Historians may remember the first decade of the 21st century most vividly for the economic crisis that began in late 2008 and continues today. Its effects have been felt across Nebraska and across the United States in business failures, home foreclosures, job losses and reduced services. The impact on public higher education has been dramatic, and the end is not yet in sight. The trend that began in the mid-1980s – a decreasing percentage of tax dollars being directed to support higher education – continues, requiring public universities to make increasingly difficult choices: reducing programs, raising tuition significantly (including, in some instances, mid-year tuition increases or one-time assessments), furloughing faculty and staff, freezing salaries, halting construction of new facilities and, in the hardest-hit states, limiting enrollment.

We have been fortunate so far in Nebraska to have avoided the worst of these impacts, but clearly we are not out of the woods. A modest increase in the University’s state appropriation for 2009-11, approved at the end of the legislative session in May, was erased a few months later when declining state revenues forced a special session of the legislature in November. The result is that, over the biennium, we must make $18.6 million in permanent budget reductions. We were able to keep this year’s tuition increase to just 4 percent – the lowest in more than a decade – but we know that the combination of a lower level of state support and small tuition increases is not sustainable over the long term.

The next biennium is projected to be more challenging financially. So, we must brace for it, adopting new ways of managing that include an even sharper focus on our priorities, and more innovative and entrepreneurial ways of increasing revenue.

We have experienced first-hand, for example, the growing demand for online education, and this can be an important source of revenue across the University. A change in the
Board of Regents tuition policy relating to distance education allowed us to price our programs in much better alignment with the marketplace, and the steady growth in online enrollment is encouraging.

In 2009, we initiated a new approach to distance education, which will result in all online programs at the University of Nebraska being marketed under a single brand, which I believe holds tremendous promise for capturing a share of this growing market. It is one of the few genuine opportunities for revenue growth and one that we must take advantage of quickly.

Our research enterprise is another key to our continued success. 2009 was a record year, by a large margin, in external funding for research, with $229 million in support. That is important for many reasons – it fuels research in areas such as energy, agriculture, cancer and education that are important to the health and economic success of our state; it enhances our reputation as a major national public research institution; and, it is an important source of revenue. We must continue to be competitive for private, state and federal research funds – especially in light of the Obama administration’s increased emphasis on and funding for scientific research as a key element of competitiveness.

Last year was also the second-best year in our history in private fund-raising, with more than $128 million raised. In October, the University of Nebraska Foundation announced an historic capital campaign with a very ambitious $1.2 billion goal. I believe we will not only reach but exceed that goal – we have already raised more than $670 million – but we must be able to continue assuring donors that their investment in the University of Nebraska is sound. Declining state support makes that a more difficult promise.

It is clear that we face one of the most challenging economic situations in our history, but I am confident that Nebraska and its public university will emerge from it sooner and in a stronger position than many others. And, it would be a mistake to allow the current economic downturn to overshadow what has been a remarkable decade of growth, change
and momentum at the University of Nebraska. In the long run, I believe we will look back on this as a time when the University provided critical leadership and vision in helping individuals, businesses, communities and our state emerge from a period of economic uncertainty.

I am reminded of one of my favorite sayings, a Greek proverb: “Society grows great when old men plant trees whose shade they know they shall never sit in.” I believe that the investments we are making today will pay dividends in the future – in some cases, far in the future – ultimately creating a stronger and more focused University and a healthier and more prosperous state.

**Strategies for success**

During 2009, we were able to achieve significant growth and momentum and reach a number of important milestones. The trends represented by these success stories are, in my view, a far better barometer of our health and potential as an institution than short-term budget cuts and program reductions would indicate. With strong leadership from the Board of Regents, dedication and commitment from the four chancellors, and a strategic framework that guides our actions, measures our success and holds us accountable for our investments, we remain in a position of relative strength and have positioned ourselves exceptionally well for the future.

To sustain and build on the momentum of the past several years, we have adhered to a number of carefully chosen strategies to move the University forward.

**Increasing access to education**

First among these, as always, is a commitment to increasing access to education. We are working to achieve this in a number of ways, including maintaining an affordable cost of attendance, expanding student financial aid programs, creating new educational opportunities for all Nebraskans and joining with other educational partners to increase
the number of students who stay in high school through graduation, go on to some level of post-secondary education and earn a degree.

The 4 percent tuition increase approved in June added less than $200 per year to most students' tuition bills. Since 2005, we have kept tuition increases moderate and predictable, allowing families to better plan for and afford a college education.

**Student financial aid** received a boost this year with the largest-ever increase in the Pell Grant, the basic level of federal financial aid. We were able to expand eligibility for CollegeBound Nebraska, the University's tuition assistance program, to such an extent that most Nebraska students who meet admission requirements and whose annual family income is $50,000 or less can now attend the University of Nebraska and pay no tuition. Nearly 6,000 students qualified for Collegebound Nebraska this year – an increase of more than 17 percent over 2008.

