

State of the University
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Public universities in America play a unique and significant role. They were created by states to serve the people, and thus have an obligation to be outwardly focused – to measure success, at least in part, on the basis of impact on their citizens and their state. While the University of Nebraska certainly aspires to be among the best by any measure, the key criteria for our success include:

- Do we provide affordable access to a high quality education that prepares our graduates to be successful in the workplace and in life?
- Are we doing meaningful research that contributes to health, economic success, and intellectual and cultural life in Nebraska and beyond?
- Are we effective in engaging the larger community – extending the benefits of our intellectual resources to people and communities across the state, to help Nebraskans live better and more successful lives?
- And, are we good stewards of our financial resources from both public and private sources, striving to be cost-effective in all our activities?

If we succeed on these measures, we will go far in meeting our goal for the University of Nebraska: to be the best public university in the country in terms of the impact we have on our people and our state.

2007 was a very good year

Three years ago, the university created a Strategic Framework to focus our efforts on the strategies needed to achieve our goals, and to set specific measurements by which we can gauge our progress. We enjoyed success on many of these measures in 2007, including student and faculty recruiting, research, student achievement and new and exciting partnerships that benefit the people of Nebraska. It was also a year in which important conversations took place with regard to the role that the university plays in Nebraska's economic future.

We find ourselves at the beginning of 2008 with tremendous momentum, well-positioned to help strengthen Nebraska through several key strategies: to build the state's talent pool by expanding access to higher education to more Nebraskans; grow Nebraska's research enterprise in areas including agriculture, biomedical research, life sciences, alternative energy and water; and leverage our research and teaching to generate economic growth and contribute to a better quality of life.

The university's success in 2007 would not have been possible without the support of the legislature. With 22 new senators taking office, we faced the challenge of ensuring that the university's biennial budget request and other priorities were well understood. The initial budget recommendation from the Governor was for an increase of approximately 1 percent in FY 2008 and 2 percent in FY 2009 – a level of funding that would have fallen far short of meeting even our salary obligations, let alone continuing our progress in serving the state.

During the legislative session, many people worked hard to make the case that a higher level of state funding was imperative to maintain reasonable tuition rates, sustain the university's momentum in enrollment and research, fund salary increases that we were obligated to pay under collective bargaining agreements on two campuses, and bring faculty salaries at the other two campuses closer to a competitive position – albeit only the midpoint – with similar institutions in the region.

Friends of the university were outspoken and effective public advocates for the university. Special recognition is due our friends in agriculture and business, including Ag Builders of Nebraska, Nebraska Cattlemen and the Lincoln Chamber of Commerce. Ultimately, with the leadership of Appropriations Committee Chairman Lavon Heidemann and members of his committee, and a number of other key senators, increases of approximately 4 percent in each year were approved by the legislature and signed by the Governor.

Even with this support, our state lags the nation in the investment it makes in the university. To put this in perspective, last year the average national increase in state appropriations to public higher education was 7.5 percent, and the average tuition increases of our peers were higher than ours. Through conservative management, we were able to keep tuition increases low for the third year in a row, and provide important new funding for our academic priorities.

A measure of success

That outcome would not have been possible without the broad-based support of the citizens of Nebraska. In March, we conducted research to gauge the public's opinion of the University of Nebraska in several key areas. The results were extremely gratifying.

Here are just a few highlights:

- When asked, “On a scale of 1 to 10, with 10 being ‘very important’ and 1 being ‘not at all important,’ how important is the University of Nebraska to the future of the state?” nearly half of the respondents (47.9 percent) answered “10” – and more than 82 percent answered either 8, 9 or 10.
- The percentage who either “agreed” or “strongly agreed” with these statements is significant:
 - Research conducted at NU is beneficial to Nebraskans – 90 percent.
 - NU plays an important role in Nebraska’s economic growth – 95 percent.
 - The University of Nebraska does a good job recruiting students from Nebraska high schools – 76 percent.
 - NU graduates are well prepared for the workforce – 74 percent.
 - NU conducts itself in a businesslike manner – 76 percent.

Not only did the survey show significant support for the university, it demonstrated much stronger support compared to a 2003 survey with identical questions. In many cases, the percentage of those who “strongly agreed” with statements about the benefits of the university was double or triple what was found in 2003.

Leadership and excellence on our campuses

I believe this extraordinary expression of public support is based on several factors: effective leadership on each of our campuses, increased success in recruiting top in-state students, academic programs that are gaining in national prominence, successful efforts to hold down tuition costs, and the growing success of our research enterprise. And of course, key to all of our success is the strength of our faculty.

