

## **Inside Outreach**

### ***A Report to the Board of Trustees***

**May/June 2004**

Dear Colleagues,

In this issue of Inside Outreach, I am sharing the remarks I will make to the Board of Trustees later this morning:

Good Morning. Allow me to begin today by saying how honored I am to be serving as the Vice President for Outreach at this great land-grant university. In my first ten months, I have logged several thousand miles--as I have traveled across the state to meet with Pennsylvanians from all walks of life. I've traveled to farms in our most rural counties and to schools in our most urban regions

As a new member of the Governor's Workforce Investment Board, I am talking with business and government leaders about how Penn State can provide leadership to address the workforce education needs of our citizens. And here at University Park, and at several other campuses, I have talked with students, faculty, staff and alumni regarding how engagement relates to Penn State's tripartite mission of teaching, research, and service.

It is clear to me that Penn State is one of the most highly engaged institutions in the United States. It is also clear to me that we must continue to find new ways to disseminate faculty research, technical expertise, and educational programs to adult learners, communities, and organizations across the state.

Outreach is at a critical point in its history, we are poised to advance to the next level of engagement, but we must change much about how we do our work. For example, we must eliminate redundancies, find efficiencies, more closely align the capabilities and priorities of Penn State with the needs of the Commonwealth, maximize new revenue streams, and more fully utilize technology to expand our reach.

I have three goals this morning: First, I want to demonstrate Penn State's impact. Second, I will update you on the work of our Outreach units. Finally, I will share with you a brief overview of how we plan to align resources with organizational priorities.

I am joined by my colleagues Ted Alter, Ted Krichels, Gary Miller, and Bob Steele, Dean of the College of Agricultural Sciences and my partner in Cooperative Extension.

## **Penn State's Impact**

Let's begin by hearing from people whose lives have been transformed by Penn State Outreach. **(NOTE: The 8 minute streaming video, which illuminates Penn State's outreach impact, will be available after the Board Meeting on the PSU LIVE page at: <http://live.psu.edu/>)**

Teddy Roosevelt said that: "Far and away the greatest opportunity in life is to do work worth doing." Each day I marvel at how our faculty and my Outreach colleagues transform lives. It happens every day, in every corner of the Commonwealth.

Through Outreach initiatives, like those featured in the DVD, our faculty and staff reach more than 5 million people every year and touch all 67 counties in Pennsylvania. As State Senator Jake Corman noted on the Senate floor in Harrisburg in March, "The message is clear whether you're in urban Pennsylvania or rural Pennsylvania, whether you're in agriculture or in high-tech, Penn State has a profound, positive effect on the people of Pennsylvania."

Penn State has the largest and most powerful Outreach delivery system in all of American higher education. It gives faculty far-reaching impact. Fulfilling the Promise of Outreach, however, is challenging--especially at a time when funding from state and federal government is flat, at best, and Outreach is striving to reduce its central University support.

Some might suggest that in light of the lack of public funding, we should back off from our land-grant responsibilities. I strongly disagree! I believe that we have a key role to play in addressing the vexing economic and social problems in today's world. To continue to play this role, however, we must become even more aggressive in our pursuit of new funding. And we must recapture our market share of adult learners--despite fierce competition from other providers.

So, where are we today?

## **Update on the Outreach Units**

Our World Campus continues to experience growth. Last year, it surpassed 9,000 course enrollments and I'm pleased to report that we are on target to meet this year's goal of 10,400. And, as long as our lone student in Antarctica keeps his job, we can say that we have students studying on all seven continents.

Over the last five years, academic units have stepped forward to develop an increasingly comprehensive World Campus portfolio of academic programs including four master's degrees, two bachelor's degrees, six graduate and post-baccalaureate certificates, and four certificate programs.

Later this year, we will launch several new programs including a masters degree in project management with Penn State Erie, the Behrend College, a post-baccalaureate certificate in human factors engineering with the College of Engineering, and a bachelor's degree completion program in nursing with the School of Nursing in the College of Health and Human Development. We also anticipate opening a master's degree and credit certificate in Geographic Information Systems in cooperation with the Dutton e-Education Institute in the College of Earth and Mineral Sciences.

As online learning enters the mainstream, we are working with the campus colleges to deliver programs in a blended format—combining face-to-face courses with on-line World Campus courses. It is an example of how the online environment is blurring the old distinctions among distance education, continuing education, and resident instruction. The blended format allows campuses to offer programs that they could not otherwise support and it gives students seamless and flexible access to the University, regardless of where they live.

At the national level, interest in online learning continues to grow, with projected growth to be approximately 20 percent annually; however, competition is fierce with for-profit and public institutions adding new programs daily. Nonetheless, in five short years, Penn State's World Campus has become recognized as one of the premier online providers in the country and the future of the World Campus is very promising.

In Continuing Education, we continue to see revenue growth in Conferences and Institutes. This year, C&I is on course to generate its highest revenues in Penn State history. We expect to reach \$13 million and we will attract more than 47,000 attendees to our programs. In addition to our research dissemination conferences, we are seeing considerable growth in academic and sports camps with enrollments surpassing 28,000--introducing a new generation of young people to Penn State.