Recognizing that many students faced financial uncertainty this year, we also provided a $1.2 million **student assistance fund** to benefit students who found themselves in difficult circumstances after regular financial aid deadlines had passed. Our hope was that catastrophic occurrences such as a parent’s job loss would not force students out of school, and the fund provided a much-needed boost to campus financial aid resources. Our commitment to providing student financial aid is one of the hallmarks of the past decade. In 1999-2000, need-based aid from institutional funds totaled less than $700,000. This year, it is $9.3 million.

Of course, **private support** has also grown significantly during that time. A decade ago, the University of Nebraska Foundation transferred just under $12 million to the University for student financial support. In 2009, the amount was nearly $18 million. Student support remains the highest priority of the Foundation as it moves forward in its historic capital campaign.
We have also built important **partnerships** with other organizations that are committed to increasing educational attainment in Nebraska and ensuring student success. Our high school academies, partnerships that UNL and UNK have established with high schools in North Platte, Lexington, Grand Island and most recently Kearney and north Omaha, are giving first-generation and lower-income students the academic support they need to prepare for college, starting in their freshman year in high school. Those who complete the program successfully will be able to attend the University with all tuition, fees, books, and room and board paid.

The Susan Thompson Buffett Foundation provides scholarship funds and a stipend for books to any Pell-eligible Nebraska student to attend a community college, state college or the University. At NU, these students are designated as “Thompson Scholars” who participate in learning communities in which they benefit from seminars, tutoring and mentoring. The program, designed to help ensure student success, is growing rapidly. This year, we had more than 900 Thompson Scholars compared to just over 500 a year ago.

Our efforts to increase access also extended to the military in new ways this year. Veterans and active-duty military personnel have always played a role on our campuses, especially at UNO where we have had long-standing educational partnerships with Strategic Air Command (now Stratcomm) at Offutt Air Force base. A new federal initiative, the **Yellow Ribbon Program**, was developed this year to offer resident status (for purposes of tuition) to all post-9/11 veterans; each of our undergraduate campuses is participating in the program.

**New opportunities online**
Perhaps the best example of expanding access to high quality education in Nebraska is the ongoing development of **Online Worldwide**, the umbrella brand representing all University of Nebraska distance education courses and programs. A thorough analysis of the opportunities available in online education, combined with extensive input from the campuses, including the Distance Education Coordinating Committee, led to the
recommendation to create an “integrated academic enterprise.” This business model leverages the power of the University of Nebraska brand to enter the increasingly competitive online market more effectively.

A small staff manages the development of the program, but major issues relating to infrastructure, student support and program development are in the hands of campus-based communities of practice and a university-wide steering committee that deals with governance, budgeting and strategic planning. Online Worldwide also encourages and provides incentives to campuses to develop additional courses and programs, and create new inter-campus collaborative programs.

The opportunity is significant. Today more than 4 million students take at least one class online, and online enrollments are growing at a rate about 10 times greater than on-campus enrollments. On our three undergraduate campuses, the number of credit hours delivered via distance education increased by 34% from 2007-08 to 2008-09. More than 250,000 Nebraskans have some college but no degree. In both the public and private sector, more and more jobs now require at least a bachelor’s degree and workers are returning to college in record numbers to retool and remain competitive. Retiring baby boomers are actively seeking new educational opportunities – taking single classes in areas that interest them, or pursuing an entirely new vocation. International students are also finding opportunities to pursue a degree from reputable U.S. universities via the Internet. The market continues to grow, and we must approach it in more innovative and entrepreneurial ways than we have in the past.

What began on our campuses as something of a cottage industry, nurtured by individual faculty members, can become a major player in the world of distance education. I believe this is one of the most exciting initiatives developed during my tenure as president, and I look forward to working with faculty and administrators to bring a University of Nebraska education to people throughout the state and beyond our borders.

**Improving the student experience**
Another strategy that is helping us maintain a position of strength and competitiveness is a commitment to improving the student experience – in the classroom, on the campus and in the community.

Faculty are, of course, key to the academic experience, and we have been successful in recruiting and retaining excellent teaching faculty on all four campuses who have been honored both within the University and nationally. For example, Richard Miller, professor of psychology at UNK, was the first Nebraska professor to be named the Council for Advancement and Support of Education (CASE) U.S. Professor of the Year for undergraduate education. This is a singular honor for Rick and for the University.

Donald Lee, who teaches plant biology, genetics and biotechnology in the Department of Agronomy and Horticulture at UNL, and Calvin Garbin, who teaches research methods, data analysis and biometrics in the Department of Psychology at UNL, were honored with the 2009 university-wide OTICA awards for Outstanding Teaching and Instructional Creativity. UNO’s School of Communication, under the direction of Jeremy Lipschultz, received the University-wide Departmental Teaching Award. Innovative approaches and creative teaching methods employed by these faculty members enhance learning and merit our recognition.