We are fortunate to have chancellors leading our campuses who each bring deep experience, vision and good judgment to the office. At UNMC, Chancellor Harold Maurer has led unprecedented success in research, with record external funding in 2007. The Medical Center's commitment to expanding cancer research, discovering new solutions to medical conditions such as autism, diabetes and obesity, and incorporating new technologies including nanomedicine and robotics, have contributed to UNMC's growing reputation among health science centers. And of course, UNMC continues to provide the vast majority of health professionals for the state. In fact, a recent national report confirms that Nebraska ranks #1 among all states in the percentage of its active doctors who received their medical training in the state.

At UNL, Harvey Perlman and his colleagues have created a culture that encourages and fosters innovative research while also maintaining a focus on excellence in undergraduate education – a mix that provides extraordinary opportunities for students and has attracted outstanding faculty members to Lincoln. UNL's strength in research – doubling the volume of funded research in six years – will provide benefits to Nebraska far beyond the campus. And its success in recruiting top students who are more likely to live and work in the state after graduation will make a difference for years to come.

Under the leadership of Chancellor Doug Kristensen, UNK is dramatically altering the campus landscape, with renovated academic facilities as well as impressive new residence halls that enhance the attractiveness of this undergraduate-focused residential campus. UNK is well-known for its close relationship with central Nebraska communities and its success in providing opportunities for first generation Nebraska students.

The newest member of our leadership team is John Christensen, who was named Chancellor in May 2007. As the first UNO graduate to serve as chancellor, John brings an intimate knowledge of the campus and the Omaha community to his new role. He is committed to enhancing the campus through partnerships with the private sector, and to strengthening key academic programs that are consistent with UNO's mission as a metropolitan university. By the time of John's appointment, I was convinced he was exactly the right person for the job, and he has exceeded my high expectations.

In March, I named Dr. Linda Pratt as executive vice president and provost – the ranking academic officer of the university. A former national president of the American Association of University Professors, chair of the largest department on the Lincoln campus and interim dean of UNL's College of Arts & Sciences, Linda brings leadership in and a deep understanding of local and national academic issues.

We will miss a longtime colleague with the retirement of Vice President and General Counsel Dick Wood at the end of 2007. Dick served the university for nearly 30 years with intelligence and integrity. He was an invaluable mentor to his staff, and counselor to four university presidents, many chancellors and members of the Board of Regents. Upon retirement, Dick was named General Counsel Emeritus, a fitting recognition of his service to the university and the state.

Success in student recruitment and retention

The momentum that the university is enjoying is evident in Fall 2007 enrollment success. With more than 47,000 undergraduate and graduate students, the university has the highest total enrollment in more than a decade.

The freshman class at UNL is the largest in 25 years, with significant increases in out-of-state students and minority students. At UNO, where enrollment is the highest since 2002, increases in the number of African-American, Asian, Latino and Native American students reflect the diversity of the Omaha metropolitan area and the state. UNK's enrollment is the highest in seven years, and an 8 percent increase in nonresident students included continued growth in the number of both out-of-state and international students. And enrollment at UNMC is at an all-time high, with a highly competitive admissions pool for all colleges – the College of Dentistry, for example, had nearly 1,000 applicants for 45 slots.

Among the most encouraging increases in enrollment were at the College of Agricultural Sciences and Natural Resources, which experienced the largest growth of any UNL college, and the Nebraska College of Technical Agriculture in Curtis, which grew by 20 percent over 2006 to reach its highest enrollment ever. NCTA Dean Weldon Sleight has generated new interest in agricultural entrepreneurship, including an innovative “100 beef cow” program that helps graduates get a start in ranching, with a goal of addressing rural decline and strengthening Nebraska's beef industry.

Add to this success in numbers a continuing trend of attracting Nebraska's highest-achieving high school students. On each campus, the 2007 incoming freshman class had the highest-ever average ACT score. Nearly 50 percent of high school seniors across Nebraska who ranked in the upper 25 percent of their class chose to attend one of our campuses. And at UNMC, incoming classes in nearly every program have an average GPA of 3.5 or higher.

Out-of-state enrollment also continues to climb, with 20 percent of NU students now coming from outside Nebraska. This is an important element in attracting talent to the state. In October, we launched an initiative allowing students in the three metropolitan Iowa counties to attend UNO at 150 percent of the campus' resident tuition. With this new program, we are competitive with Iowa universities on the basis of quality, cost and convenience, giving us significant potential to attract new talent to UNO and Nebraska.