Increasingly, more of our Continuing Education revenue is coming from grants and contracts--a fertile area for funding new outreach programs. For example, we received a \$10 million multi-year, contract from the Pennsylvania Commission on Crime and Delinquency for the Deputy Sheriff Training Program and an \$11 million multi-year grant from the Pennsylvania Department of Public Welfare for the Child Support Enforcement Training Institute. To date, we have trained more than 750 deputy sheriffs and 1,200 workers from county domestic relations offices.

Our combined revenue for Continuing Education and the World Campus has increased by \$10 million over the last four years. We expect this to grow, now that we have moved beyond the start-up phase for the World Campus. The future of Continuing Education and the World Campus is very promising

under the leadership of Gary Miller, who was recently inducted into the International Adult and Continuing Education Hall of Fame.

Turning to Public Broadcasting, you can see the extensive reach of WPSU-FM and WPSX-TV. Emmy-award winning WPSX-TV is the sole public broadcasting station tied to an academic institution in Pennsylvania.

Public Broadcasting is in the midst of historic transformation--from analog to multi-channel, digital broadcasting. This technology will provide greater opportunity for engagement and collaboration between faculty and WPSX. I am pleased to report that Penn State Public Broadcasting is leading the nation in this movement. Through a nationally funded "Engaging Faculty" initiative, Penn State, University of Wisconsin-Extension, and The Ohio State University, are identifying new ways to help faculty advance their public scholarship using this promising technology. We also are completing the campaign to fund the conversion to this FCC-mandated digital format. Thus far, we have received nearly \$6 million from state, federal, and community sources.

Construction is underway in Innovation Park for the new Outreach Innovation Building. It will bring World Campus, Continuing Education, and Public Broadcasting together, creating a new gateway--a one-stop shop--for adult learners and the community. In addition, this building will serve as a national model for utilizing new technologies to advance University engagement. I personally want to thank the Board for approving the construction of this building.

Now on to Penn State Cooperative Extension. Our Extension educators continue to respond to the grass roots needs of our communities. Cooperative Extension remains grounded in bringing new knowledge and research to the agricultural community and food processing industry, two of our most important constituencies. However, new demands are being placed on Cooperative Extension--expectations to address emerging issues related to homeland security, safety, family health, and new environmental challenges.

Despite the challenges of flat funding from the state and a shortfall in federal funding, Bob Steele and I are committed to seeking innovative ways to continue the rich tradition of Extension programming in Pennsylvania!

There is much good news. Despite many counties experiencing difficult financial challenges, we have seen a gradual increase from many of our county government partners where overall appropriations have grown by 54% in the last 10 years from \$6.8 million to \$10.5 million. Today, county government appropriations account for approximately 14 percent of our overall revenue for Extension. We are just beginning to see the benefits of fundraising in the 4-H community. We have established four new county 4-H endowments of \$25,000 each and we have received 186

annual fund gifts since January. We also have aggressively sought out grants and contracts to sustain our Extension programming. Last year, Extension secured a total of \$19 million in grants and contracts. This bright spot is a tribute to Ted Alter's leadership and the passionate commitment of our Extension educators around the state. Today, grants, gifts, and contracts account for approximately 26% of our overall revenue for Extension. We must continue to diversify the Extension revenue portfolio to offset the decline in traditional state and federal support.

Collectively in Outreach, our financial picture shows revenue growth of 16% for Outreach units over 3 years--from \$103 million in 2001 to \$119 million in 2003-04.

So, where do we go from here?

We are working with management strategist Jim Collins. He notes in his well-regarded study of long-term successful companies, we need to "preserve the core and stimulate progress."

### **Brief Overview of Future Direction**

Outreach must build upon its past success and aggressively innovate to respond to pressing challenges. We can't ignore the national and international landscape, but we live and work in Pennsylvania. As the land-grant university, we have an opportunity to play a key role in helping the Commonwealth respond to key economic and social issues through our statewide infrastructure and breadth of faculty expertise.

I will briefly share some data with you to illustrate these points. Nationally, during the 1980's and 90's, the number of students, age 25 and over, enrolled in degree-granting institutions, grew more rapidly than the number of traditional age students. However, at Penn State, our full-time and part-time adult learner undergraduate credit enrollments have decreased by nearly 24 percent from 1994 to 2003. The campus colleges are aggressively attacking this issue; however, we need to reverse this downward trend.

Why is educating the adult learner important to the Commonwealth?

Consider this information about Pennsylvania from the "Back to Prosperity" report by the Brookings Institution:

... Pennsylvania ranks #1 in absolute loss of young workers from 1990-2000

... Pennsylvania ranks #47 in employment growth from 1992-2002.

... Nationally, 20.8% of the labor force in the United States have associate degrees. In Pennsylvania, only 16.5% of the labor force have associate degrees.

... Only 22% of Pennsylvanians have a bachelor's degree, a lower percentage than neighboring states New Jersey, New York, Maryland, Delaware, and Ohio...and lower than the 24.3% national percentage. Pennsylvania needs to attain another 165,000 graduates to match the national average.