We continue to expand honors programs and offer students unique experiences in classrooms, laboratories and studios. One of the University’s signature academic programs, the Peter Kiewit Institute, is now under the dynamic leadership of Mike McGinnis, who joined us in April as executive director and chief science officer. Mike is a Nebraska native, West Point graduate and retired Brigadier General who holds a Ph.D. in systems engineering. He brings the leadership, enthusiasm, and scientific and research credentials that we believe are essential to moving PKI to the next level. He will be responsible for increasing PKI’s emphasis on research, increasing the number of graduates, especially in information science and technology, expanding the financial base to attract outstanding faculty and developing deeper strategic partnerships with organizations and corporations.
Housed within the Peter Kiewit Institute, the **Durham School** of Architectural Engineering and Construction also has a new director, **Eddy Rojas**, who brings a strong background in industry partnerships and information technology. The Durham School is building a national reputation for its program that prepares students for careers in the construction and architectural engineering fields. Its relationships with industry leaders, many of which are based in Omaha, offer the school’s 700 students a broader educational experience.

And the **Jeffrey S. Raikes School** of Computer Science and Management at UNL attracts top in-state and national talent, both in its students and in its business partnerships and advisory board members. This year’s incoming freshman class arrived with an average ACT score of 33.4. The school’s design studio projects give students the opportunity to find technology-based solutions to real-world business challenges for clients like Microsoft, IBM, Duncan Aviation and Crete Carrier Corp. Leaders of these and other major companies serve as mentors and advisors to the school’s 120 students.

Individual programs continue to win national recognition, including UNL’s Mathematics Department, which received the 2009 Award for an Exemplary Program or Achievement in a Mathematics Department from the American Mathematical Society. Under the leadership of Jim Lewis, the department has developed a leading program designed to encourage more women to pursue advanced degrees and careers in the field of mathematics. The UNL College of Law’s client counseling team won the 2009 International Client Counseling Competition.

In annual *U.S. News and World Report* rankings, UNL maintained its ranking as a top 50 public university, and UNO and UNK were both in the top tier in their category, regional master’s universities. Academic programs including UNL’s College of Business; UNO’s graduate programs in public affairs, criminal justice and speech-language pathology; and UNMC’s programs in rural health medicine and primary care all received national attention. UNL was also ranked first among all public universities and third among all universities in
the *U.S. News* “popularity” ranking, which reflects the percentage of students who actually enroll after being accepted by an institution.

Facilities also play a significant role in the student experience, and we have continued to upgrade technology and build or renovate classrooms that enhance learning. Among the newest **teaching facilities** is Bruner Hall of Science at UNK, a $14 million renovation completed with funds authorized by the legislature several years ago under LB 605. The 17,800-square-foot facility includes classrooms, laboratories and a new planetarium that will be an educational resource for central Nebraska as well as the campus.

One of the great success stories of 2009 was the dedication of a new **College of Nursing** facility in Norfolk – a partnership between UNMC, Northeast Community College and the Norfolk community, with the invaluable leadership of Sen. Mike Flood. Recognizing the impact of a growing nursing shortage in Nebraska (and especially in Northeast Nebraska), and recognizing the power of partnerships between the public and private sectors, Sen. Flood was instrumental in gaining legislative approval for the new facility, and in maintaining its operational funding during the special session. The Norfolk community raised $12 million to build the new facility, which will add 118 nursing graduates each year from the program.

Other campus improvements help ensure that University of Nebraska students have a great place to live, work, study and play. These include expanded green spaces and recreation facilities, including plans for a new University Life Complex at UNO, just south of Aksarben Village. In December, UNMC opened an ice rink as part of the student plaza near the Sorrell Center, providing a new winter recreation opportunity for the Omaha community. And nearing completion is the Gaughan Multicultural Center at UNL, which will provide space for students to work, study and socialize and expand campus diversity efforts.

Suite-style residence halls have become a fixture on all undergraduate campuses including the soon-to-be-completed Robert Knoll Hall at UNL, a fitting tribute to one of the
University’s most distinguished faculty members, who died in January 2009. The UNK campus has been transformed by a comprehensive residential renewal program that includes both new and refurbished residence halls. New residence halls at UNO will be in close proximity to Mammel Hall, the soon-to-be-completed home of the College of Business, as well as to the Peter Kiewit Institute and Aksarben Village, contributing to an increasingly dynamic Center Street campus. These new facilities are being constructed with sustainability in mind and will be LEED-certifiable.