We are also seeing an increase in the number of students who are taking advantage of distance education opportunities at the University of Nebraska – from taking a single class to completing an advanced degree program. More than 900 courses in over 50 degree and certificate programs are available online, and we believe we can achieve significant growth in this area. In 2007, we completed a comprehensive study of distance education and are developing a new business model to better serve learners throughout the state and expand our position in this growing global marketplace.

An international perspective

Our campuses also continue to be enriched by international students – more than 2,500, representing 121 countries, a 6 percent increase over 2006. UNK has been especially successful in attracting undergraduate students from China and Japan, and alone hosts nearly 500 international students from 50 countries.

International students add some \$65 million per year to Nebraska's economy; more importantly, however, they bring valuable perspectives, cultures and languages to our campuses and communities and help create a campus environment that mirrors the world in which we live.

A personal highlight of the past year was traveling to Brazil and Chile with U.S. Secretary of Education Margaret Spellings and six other university presidents. Our mission was to promote international education and encourage students to study in the United States. It was a worthwhile trip – and a powerful reminder that the United States is still viewed as the land of opportunity and the most desirable place in the world to study. Meeting with the president and foreign minister of Chile – graduates of Maryland and Wisconsin, respectively – served as a reminder of the diplomatic benefits of educating future foreign leaders.

When I spoke at a leading university in Brazil, I met a young Brazilian high school student who had been on a high school exchange program to Nebraska and who said (in front of the presidents of Stanford, Iowa State and the University of California-Santa Barbara) how much he wants to come back to study in Nebraska. He brought the house down by saying that even though he was from Brazil, the first rainforest he'd seen was during a visit to Omaha's Henry Doorly Zoo. Throughout my trip, it was clear that the University of Nebraska is widely known and held in high regard in Latin America, for our educational opportunities and for our research. And I was gratified that, during a press conference on the trip, Secretary Spellings praised the University of Nebraska's longstanding efforts to educate women teachers from the Middle East – a UNO program that has earned international recognition.

An important trend on our campuses is the increase in opportunities for students to study abroad – more than 1,000 NU students participated in study abroad programs last year. These programs are like internships for the 21st century, and I believe that every college student should have the opportunity to study abroad. As the world becomes more closely connected, students who have a knowledge of and experience in other cultures, languages and economies will be better prepared to succeed.

Each of our campuses has important international initiatives that contribute to its mission in different ways. One of those is the new Confucius Institute at UNL, which promotes and teaches Chinese language and culture to students and members of the community. UNL is home to one of only 20 Confucius Institutes in the United States.

I have asked the Provost to work with the campuses to develop university-wide initiatives and funding plans on international education. I hope that in the next few years we can significantly grow the number of international students at NU and more than double the number of students who study abroad. It will require a significant increase in private funding to support these initiatives, and this will be a priority for the university.

Improving access to the university

In addition to a growing population of international students, Latino, African-American, Asian and Native American students now represent about 9 percent of our total enrollment – a reflection of our state’s changing demographics. Nebraska’s high school graduating class of 2018 is projected to be approximately 30 percent “non-white.” It is an important part of our mission as a public university, and an important factor in the long-term economic success of the state, that we provide affordable access to a quality education for all Nebraskans including the state’s growing minority population.

Initiatives on all four campuses seek to prepare and encourage first-generation college students and students from under-represented populations to attend college. UNL’s College Preparatory Academy in Grand Island, and UNK’s Kearney Bound program, which works with promising high school students in Lexington and North Platte, provide mentors and scholarship funds for high-achieving first-generation students of all backgrounds to attend the university. UNO’s Summer Scholars Program brings Omaha-area high school juniors to campus for a five-week summer session. Students get a taste of college life, take courses for credit, explore career options and interact with faculty, and then participate in college prep workshops throughout their senior year.

University of Nebraska leaders are also active participants in the Building Bright Futures campaign, an ambitious program that seeks to guarantee that every child in Douglas and Sarpy County has the opportunity, the encouragement and the resources to attend college. UNO Chancellor John Christensen and UNMC Vice Chancellor Rubens Pamies are among many NU leaders providing important leadership, chairing two of the five Bright Futures task forces, and I serve on the academic advisory board.

Increasing the college-going rate

Last fall, I joined Governor Heineman, the EducationQuest Foundation and other state education leaders to launch a new program called “Know How 2 Go Nebraska.” This educational effort is designed to increase the college-going rate in Nebraska by encouraging students to find a mentor, push themselves to excel, start saving early for college, and search for the college that best fits their needs.

