This is an area where, like many organizations, we have fallen short for too long.

As a start, we've put in place a rule that ensures that qualified women and members of underrepresented groups are among the final candidates considered for every senior level position.

Already, in the last year and a half, we have seen the benefits of this approach.

We've hired some great people who might have otherwise slipped through the cracks.

At the same time, we are working hard, and thinking hard about how to close the *gender pay gap* across the UT System.

We want to be sure that, all things being equal, people doing the same work receive the same pay, regardless of gender.

The complexity comes in how you define "all things being equal," but I'm confident we are going to make great progress closing the gap in the next year or two.

Health Care Enterprise

Our sixth Quantum Leap is our Health Care Enterprise.

Did you know that between our six health care institutions, we see more than 7.2 million out patients each year?

Think of the unique position that puts us, in terms of collecting and sharing data to drive better care, accelerate cures and make our state a healthier place to live.

Our intent, through this Health Care Enterprise, is to take all our magnificent health institutions and having them operate as a true integrated system for the people of Texas.

I want to credit the Board of Regents for believing in this effort.

They have allocated more than \$10 million to fund collaborations in clinical trials, shared clinical information and other efforts to leverage our unique collective size and expertise.

The Regents also approved \$45 million in PUF bonds to fund a cancer collaboration between MD Anderson, UT Health San Antonio, UT Health Northeast, UT Medical Branch, and the Dell Medical School just down the street.

I also want to thank the health institution presidents for their enthusiastic engagement and willingness to pull together to scale our strengths.

I am confident we are well on our way to creating a powerful and cohesive enterprise that will drive better health outcomes all over Texas.

Brain Health Revolution

While the Health Care Enterprise takes a more holistic view of the needs of Texas, our next Quantum Leap is sharply focused on treating and curing diseases of the brain.

The neurosciences are sort of the last great frontier of medicine.

From Alzheimer's to autism to concussions to addiction, post-traumatic stress, stroke, dementia and on and on, so many of our friends, family and neighbors are suffering from ailments that are largely a mystery to us.

The good news is we have extraordinary people doing extraordinary work on brain health all over the System.

I would be remiss not to mention, specifically, the incredible recruits arriving, and results unfolding, at the Peter O'Donnell Jr. Brain Institute at UT Southwestern---

--- and the newly forming Mulva Clinic for the Neurosciences at UT Austin.

We have set out to scale our strengths, and leveraging all the great work going on at our academic and health institutions.

As with many of the Leaps, we're early days.

However, among other encouraging developments, last year... the National Institutes of Health bestowed 513 Neuroscience grants to UT System institutions – accounting for nearly two thirds of the funds awarded in Texas.

UT Network for National Security

Turning to the UT Network for National Security, this initiative is going great guns.

Led in great part at UT Austin by the Clements Center for National Security and Strauss Center for International Security and Law—

-- the national security network is bringing together the expertise and resources of all our institutions – academic and health.

And I believe we are all well on our way to creating the premier university system in the country for national security work.

Already we are recruiting some of the best and brightest talent from around the nation.

We are supporting important national security research.

We are training the next generation of national security professionals, including experts in cyber-security, biological warfare, and more.

And... we have hosted a number of conferences, panels and other events that have both raised our profile in this arena, and improved the public's understanding of the national security issues.

This one is out of the starting blocks quickly and making great progress.

Expansion in Houston

There's one Quantum Leap I haven't mentioned, of course. And that's the Expansion we envisioned for Houston.

Our intent was this:

Given Houston's unique place in the landscape of Texas and the country.

Its great institutions, diverse population, its world leadership in medicine and energy.

We hoped to build a collaborative effort that would benefit the city and state, and benefit from the insights and expertise of local leaders.

We put together a marvelous task force of Houstonians, and gave them a blank canvas to work from.

They considered lots of interesting ideas, but landed on the notion of a data science institute focused on the potential of big data to transform the energy, education, and health care sectors.

Unfortunately, and as most of you know by now, I was unable to develop a shared vision for this quantum leap. I accept full responsibility for the project not moving forward.

Ultimately, I determined that the Houston project was overshadowing all the other great work going on, across all of the UT institutions.

Consequently, I made the decision to stop the project and focus our efforts on all of the other Quantum Leaps and campus initiatives.