Beyond the confines of campus, students are seeking new opportunities to participate in the life of their communities and serve others. Each of our campuses has made a significant commitment to offering service learning opportunities for faculty and students, and I continue to be inspired by students and their faculty mentors who participate in projects like these:

- More than 140 UNMC students worked on projects in Omaha to educate and recruit African American bone marrow donors, provide education on HIV/AIDS, and provide health care screening for victims of domestic violence.
- UNMC’s SEARCH program encourages students in all professional programs to undertake community service projects while completing their rotations in rural communities.
- UNO’s Service Learning Academy joined with the Office of Latino and Latin American Studies to combine service learning and study abroad experiences, sending students, faculty and community members to Peru to assist with the construction of a nursery.
- Several hundred UNO students partnered with area high school students in the 7th annual “Seven Days of Service” over spring break. Students worked with a variety of community initiatives including Habitat for Humanity.
- UNK and UNL students also traded traditional spring break plans to participate in rehabilitation, rebuilding and educational efforts in communities including New Orleans, Denver and San Antonio.
We know that the “student experience” actually begins well before a student ever arrives on one of our campuses, and that it includes every interaction that a student (and often, his or her parents) has with the University – applying, visiting, registering for classes, seeking financial aid, paying tuition, receiving grades and many other intersections between individuals and the institution.

Our continued implementation of a new student information system is key to improving those aspects of the student experience. Last fall, we implemented the admissions module, and all students currently applying for Fall 2010 admission to any University of Nebraska campus or any Nebraska state college are using that system. Additional modules are being put in place to handle financial aid, student records, registration and other functions as we construct this new “front door” for student information. Our plan is for implementation to be complete for a Fall 2010 go-live date.

Individuals from all four campuses and the state colleges have been working with consultants to implement the student information system. It is a tremendously large task, and the team has worked tirelessly. I am grateful for the leadership of so many individuals to put this important infrastructure in place. The decision to establish a combined system for the university and state colleges has not been without challenges, but the result will be a system that represents an efficient and cost-effective use of state funds, and serves both of our needs.

The results of our focus on increasing affordable access and improving the student experience are clearly seen in fall 2009 enrollment statistics:

- At 49,031, the highest total enrollment since 1996;
- The most academically talented student body in our history, with the highest average ACT scores for all incoming freshmen;
- More than 47 percent of Nebraska students who graduated in the top 25% of their 2009 high school class enrolled at the University of Nebraska;
• Record numbers of minority students: the number of minority students on our campuses has increased by 45 percent in the last decade to almost 5,000, representing just under 10 percent of the student body;
• Record numbers of non-resident students: the number of non-resident students has grown by more than 50 percent in the last decade; in 2009, 19 percent of students were non-residents;
• Record numbers of international students - almost 2,800 from 140 countries;
• Record enrollment at the College of Technical Agriculture in Curtis;
• And, impressive growth in the number of distance education students, with a 38 percent increase in headcount and more than 62,000 credit hours delivered on line.

Sharpening our research focus

Our strategies for success also include a stronger focus on research, and success is clear in the record $229 million of external funding achieved in 2009 – more than $100 million each at UNL and UNMC, thanks in large part to the leadership of Vice Chancellors Prem Paul at UNL and Tom Rosenquist at UNMC. The total is an increase of more than 22 percent over the previous record.

We are now better able to attract both faculty and research funds thanks to the significant investment we have made in state-of-the-art research facilities, largely with private support. The two Durham Research Centers of Excellence at UNMC will soon be joined by a new College of Public Health building and the Truhlsen Eye Institute, which will become a leading center for research and treatment of age-related vision loss. The Morrison Center for Life Sciences Research at UNL, which houses the Nebraska Center for Virology, will be expanded to accommodate future growth with an $8 million NIH grant using federal stimulus funds. Stimulus funds will also pay half the cost of a new nanoscience research facility to support UNL’s growing nanotechnology and materials science research.

Another expanded research resource for faculty across the University, as well as corporate and non-university researchers, is the Holland Computing Center, which includes high-
performance computing facilities at the Peter Kiewit Institute in Omaha and the Schorr Center at UNL. The combined resources support grid computing, shared memory processing and research in areas such as nanoscale chemistry, subatomic physics, meteorology, crashworthiness, and artificial intelligence.

Research success in 2009 includes new opportunities in nanotechnology, rural education and key areas of medical research. Among the major grants this year were:

- $17.2 million NIH grant, the largest in Nebraska history, to Dr. James Turpen at UNMC, to support a program aimed at producing more scientists in the state.
- $11.1 million NIH grant to UNMC to research the United States’ most dangerous bacterial pathogens.
- $10M to UNL from U.S. Department of Education to establish the National Center for Research in Rural Education – the only one of its kind in the U.S. – which is designed to improve student learning in math, science, reading. Led by Sue Sheridan, the project will identify best practices in providing professional development support to rural teachers.
- $9.1 million National Heart, Lung and Blood Institute program grant renewal to continue groundbreaking heart failure research at UNMC.