We’re supplementing those messages, created with the Ad Council, with new information and materials, in both English and Spanish, about University of Nebraska admissions requirements, financial aid and the value of a college education. This information will go to 8th graders and their families across the state this spring to help put students on the right track to college, as early in their education as possible.

Another initiative aimed at increasing student access and success, the Nebraska P-16 Initiative, was given a boost this year with new leadership and an expanded strategic planning effort. P-16 (Pre-kindergarten - college) is a coalition of education, government and business leaders whose goal is to improve students’ preparation for and participation in post-secondary education. The University of Nebraska has long been a leader of P-16, and in 2007, we hired Marty Mahler, a native Nebraskan and expert in workforce development and educational policies and issues, to direct this initiative.

Lowering barriers to access

For many Nebraskans, cost remains a barrier to educational access. Students whose families meet the criteria for federal assistance through Pell Grants receive some assistance, but may not be able to afford the total cost of attending college. And, ironically, many families whose income is just high enough to take them out of Pell eligibility may be in even more difficult circumstances.

I believe every student who has the ability and desire to attend the University of Nebraska should have that opportunity. On each campus, a wide range of scholarships, grants and work study options are available. To make the promise of higher education a reality for more Nebraskans, we created the Tuition Assistance Program, promising that any Nebraska resident who is eligible for federal financial aid will have the full cost of his or her tuition covered.

TAP was first offered three years ago – one of the first and most far-reaching programs in the nation. In 2007, nearly 2,000 students benefited from it. Over the next four years, we plan to offer tuition assistance to more middle class Nebraska families by increasing the income limit for eligibility each year. In the first year, the program will be expanded to include families with a household income of \$40,000 – several thousand dollars above the amount that qualifies for federal aid. That’s great news for Nebraska, and it’s possible in part because of significant private support.

Academic Excellence

Improving access to education is of value only if the education is high quality, and I continue to be impressed by the quality of our academic programs. The J.D. Edwards Honors Program and the Peter Kiewit Institute, for example, are two key programs that have helped us build quality.

These and other leading programs are important for several reasons – first, because they attract talented students and faculty to our campuses. They also serve as models, raising aspirations and expectations. Ultimately, they become a source of pride to Nebraskans – programs that students compete to get into, that faculty aspire to teach in, and that citizens point to as examples of excellence at the university.

We added another such program in October with the dedication of the new Johnny Carson School of Film and Theatre at UNL. Thanks to the generous support of alumnus Johnny Carson and the Carson family, whose gifts provided for the renovation of the Temple Building as well as faculty and program support for the school, we have the opportunity to create one of the best film and theatre programs between New York and California. It is another opportunity to attract talent to our state.

This year the addition of PKI's Holland Computing Center, with one of the world's largest supercomputers, further expanded research opportunities for our faculty and students, and enhanced Omaha's desirability as a place for technology businesses to locate. The ready availability of high-performance computing, in an atmosphere with outstanding students and faculty, adds a real draw for the university and the city. UNO graduate Dick Holland, who has done much to improve his community, provided the gift that made this possible.

Across the university, programs received prominent recognition in 2007. UNMC's College of Medicine primary care program was ranked, for the first time, in the top 10 in the U.S. News graduate school rankings, while the rural medicine program was ranked sixth among similar programs. UNO's Information Science and Technology program and Criminal Justice doctoral program were also ranked in the top 10 among similar programs. These graduate rankings are in addition to undergraduate rankings placing UNL in the top 50 public universities and UNO and UNK in the upper tier of regional, master's level universities. While these rankings are a welcome validation of campus efforts, what is truly important is that we are achieving success in primary care, rural medicine, and undergraduate and graduate education, which are key to Nebraska's future.

Another program launched in 2007 is the new master's program in space and telecommunications law at the College of Law – the first of its kind in the country and the first graduate program at the law school. In March, we hosted an international conference on this subject, and we have hired one of the top scholars in the field – Frans Von Der Dunk from Leiden University in the Netherlands. There is great interest in the program, and opportunities for collaboration with government and business are significant.

Student Success

The strength of our academic programs is evident in the success of our students. There are countless examples of individual awards and scholarships, exceptional success among student athletes at UNK, UNO and UNL (including our number one position among all U.S. universities in the number of Academic All-Americans), and student achievement in a wide range of disciplines.

As one example, UNL's team in the 2007 international collegiate programming contest – the “Olympics of computer programming,” competed in Tokyo and placed 26th in the world (more than 6,000 teams began the competition) – ahead of Duke, Harvard and the University of North Carolina, among many others. Only three U.S. teams placed higher.