If the Commonwealth is going to become more viable and competitive, we must ensure that our current workers, who are the backbone of our workforce, are well-prepared. In fact, many states with similar low percentages of adults with degrees are aggressively developing policies to improve these numbers. There is much work to do! And it is important work for Pennsylvania *and* for Penn State.

Penn State can and must be a leader in transforming and revitalizing our state. However, we must rigorously focus our outreach agenda and align our resources with our priorities. We simply can't afford to be all things to all people; therefore, we must be relentless in our focus on the *major* issues.

What attracted me to this position was the incredible promise of outreach created in 1996 by Graham Spanier and Jim Ryan:

"Our vision is for Penn State to be an active participant in economic, cultural and human development. We also wish to assist the Commonwealth in its goal of making Pennsylvania more competitive. In Penn State's vision and in Pennsylvania's vision, educational outreach is central to success."

--Graham Spanier, 1996, *Catalyst Magazine*

Our challenge today, then, is to build upon the University's record of achievement in this area and take Outreach to the next level of national prominence. Four major emphases will serve as the underpinning for our strategic direction within Outreach:

- (1) address major societal needs;
- (2) fully integrate the use of new technologies;
- (3) generate new revenue and drive relentlessly for operating efficiency; and finally,
- (4) ensure excellence in the services that we provide.

### **Address Major Societal Needs**

Outreach must serve as an incubator for innovation and as a catalyst for connection between Penn State's academic resources and the citizens it serves. Working closely with faculty across many disciplines, we will champion a University-wide coordinated outreach response to address major societal needs in several broad areas. Some thematic possibilities include: Agriculture and Natural Resources, Pre K-12 Education, Health, Homeland Security, and Workforce and Community Development.

## **Fully Integrate the Use of New Technologies**

Historically, much of our work has focused on face-to-face interaction with our clients and customers. Today, we must look for ways to more fully utilize technology to extend our reach, disseminate faculty research, and enhance educational experiences for those we serve. For example, I am happy to report that we were recently awarded a \$365,000 grant from the U.S. Department of Agriculture to support this transition. This grant provides computers and other communications equipment to extension educators in 31 of Pennsylvania's most rural and economically disadvantaged counties. Using its digital broadcast facility, Public Broadcasting will be able to transmit materials to Extension agents in the field for use in their community activities and presentations. This is just one example of how we can use new technologies to disseminate faculty research more broadly.

## **Generate New Revenue and Drive Relentlessly for Operating Efficiency**

As I discussed earlier, Penn State is faced with uncertainties in public funding. Recognizing this challenge, Outreach is generating new revenues to ensure that we can support innovation, return value to University partners, and fulfill the Outreach mission, while driving new cost-savings to build long-term financial sustainability. As part of our cost-savings effort, we have already identified \$2 million in budget reductions. This has resulted from eliminating low-demand programs, collapsing positions, and implementing a selective hiring freeze to ensure that every unfilled Outreach position is mission-critical. We also have launched a cost recovery program within Cooperative Extension. And we are aggressively pursuing new grants and contracts for outreach initiatives across disciplines and units. Finally, we are pursuing new philanthropic opportunities to secure private support for Outreach programs and students. We must also recapture our market share of adult learners.

A comprehensive university-wide strategy for recapturing our market share of adult learners is being explored by a Provost-appointed Continuing Education Task Force. Their work will be completed later this month. In addition to the work of the Task Force, we are integrating Continuing Education and Distance Education at University Park, under the leadership of Gary Miller. The integration of these two units enables us to reduce duplication of services, while fostering blended learning and new degree formats tailored to adult learner needs. We also plan to seek out new scholarships and advance public policy to address the lack of financial aid for part-time, adult students. This commitment to better serve adult learners, seeks to reverse a multi-year trend and return Penn State to a critical leadership role! It's also a great example of how Penn State Outreach can address major societal needs while maximizing its ability to generate new revenue.

## **Ensure Excellence in the Services that We Provide**

Finally, our unique mission within the University is to make the match

between the education and service needs of individuals and communities and the University's vast academic resources. I have challenged our staff across all units and regions to strive for excellence in customer service when working with our diverse academic partners and our clients, customers, viewers, and listeners.

Penn State possesses the most powerful and far-reaching Outreach Unit in American higher education. We will continue to provide leadership in defining what outreach and engagement will look like in the future--here at Penn State and nationally.

Let me conclude by sharing a photo with you from the Cooperative Extension archives that first appeared in a book presented to President Dwight D. Eisenhower in 1956 and most recently in the Spring 2004 *Outreach Magazine*. Penn State Outreach, and its programs, serve as a window to this University. *All five* of the siblings in this 4-H photo went on to earn degrees from Penn State "several of their children also have attended Penn State" and one of them is a Trustee emeritus-David Morrow-the tall boy with the red hat.

Outreach is an asset for Penn State University. The University's land-grant mission distinguishes Penn State from other colleges and universities in Pennsylvania. And by living this mission--our faculty and staff transform lives--every day, as evidenced in the DVD.

Thank you for your attention. We are now prepared to take any questions you may have.

Craig