Faculty are key to success in the research arena, just as they are in the classroom. Among the faculty whose work was recognized this year is Donald Weeks, Maxcy Professor of Agriculture and Natural Resources in the Department of Biochemistry at UNL, who was elected a Fellow of the American Association for the Advancement of Science (AAAS), one of the most prestigious national honors awarded. Don was recognized for his work in plant biotechnology, biofuels and developing a new approach to engineering herbicide-resistant crops – work that earlier in the year won him the University-wide Innovation, Development and Engagement Award (IDEA).

Other researchers honored by their peers at the University of Nebraska were the recipients of the ORCA (Outstanding Research and Creative Activity) award. Michael James, who
chairs UNL’s department of Textiles and Design, is one of the world’s leading quilt artists and has pioneered ways to incorporate advanced digital technology into his medium. **Steven Rennard** at UNMC is a leader in the study of chronic obstructive pulmonary disease, a leading cause of death in the U.S., as well as smoking cessation and lung tissue repair.

**Seizing the moment**

In 2009, we were able to set the stage for the future by taking advantage of (and creating) opportunities to take a leadership role in areas that have been traditional strengths for the University and in which we are quickly gaining a reputation for research expertise. First among those is **water for food** – the strategic use of water to grow more crops with less water, which has important and lasting implications for global hunger, poverty and disease.

In May, the University of Nebraska and the Daugherty Foundation co-hosted the first global summit on the Future of Water for Food, bringing experts from throughout the world to Lincoln to address current issues and help us identify how the University of Nebraska might play a role. Jeff Raikes, a Nebraska native and CEO of the Bill and Melinda Gates Foundation, provided a keynote address that highlighted the critical need for new strategies to help the more than one billion people in the world, especially in Asia and sub-Saharan Africa, who live in poverty.

The conference was instructive not only in the information provided by an impressive array of international speakers, but in the opportunity it confirmed for us: there is a leadership gap on the issue of the strategic use of water for food and the University of Nebraska is uniquely positioned, both geographically and academically, to fill this gap.

The opportunities in this arena are exciting. We envision the University of Nebraska as the home of the premier **Global Water for Food Institute** – possibly located at Innovation Campus – focusing the best minds in the world on basic and applied research, policy and education. By building on the strength of the Water Center at UNL, which has been
conducting research and policy analysis for nearly 60 years, and by drawing on related expertise from all campuses in areas such as public health, law and community engagement, we will develop an institute that will be a resource to the world.

I believe we have the opportunity to attract premier research faculty led by a visionary scientist, create the best major in world in water management, offer the leading global conference on water for food and, most important, help identify, develop and implement solutions not just to alleviate individual suffering, as important as that is, but also to forestall social unrest fed by poverty and hunger.

A Global Water for Food Institute could benefit the world – but it is important to also think about the ways in which it would benefit Nebraska: attracting top talent in faculty and students, bringing in additional research and foundation funding, attracting private sector business investment in related companies, and growing the reputation of the University of Nebraska in unprecedented ways.

In a similar fashion, we are beginning to carve out a niche in the area of **early childhood development** – a field that is receiving attention both in national and global education circles. There are interesting parallels between our efforts in early childhood development and in water for food. Both have significant public policy implications in fighting the long-term effects of poverty and hunger. Both have the potential to create a better quality of life for people throughout the world. Both reflect the University’s historic strengths and are areas in which we already invest considerable resources. And both are among the six major system-wide academic priorities of the Campaign for Nebraska.

We already have faculty whose research in the development of children from birth to age 5 is held in high regard nationally. This is also an area in which we can draw on strengths across the University in areas such as autism spectrum disorders, nutrition, English as a second language, early intervention and rural literacy to build a highly collaborative **Early Childhood Institute**. We have received major research grants in these disciplines and
have developed strong partnerships with organizations like Omaha’s Building Bright Futures Foundation and the Buffett Early Childhood Fund, for whom the welfare and success of children are the central focus.

With existing expertise and relationships as the foundation for an Early Childhood Institute housed at UNL, we have the potential to become the leading public university dedicated to the pursuit of a broad interdisciplinary agenda in research, education, outreach and policy. The institute will focus on developing the best research, creating the best teachers and advancing the best policy for early childhood education. This dynamic, expert-based institute will be a magnet for exceptional faculty talent, top students, inter-institutional collaboration, private support and grant funding that reflects renewed federal attention to this field.