On the other side of the globe, faculty and students from UNL's School of Music took home six awards from the International Light Opera Festival held in Waterford, Ireland, including the top award as best overall production. Gifts from longtime supporters Jim and Rhonda Seacrest helped make it possible for our students and faculty to compete in the festival.

At the UNMC College of Dentistry, the graduating class of 2007 had the highest overall average score in the nation on the exam taken by all U.S. dental students. That should come as no surprise, however. The average GPA of students entering the college has been the highest in the nation for 10 of the past 14 years. In addition, students from seven of the 10 School of Allied Health Professions programs achieved 100 percent first-time pass rates on their national examinations.

UNL student athlete Sarah Pavan, captain of the 2006 NCAA championship volleyball team, was honored as the nation's 2007 female college athlete of the year, winning the Honda-Broderick Cup, which recognizes outstanding achievement in scholarship, athletics and community involvement. With a perfect 4.0 GPA, Sarah – who chose NU over Stanford to study in our biochemistry program – exemplifies the dedication that athletes and coaches have to achieving both academic and athletic excellence.

I know firsthand what great students we have at the University of Nebraska. An event Nana and I enjoy most is the annual reception for student leaders at our home. This year we met about 140 students – from Utica, Omaha, San Antonio and Nepal. They are studying medicine, industrial development, math, civil engineering and political science. They are not only active in student and community organizations, they are also good students ... and good kids. As I said to the students, some days it's better than others to be president of the university. That day was one of the best.

I also had the opportunity to meet about 70 students from the Nebraska College of Technical Agriculture, who came to Lincoln last summer for a picnic we hosted with members of the Board of Regents. Our goal was to encourage these students to continue their studies at UNL after earning their associate's degree at Curtis.

Students serve their communities

In addition to their academic achievements, NU students are pioneering new frontiers in service learning – an important aspect of college life that connects students, faculty and the communities they serve. At UNK, the Campus Kitchen Project – the only student-run Campus Kitchen in the country – was honored by the Kearney Hub with its annual Freedom Award for volunteerism, and volunteer Cody Waldman was named CKP's national Volunteer of the Year. And UNK's annual Big Event – a single day of community service – found more than 300 student, faculty and staff volunteers at work throughout Kearney.

UNO's Service Learning Academy connects students and faculty with the Omaha community throughout the year. The Seven Days of Service spring break activity drew more than 500 volunteers to assist in community building projects. In December, UNO was selected to present two grants from the Jimmy and Rosalynn Carter Partnership Foundation. Students will compete to present the best academic-service learning project, with awards to be made in spring 2008.

UNL students again traveled to the Gulf Coast during winter and spring breaks to participate in ongoing efforts to help rebuild in the wake of Hurricane Katrina. Many service learning projects at UNL are integrated into the curriculum, pairing a construction management class with a church renovation, for example, or a chemistry class with middle schools to encourage early interest in chemistry.

And service learning is a major focus at UNMC, including a required capstone experience in service learning in the Master's of Public Health program. Students undertake projects with schools and community groups to encourage interest in science and to address problems such as childhood obesity and health disparities.

These programs, and others, are an important component of preparing students to be active participants in the global community, and to better understand the challenges our society faces.

Outstanding faculty

Obviously, much of the credit for the success of our students goes to our faculty, who not only teach but also mentor, encourage, support, motivate and challenge their students. We honored two outstanding teachers last spring with the university-wide Outstanding Teaching and Instructional Creativity Award – Dr. Valerie Cisler, who teaches music of UNK, and Dr. Paul Larsen, who teaches pediatric neurology at UNMC. These faculty members, selected by their peers, represent the best qualities of our teaching faculty.

Research faculty were also honored with awards from their peers – our Outstanding Research and Creative Activity Award, or ORCA, was presented this year to Dr. Sasha Kabanov, whose work at UNMC in nanotechnology and drug delivery systems is internationally recognized.

And to recognize important efforts by our faculty to extend their academic expertise beyond the boundaries of the university in ways that have enriched the broader community, we initiated a new award in 2007, the Innovation, Development and Engagement Award (IDEA). The first recipient was Dr. Steven Hinrichs of UNMC who was recognized for his work in strengthening Nebraska's public health system and creating a national model for biosecurity and bioterrorism preparedness.