But... my hope is that some of the great ideas that sprung from the task force's work will find a home at one or more of our institutions.

CLASE

While not a QL, I want to touch briefly on the study we did on the issue of sexual assault on campus.

I know those of you who attended the discovery session on campus safety are up to speed. But let me briefly give you my perspective on the issue.

The reason I wanted us to take this on really goes back to my time in the military.

When I was a Navy three star, a command sergeant major informed that we had a problem with sexual assault.

Frankly I was a little dismissive at first, but I said OK, get me the data.

Well I got the data and learned that yes, we did have a problem. Armed with a better understanding, we took aggressive steps to resolve it.

When I arrived at the UT System, I read a lot about the issue of sexual assault on campus.

Frankly, it seemed I couldn't pick up a newspaper and not read about it.

I realized this was an issue most people didn't want to talk about.

But, I knew the stakes were high, for our institutions and more importantly for the young women and men whose safety I am responsible for.

We simply didn't know enough.

Now that we have done the study, we know more.

And as you have probably read, some of what we now know is hard to accept.

But we have to accept the truth. We have to shine a light in the dark corners if we are to end the scourge of sexual assault on campus.

Our students deserve nothing less.

And, armed with what we have learned, we will be layering new programs on top of our existing efforts to make our campuses as safe as possible.

Legislature

I've probably exceeded my allotted time by now, but let me just close with a couple thoughts on the legislative session.

Going in, we expected a tough session. And it has certainly met our expectations.

It should be noted that the Legislature, was good to higher education in 2015.

So, we didn't expect increased funding, especially given the lower 2018-2019 state revenue estimates.

But we were, in all honesty, a bit taken aback by the initial budgets proposed by the House and Senate, which would have reduced funding dramatically.

Fortunately, the budget bills that came forward were not as draconian as we anticipated.

However, as they stand now, they still have serious consequences if we can't continue to make the case for higher ed.

I won't sugarcoat the fact that it is tough sledding right now.

But I am hopeful that the Senate and House, will continue to work hard on the needs of our great universities and health institutions.

Conclusion

A few final thoughts.

Thanks to so many magnificent leaders, we have had a remarkable run for the past 50 years.

But, for us to continue to be as successful-- we need to think about the qualities that will define us now and into the future.

Beyond the quest for excellence in education, research and healthcare, what do we want to be known for?

I believe that more than anything else-- more than the great engineers, the great lawyers, the great doctors, the great artists and the great athletes-- we must be known for building men and women of great character.

Men and women who are not afraid to challenge the status quo, to speak truth to power, to stand up for what they believe in,

--to always--always seek to be moral, legal and ethical.

Men and women who respect everyone and who are themselves respected.

Character knows no color, no gender, no social status—Good character is universal in its appeal.

But to generate men and women of good character we, the leadership of the system, the Chancellor, the Presidents, the Provosts, the Deans, the Chairs, the faculty and the student leaders must set the example.

Where there is ignorance, we must challenge it. Where there is injustice we must stand against it.

Where there is inequality we must confront it and where there is hatred and bigotry we must overcome it.

To be a great system, we must—we absolutely must—take on the difficult challenges of the day.

We must find opportunities to shape the national narrative on sexual assault, the first amendment, immigration, climate change, scientific discovery, national security, health care and higher education.

We can't run from these issues because they are controversial. We must address them head on.

If we don't, what example are we setting for our students? How are we defining our character if we get weak-kneed in the midst of challenging times.

Great character is bold and unafraid. Our students must see the system—each of our institutions-- as fearless purveyors of good character.

Without the character to be bold and courageous, how will we ever get to Mars, cure cancer, eliminate racism, create artistic masterpieces or build the iPhone?

Great systems, great universities, great colleges and great men and women all push the limits of comfortable discourse, of exploration, of conventional wisdom.

But that does not come easy. To take on the tough tasks requires character and nothing will define us as a people or as a nation-- more than our character.

If we set our sights beyond the technical, beyond the pragmatic, and focus as much on character as these other important qualities, then the state of system, the state of Texas and the state of the nation will be strong long into the future--

--and those that came before us and those that will follow us-- will always be proud to say, that they were students at UT.

Thank you very much.