**Research in agriculture and life sciences** has been and will continue to be a vital part of the University of Nebraska’s service to the state. It is, increasingly, contributing new solutions to problems that go beyond the borders of Nebraska and the U.S – the management of water to increase agricultural productivity being just one case in point. The world is also looking to us to identify and develop new sources of energy, including wind, switchgrass, crop byproducts and now algae. Among our most promising research is that being conducted by scientists with expertise in molecular biology, plant genetic engineering and algal virology who are investigating how algae can be economically converted to fuel. UNL has already received $1.9 million in federal funding for algal fuels research, and there is widespread interest from both the government and private sector in expanding this research.

Agricultural research will be a major focus of **Nebraska Innovation Campus.** The integration of plant sciences and biotechnology, virology, redox biology and nutrition – all areas in which we have top researchers and a track record of success – represents one of the core competency areas for the campus. These are areas that consultants developing the business plan for NIC identified as “leading edge” research areas in which a critical mass of
research with commercial potential already exists. They also identified natural resources, water and clean energy as “high growth potential” areas for the future because of our expertise and reputation in water management, drought and climate, bio-fuels and wind energy. The first new facility planned for construction is a USDA Agriculture Research Service facility.

I believe the future is bright for agriculture. In his address at the 2009 World Food Prize Symposium, Bill Gates noted that after two decades of neglect, the world’s attention is once again focused on agricultural development. He also announced $120 million in new grants from the Bill and Melinda Gates Foundation to find comprehensive solutions to the problems of world hunger – solutions that address the sometimes competing agendas of productivity and environmental sustainability. This renewed interest and investment in agricultural productivity is good news for the University and the state. We are prepared to continue to be a major player in this field.

Another area in which we are reaching for new levels of excellence is cancer research. With a goal of earning a Comprehensive Cancer Center designation from the National Cancer Institute, UNMC plans to create a multi-disciplinary Cancer Campus with researchers and physicians working closely together. The campus, which will include a new 10-story research tower, will build on and expand existing expertise in breast cancer, pancreatic cancer, prostate cancer, lymphoma, cancer prevention and new treatment agents. Personalized medicine, in which treatment strategies can be developed for individuals based on their genetic makeup, also holds great promise in the treatment of cancer and other diseases. The cancer campus will leverage expertise across UNMC. In the past The College of Public Health, for example, is conducting research on population medicine and examining certain types of cancer that appear to be more common in rural areas.

**The global university**

We have also been more strategic and more aggressive in creating new global relationships and in placing a greater emphasis on global engagement. One key to our
success was the fortuitous hiring of Tom Farrell early in 2009. Tom was the deputy assistant secretary of the U.S. Department of State, responsible for leading U.S. educational exchanges, including the prestigious Fulbright program and Humphrey Fellowships. He previously served with the Institute of International Education and has spent his career working to expand educational opportunities for Americans abroad and to promote exchange opportunities for foreign students and scholars.

With Tom’s collaboration, the chancellors, faculty members and I have identified potential strategic partnerships as well as opportunities to position the University of Nebraska with global opinion leaders. During the past year, I participated in the decennial UNESCO World Conference on higher education as the representative of public higher education in the area of innovation. I also had the opportunity to join other NU leaders at World Water Week in Sweden, where I saw firsthand the evidence of global collaboration: when I met with the head of the International Hydological Programme, the UN’s pre-eminent center for water research and policy, he pointed to the proofs of a book he was finishing – co-authored by UNL faculty member Joe Szilagyi.

In December, I had a productive and promising 10-day visit to India, which reinforced for me the fact that the University of Nebraska already enjoys a strong international reputation – and that the potential for new collaborations and a higher global profile is significant.

We have identified an abundance of new opportunities for partnerships in India, China and elsewhere, stemming from our faculty’s expertise in agricultural production, information technology, early childhood development, medical research and alternative energy including algal biofuels. The challenges in these population-dense nations are formidable. India, for example, has one-sixth of the world’s population but only four percent of its fresh water; scientific leaders there are keenly interested in strategies for increasing crop production with less water.
In today’s increasingly interconnected, interdependent and insecure world, we have unprecedented opportunities for collaboration. The United States will continue to play a leading role in the world, and whether we do that wisely will depend in significant part on the education of our citizens—an education that more than any time in history requires an understanding of the rest of our small planet and respect for the peoples of the world.

Our faculty understands this imperative, and with their leadership and encouragement, we are making a renewed commitment to global engagement at the University of Nebraska. New international initiatives exist on each of our campuses, and international engagement is one of the major goals of the capital campaign. We have identified four University-wide objectives to position the University of Nebraska as a leader in global engagement, and to offer our students, faculty and the people of Nebraska the opportunities we believe are important to achieving this position:

1) **Provide the opportunity for every undergraduate to have a meaningful academic experience abroad.** We must encourage students from more disciplines to pursue international study, offering them the same kinds of opportunities that would be available to them in leading institutions anywhere in the country. This should not be considered a luxury or be available only to those whose families can afford it.