Two faculty members in the UNL College of Engineering earned national recognition in 2007. In June, President Bush awarded the Medal of Technology, the nation's highest honor for technology, to Dean Sicking, professor of civil engineering and director of the Midwest Roadside Safety Facility. He was instrumental in developing the SAFER barrier, which reduces the impact of automobile crashes and which has now been installed in all NASCAR racetracks.

Yong-Rak Kim, also in the civil engineering department, won a prestigious National Science Foundation Faculty Early Career Development Award to further his work in materials engineering. His work is aimed at developing more durable materials for roadways and bridges.

In 2005, I named Ted Kooser – the former Poet Laureate of the United States and a professor at UNL – as the first Presidential Professor. He has done a wonderful job sharing his gift and love of poetry with people throughout the state and the country. Last fall, Ted was joined by the second Presidential Professor, renowned artist Enrique Martínez Celaya, who will visit one of our campuses each semester over the next three years. In October, Martínez Celaya met with UNL students, critiqued their work, led discussions, and held the first in a series of public lectures that will eventually be published. He will also provide internships for NU students at his studio in Los Angeles. I look forward to the unique and inspiring opportunities both Presidential Professors will continue to create for students, faculty and the public.

Building for the future

A common sight on every University of Nebraska campus this year was construction equipment. We continue to invest in new and renovated facilities that enhance residential, classroom, research and recreation opportunities for our students – improvements that are vital in a competitive environment.

At UNK, the first of several new suite-style residence halls was occupied for the first time in August, and additional construction will further expand housing options and create a more welcoming, residential feel. The sense of renewal on the campus is great. We continue to look at ways to create new opportunities for partnerships with the private sector, including looking for the best ideas to leverage the campus' strengths on land south of the campus.

New housing is also part of the continuing growth at UNO. And one of the most exciting developments at UNO this year was the “groundbreaking” – actually a major renovation – which will provide a home for the College of Public Affairs and Community Service. After more than a decade of waiting, the college's programs will be together, under one roof, for the first time. The faculty in this college are talented scholars who have gained national recognition for their impressive work in disciplines from criminal justice to aviation to social work to public administration. Thanks in large part to the leadership of former State Senator Nancy Thompson, CPACS Dean B.J. Reed and several generous donors, we will now have state-of-the-art facilities for these and other programs of the college.

At UNMC, major research and teaching facilities are nearing completion. A second research tower, which mirrors the Durham Research Center, will provide 96 new laboratories in nearly 250,000 additional square feet of research space.

In April, we were proud to recognize the vision and generosity of Chuck Durham with the inaugural Regents Medal, which recognizes contributions that benefit the entire university and the state. For more than 25 years, the Durham family's gifts in support of facilities and programs at UNMC, UNL and UNO have enhanced health care, research and education opportunities for students, faculty and the community.

Also at UNMC, the Sorrell Center for Health Sciences Education – scheduled for completion in June – will provide a sophisticated learning environment that will rival any in the country. We are indebted to Bill and Ruth Scott for their generous leadership gift in support of the center – and their thoughtful decision to name it in honor of a legendary faculty member. Other new facilities include the Weigel-Williamson Center for Visual Rehabilitation, which will house important work that UNMC has been doing for more than 25 years in the area of low vision and visual rehabilitation – another example of high-quality, specialized health care solutions for the community and the state.

Our commitment to building capacity for valuable research is also reflected in new facilities under construction at UNL, including the Ken Morrison Life Sciences Research Center, which will house the Nebraska Center for Virology. The center continues to gain national attention for its multi-disciplinary, collaborative biomedical research, and has attracted several new virologists to Nebraska.

Also nearing completion is the International Quilt Studies Center and Museum. The building will be dedicated in March, and is already attracting national attention from the arts and tourism sectors, in addition to scholars in textile studies and folk arts. The building, designed by Robert A.M. Stern, one of America's leading architects, creates a beautiful new gateway to UNL's East Campus.

Unprecedented research success

Last year, I reported that the University of Nebraska had moved from 34th to 33rd among all public universities in R&D funding. I considered that to be good progress, considering the caliber of the competition in this National Science Foundation ranking. In April, the new rankings were announced and we were gratified to learn that the University of Nebraska had again moved up – not one spot, but six – to 27th in the U.S., with more than \$330 million in R&D activity.

That growth is important, again, not because of the ranking itself, but because of what it says about the university's commitment to success in our research enterprise and its promise for the state.

Faculty are the key to success in competitive funding for research, and we had some significant recruiting successes this year, especially in the area of cancer research. In June, renowned breast and colon cancer researcher Michael Brattain joined UNMC's Eppley Cancer Center as associate director for basic research. Dr. Brattain is in the top 1 percent of life scientists, in terms of grant awards from the National Cancer Institute and the National Institutes of Health. He was joined later in the year by a husband-wife team of breast cancer researchers who also have significant NIH funding – Drs. Hamid and Vimla Band – who were recruited from Northwestern University.

Outreach to Nebraska

An important component of serving Nebraska is providing programs, opportunities and information that extend the resources of the university to meet the needs of our citizens and improve their quality of life. We offer Nebraskans university resources through personal outreach, as well as printed and web-based educational materials. These include training in areas such as food safety; seminars, television programs and podcasts on agricultural productivity and animal health; and business development and entrepreneurship programs.

UNK's new Global Economic Gardening program, for example, helps rural businesses learn about buying and selling in a global marketplace. And UNL Cooperative Extension programs address both urban and rural concerns, from water management to rural economic development. Across the university, resources for entrepreneurs and small businesses are being identified and catalogued, and will soon be available on line as a "virtual help desk" for economic development.

For many Nebraskans, the university's museums, art galleries and performance venues represent a connecting point with the university. The Lied Center for the Performing Arts, Sheldon Art Gallery, Museum of Nebraska Art, Morrill Hall, and Shakespeare on the Green, as well as lectures and guest speakers, and arts and music outreach programs such as UNO's Center for Innovation in Arts Education, provide an opportunity for all Nebraskans to expand their cultural horizons.

In addition to sharing the arts, it is also our mission to preserve them for future generations. The work of one of the University of Nebraska's most famous alumnae, Willa Cather, is preserved in UNL's Cather Archive, a rich repository of her work. Last January, the archive was greatly enhanced by the donation of a previously unknown collection of hundreds of letters, photographs and books by the Cather family – a gift of inestimable value to literary scholars and Cather admirers.

UNL's expertise in digital humanities research helped win a National Endowment for the Humanities grant to digitize Nebraska newspapers from 1880-1910, thus enriching the archive of the state's early history. In addition, history professor Will Thomas received a fellowship funded by the Andrew Mellon Foundation that will result in the largest web-based database exploring the social consequences of railroad growth in mid-19th century America. Other projects, including the journals of the Lewis and Clark expedition and Omaha Indian Artifacts and Images, are making UNL a national leader in the digital humanities.

Expanding health care to all Nebraskans

For many Nebraskans, a connection to the university comes through outreach services that include education and health care. UNMC's College of Public Health provides vital education and information on environmental health, biosecurity, and health issues of special concern to Nebraskans, including aging-related illnesses, diabetes, obesity and rural health care delivery.

The continuing shortage of health care professionals, especially in rural Nebraska, is being addressed in part through UNMC programs to recruit students through partnerships with NU campuses and state colleges. In addition, State Senator Mike Flood asked me to consider whether we could establish a new nursing program in Norfolk to meet a critical demand in northeast Nebraska. A thorough study by the College of Nursing demonstrated the need and in January 2007 the Board of Regents approved a partnership with Northeast Community College and area hospitals. Through the efforts of Chancellor Maurer and College of Nursing Dean Virginia Tilden, plans are now under way for the new program.

Looking ahead to 2008 ... and beyond

How will we sustain the momentum that the University of Nebraska is currently enjoying? What challenges lie ahead?

Fiscal challenges

One of the greatest challenges for any public university is attracting the financial support to sustain and grow a large, complex institution in a rapidly changing environment. Success in the 21st century will be determined by how successful regions are in creating and using knowledge, and universities will be at the center of this activity. We acknowledge that it will be difficult to find adequate funding for higher education among a long list of state priorities, but an educated workforce and the university's role as a hub of innovation are among the best investments in Nebraska's future.

To understand the scope of our fiscal challenges, it's instructive to look at the university's current budget compared to a decade ago. Just 10 years ago, state appropriations made up 38 percent of our budget. Today, they make up only 28 percent of our budget. State support for the university has not kept pace with budget growth in the rest of state government. As a result, the university has, of necessity, a very different budget structure that relies increasingly on private support and federal funding.

Some have suggested that University of Nebraska Foundation funds should be used to offset university demands on the state budget. In fact, that is what already happens. Last year was another record year in Foundation support of the University of Nebraska, with almost \$90 million transferred to our campuses. That includes nearly \$20 million in student scholarships, and as well as professorships that allow us to attract great faculty, new buildings that make us more competitive for students and faculty, and honors programs that keep bright students in the state. So, when people talk about enhancing the quality of the university through private support or taking some of the burden off the state, it's important to remember that that's exactly what the Foundation exists to do – and has done very well for 70 years.