2) **Double international student enrollment at the University of Nebraska.** International students add millions to the state’s economy, but the real value is in the experience gained by having students from around the world on our campuses and in our communities. This year, 128 countries are represented in the 2,800 international students enrolled on our campuses – a record number. At UNK, 10 percent of the student body is from outside the United States. My goal is to double the number of international students on our campuses by 2019, the University’s 150th birthday.

3) **Significantly increase opportunities for faculty to collaborate with colleagues around the world.** Faculty must have the opportunity to pursue their scholarly work in the world of knowledge, which certainly doesn’t end at our borders. We
will support a new emphasis on mutually beneficial collaborations, exchanges and partnerships.

4) Renew our commitment to work with countries and institutions around the world. To serve the interests of the University and our state, but also our nation, we will continue to develop strategic partnerships abroad in fields critical to mutual well being. The University has a rich history in working with developing nations to help address challenges in education, agriculture, medicine and many other fields. We have much to offer developing countries and we can also increase mutually beneficial partnerships in developed countries.

These strategies support the University’s goals of providing a high quality 21st century education, building leading academic programs, contributing to the innovation economy in Nebraska, and contributing to health, stability and well being in the world. This is an exciting time for the University of Nebraska, and efforts to significantly increase the level of engagement in the world will offer tremendous benefits to our students, faculty and citizens.

A common thread among many of these priorities is **stronger collaboration among our four campuses**. Faculty have the opportunity to broaden their horizons and to engage with other colleagues to develop more innovative approaches to teaching, research and outreach. By finding complementary strengths and interests, we can build superior interdisciplinary and inter-institutional programs that can attain a strong reputation regionally, nationally and internationally. Collaboration and cooperation also make better use of our increasingly scarce resources and avoid duplication of effort and development of redundant programs. The programs in water for food, early childhood development, cancer and agriculture and life sciences are the strongest candidates for collaborative programs, as well as our distance education initiative.

**The decade ahead**
As we move into a new decade, we must deal with the current and short-term economic situation. In 2009-10, we will manage the reduced budget with one-time cuts; in the second year of the biennium, however, we will be forced to make permanent reductions, which will certainly have an impact on programs and personnel.

Decisions for the long term will be based on how each campus can best fulfill its specific mission, maintain competitiveness for students, faculty and external funding, and sustain key programs that are essential for the continued success of the University and the state. There is certain to be an impact on salaries. One of the goals identified in the Strategic Framework is to maintain faculty salaries at the mid-point of peers, and we have been losing ground in recent years at UNL and UNMC. It remains to be seen how the current economic situation will affect salaries at peer institutions this year, but we will continue to reward exemplary performance and maintain competitive salaries to the best of our ability. We have not yet had to impose a freeze on hiring or on salaries, as has been done both in Nebraska state government and in many other universities in the region, and we are in a strong position in terms of our ability to compete for talent.

Nevertheless, we know that the state continues to fall short of revenue projections, and that the legislature may need to make additional adjustments in the budget that could have a major impact on state funding in the next biennium. The governor and the legislature have made education a priority, and we appreciate their leadership. Speaker Mike Flood, Sen. Lavon Heideman, who chairs the Appropriations Committee, members of that committee and a number of other key senators have provided essential support. Across the state, leaders of agriculture, business and education who understand the vital role that a public research university plays in the economic vitality of the state have been important advocates for the University of Nebraska, and their support is deeply appreciated.

We are strongly committed to managing public resources appropriately and increasing our transparency and accountability to the public. In 2009, we undertook a number of steps
to strengthen our internal audit function and to increase the accessibility of University budget and financial information.

We will move forward with initiatives that have the greatest potential to strengthen our state’s economy and provide opportunities for our students. **Innovation Campus** is certainly one of these. The property has been transferred to the University and the business plan and strategic plan have been completed and approved by the Board of Regents. Now, the real work begins.

The consultants who completed the initial plans for Innovation Campus used a 25-year phased development approach that focuses on leading edge research areas including agricultural biotechnology, life sciences and food nutrition; computer sciences and bioinformatics, and materials science and nanotechnology. The business plan also identifies high growth potential areas in natural resources and water, and clean energy technology. Areas of significant commercial potential are transportation and engineering, chemical and bio-molecular engineering, and chemistry. A number of projects that are already underway in the areas of highway safety, biomedical devices and carbon sequestration were identified as being strong candidates for commercialization.

The potential for partnership with the private sector to effect economic growth and job creation is extraordinary. An annual new state and local payroll of $267 million, including $149 million in direct annual payroll and $118 million in indirect payroll from new spin-off jobs, was projected by the consultants. The benefits in addition to new jobs and increased tax revenues include internships and jobs in high-tech industries for University of Nebraska students, research collaborations with the private sector for faculty and new opportunities for commercializing research and creating new companies. Innovation Campus will connect UNL’s East Campus and City Campus to each other, and will create new opportunities for innovation and partnership.