Managing our resources

A key part of the solution will be good management and cost-effective use of resources available. This will continue to include, of course, making choices and establishing priorities. This may not be a path to popularity internally, but it is essential to continuing to build a high-quality institution that serves Nebraska—and that Nebraska can afford. We take seriously our obligation to be good stewards of the resources – state funds, grants, tuition dollars and private gifts – that support the university. We have cut costs, reduced personnel and reallocated funds to be more efficient ... and we must continue to find ways to do more with less.

Among the initiatives developed in 2007 is a university-wide wellness program that will encourage and support employees in achieving a healthy work-life balance. The program started with smoking cessation and will ultimately address issues such as weight management, stress control and disease management. We anticipate that a wellness program will have benefits for the university in terms of reduced sick days and insurance costs and increased productivity. More important, however, are the benefits employees enjoy from a healthier lifestyle.

We have also been proactive in managing our health care program, in 2007 adding a disease management component to help employees deal with major health conditions such as diabetes. Several years of planning have paid off, and we have not had to increase health insurance premiums for full-time employees for the past two years.

Another area of resource management is our commitment to improving the cost-effectiveness of our buildings. This year we inaugurated a university-wide sustainable building policy that requires all new NU buildings to meet the standards for LEED (Leadership in Energy and Environmental Design) certification. LEED certification has important implications for conserving energy, improving indoor environmental health and quality, and reducing our use of the world's resources. The Quilt Center will be the first LEED-certified "green" building to be completed.

Renovation of university facilities authorized by LB 605, which the legislature passed in 2006, continues – on budget. The 13 projects are at various stages of construction, planning and design. And this year, we will undertake an important review of our capital development process.

Universities are very large, complex operations, and they require sophisticated administration and student computing systems to manage them effectively and to offer students the service they deserve. We must replace a very expensive student information system over the next several years, and in 2007 we embarked on an historic partnership with the Nebraska State College System. This first-ever partnership will allow us to purchase, implement and manage a system for all seven campuses in the most cost-effective manner possible. I am proud of our university team, led by Provost Pratt and Associate Vice Chancellor David Crouse from UNMC.

The next frontier: public-private partnerships

One increasingly important strategy is to develop partnerships between the university, state government and the private sector to foster and leverage our great success in R&D to increase competitiveness and grow jobs. Omaha's Aksarben Village is taking shape and creating new opportunities for collaboration with UNO. We will soon consider that campus' exciting plans for the land we acquired south of Aksarben Village

In 2007, the university outlined plans for the use of State Fair Park in Lincoln as a vibrant, year-round R&D campus that brings education, research, government and the private sector together to help grow Nebraska's economy.

The concept of creating an R&D campus contiguous to a research university campus has proven to be an effective strategy for economic development, research growth and business success in other states. Members of the Board of Regents joined me in October in a visit to Centennial Campus, next door to North Carolina State University, and they share my enthusiasm for expanding this concept to Nebraska. Earlier I led a group of Lincoln business leaders and UNL officials there to learn more about this exemplar. I believe this concept is one key to ensuring that our state is able to provide the kinds of innovation-based economic opportunity necessary to support a high quality of life for our citizens.

The University of Nebraska has an opportunity – through initiatives such as this – to not only provide educational access for Nebraskans, but to help ensure that when they graduate from college, there will be good, high-paying jobs available to them so that they will be able to stay in Nebraska to live, work, and raise their families.

I believe that the proposed Innovation Campus at State Fair Park is the right solution at the right time. An editorial in the Omaha World Herald summed up this discussion: “Tradition and opportunity are often opposed. But in this instance, there may be room for both. Nebraska needs them both.” I couldn't agree more. The university has a rich history and longstanding partnership with the Fair, and we want it to continue to be successful in

showcasing the best of Nebraska agriculture, industry, commerce and the arts and technology. We will work with state leaders to find the best solution for two great Nebraska institutions – and for Nebraska.

Clearly, these are exciting times for the University of Nebraska and the State of Nebraska. We made progress in 2007 in improving access to a quality education, growing our research enterprise and expanding outreach to the people of the state – and we are poised for greater success. When I see what other states, and other nations, are investing in higher education, biotechnology and partnerships between the public and private sectors, I am convinced that Nebraska must think bigger, must think further ahead, and must rely more heavily than ever on the University of Nebraska. We have the ability, the opportunity and the responsibility to help Nebraska grow and succeed – and that is how we will measure our success.