Innovation Campus is a bold strategy, and I am confident that it will have a major impact on the economy of Lincoln, the state and the region.
I have said many times that my goal is for the University of Nebraska to be the best public university in the nation as measured by the impact we have on the people of our state. One of the most promising opportunities to fulfill that goal is to provide leadership in achieving **new education goals for Nebraska**. In October, I joined Gov. Heineman, Education Commissioner Roger Breed and EducationQuest Foundation President Liz Koop in announcing eight goals that we believe will make Nebraska more competitive by increasing the level of educational attainment in the state.

The goals were developed by the Nebraska P-16 Initiative, which includes representatives of 27 Nebraska business, education and government organizations. They include:

1. Adopt a college and career preparation core curriculum that requires four years of English and three years each of math, science and social studies in Nebraska school districts by the 2014-15 school year.
2. Eliminate the academic achievement gap between Nebraska’s K-12 Caucasian students and its African American, Hispanic, and Native American students.
3. Develop an effective longitudinal data system which provides information on the Nebraska educational system from preschool through post-graduate degree attainment and entry into the workforce to help align resources with strategic goals.
4. Improve Nebraska’s high school graduation rate to 90 percent.
5. Improve Nebraska’s college-going rank to the Top 10 tier nationally.
6. Provide affordable access for Nebraska students to attend Nebraska’s postsecondary institutions.
7. Improve time to degree completion and increase graduation rates of Nebraska’s postsecondary institutions.
8. Increase by five percent the number of teacher education graduates in the areas of science, technology, engineering and mathematics (STEM) within Nebraska postsecondary institutions.
I have agreed to chair or co-chair goals 5, 6 and 7 – all of which are closely aligned with our Strategic Framework goals. Nebraska’s high school graduation rate – measured by the percentage of 9th graders who go on to complete is high school – is one of the nation’s highest at 82 percent. However, we cannot continue to have 18 students of every 100 drop out before graduation. Our college-going rate is only 64.5%, ranking us 19th in the nation. That too must be changed. If we could move our high school graduation rate to 90 percent and our college-going rate up to the top 10, it would add about 2,000 new college students per year – which would be a tremendous gain for Nebraska.

Our ability to keep Nebraska’s public institutions of higher education affordable is directly related to maintaining strong state financial support, which will be a formidable challenge in the next few years. We intend to continue growing the Collegebound Nebraska program through both state and private support, and to increase the amount of financial aid available to students through Campaign Nebraska. Student financial support is the number one priority in that campaign.

We will also continue to work with Nebraska high schools, EducationQuest Foundation and private foundations to ensure that students know what courses to take in high school to be prepared for college, to believe that college is an attainable goal, and to help put a college education within their financial reach.

Academic leaders on each of our campuses are exploring new strategies for increasing retention and graduation rates. Those rates have been steadily increasing thanks to first-year experience programs that engage faculty, parents, residence hall staff and others in college success strategies, learning communities that offer mentoring and seminars to address academic or social problems, and achievement-centered learning programs.

As we work toward achieving these eight goals, we must remain mindful of Nebraska’s changing demographics and encourage more first-generation and minority students to pursue higher education. By 2020, more than 30 percent of our high school graduates will
be minority students. This segment of the population has a regrettable history of low participation in post-secondary education; that cannot be sustained if we want to see improvements in personal achievement and statewide economic growth.

I consider the leadership of initiatives to increase college-going rates, maintain affordable access and improve retention and graduation rates to be among my most important tasks in the next five years.

In closing ...
It would be easy to enter this new decade feeling pessimistic about our state’s future. Certainly the economic challenges are daunting – but we have been here before, and we know what we must do to be successful. When you look at key economic predictors, you can see that Nebraska is in a good position. Recent “rankings” confirm this: In Fortune Small Business Magazine’s listing of “best places to launch,” Omaha ranked No. 3 and Lincoln No. 10. MainStreet.com named Nebraska the happiest state in the union because of our financial stability. CNN Monday has named Papillion No. 3 on its “100 best places to live” and Lincoln ranks an impressive fifth on Forbes’ 2009 list of the best places for business and careers.

I believe that this is our time – a time that Nebraska and its public university can move forward, attract new talent, create new opportunities and do more than simply weather the storm.

To do so we must maintain a priority on and investment in public higher education. We will continue calling on our elected officials to invest adequately and wisely in higher education, recognizing that it plays a major role in economic recovery. And, we must use the resources we have as strategically, openly and carefully as possible so that we continue to serve our students and the people of Nebraska in ways that help them achieve their full potential.