Good afternoon. Almost ten years ago, John Payne, then chairman of the Board of Regents, called me at my home in Irvine, California, and offered me the job of president of the University of Nebraska. I was delighted to accept. Today, I look back over a decade of dramatic change, and I am gratified by the progress we have made. The University of Nebraska is truly on the road to becoming a great university.

Since this will be my last State of the University address, I’d like to reflect a bit on the events of the past decade and my vision for the future. When I came to Nebraska in 1994, I was honored to be both the president of the university and a tenured professor in the School of Biological Sciences. I knew this was a good university, and I believed from the beginning that the potential for greatness was here. However, several problems had to be resolved before we could make significant progress.

The first issue, candidly, was that the university lacked focus. The Board of Regents wanted a president who would encourage collaboration and cooperation among the campuses because, at that time, we simply did not speak with one voice. Campuses lobbied against one another, sending conflicting messages to the Governor and legislators. Budgets were developed independently on each campus. In both financial and legislative matters, campuses competed for resources.

That situation has changed. We established an effective team of campus representatives to work with state government through a single lobbyist. Together, they created a statewide grassroots network that taps into a deep well of loyalty and support for the university. These “ambassadors” include Nebraskans in agriculture, business, industry and education who are willing to speak up for us because they recognize the immensely positive effect a strong university can have on the state.
The ability to speak with a powerful, single voice through a strong central administration has served us well in supporting favorable legislation. It also has helped us minimize damage from repeated budget cuts over the past two years. Campus-specific lobbying for resources has been replaced by a unified budget based on the needs of each campus.

Our lack of focus a decade ago was also evident in our academic programs. We were trying to be all things to all people rather than focusing on our strengths. The solution was for each campus to identify academic priority programs based on specific criteria – and then to put resources into these programs. This process has served us well and we have been able to invest in these priority programs even during difficult financial times.

Other organizational issues plagued us a decade ago. Just one example: we had 31 different e-mail systems among the campuses. It may have been by design – I’d like to think not – but the president couldn’t send an e-mail message from Varner Hall to the chancellor of UNL and be assured of delivery. Today, our communications systems are integrated and far more efficient. We have also implemented SAP financial management and human resources systems – on time, under budget, and with no state appropriation.

Even more troubling in 1994 was the condition of our physical facilities. Many buildings were deteriorating, they were poorly suited for instruction or research, and some were actually a detriment to student and faculty recruiting.

To address our most pressing needs, we worked with the Legislature to create a deferred maintenance program, known as LB 1100. The program was funded through an $80 million bond issue, with $40 million each coming from the state and the university. Passage of this legislation in 1998 was further proof of the power of speaking with a single voice. No single campus could, or would have tried to, achieve it.
LB 1100 was designed to address problem areas such as Richards Hall at UNL, which was in such bad shape it was seriously considered for demolition. Instead, it was converted into one of the most attractive and usable visual arts instruction centers in the nation. And that was only the beginning. Buildings on every campus underwent extensive repair and modernization. Today, we are working on plans for a “new” LB 1100 initiative to ensure that our buildings are properly maintained.

In addition to the renovations funded through LB 1100, we have been able to significantly upgrade our facilities through the generous support of the University of Nebraska Foundation. The successful Campaign Nebraska that began in 1993 resulted in 11 major construction projects including the Lied Transplant Center, Durham Outpatient Center, Peter Kiewit Institute, Sapp Field House and the Kauffman Center, which houses the J.D. Edwards honors program. State funding was also secured during the campaign for the new College of Education Building at UNK.

Another issue was the quality of our student recruiting. The year I arrived, I looked over the annual *World-Herald* list of outstanding Nebraska high school scholars and was disappointed to see that only about five percent of the best students had chosen to attend the University of Nebraska. I knew we had as much or more to offer these students than the schools they had chosen: Creighton, Iowa State, Missouri, Kansas and others.

Today, thanks to our recruiting and admissions offices, many of Nebraska’s best scholars, and top students nationwide, are choosing the University of Nebraska. In 2003, 89 of the 176 top scholars named by the *Omaha World Herald* and *Lincoln Journal Star* in 2003 – just over 50 percent – said they planned to attend one of our campuses. Among our academic standouts are four students who enrolled at UNL with perfect scores on their ACT exams, out of just a few hundred in the entire country.
In the past decade, we have made substantial gains in categories that are considered hallmarks of student quality. As one example, this year, each of our three undergraduate campuses had record high average ACT scores for incoming freshmen. We are also making very good progress in freshman retention rates and graduation rates.

The university is attracting more talented students today because we are putting more emphasis on recruiting, both in Nebraska and outside the state. I still get anecdotal stories about sons and daughters of Nebraskans who are not aggressively recruited, but we are doing a much better job. As a result, top-notch students who were also accepted by Harvard, MIT, Stanford or Michigan – to name a few – are coming to the University of Nebraska.

Programs that offer unique experiences for students are strengthening this university’s reputation as a place to find exciting and high-quality learning experiences.

Imagine, for example, being able to recruit top journalism students by telling them about the trip nine UNL J-School students took to Cuba last winter – and the 87-page magazine and 60-minute documentary film that students produced following that trip.

You could tell a highly sought-after computer science student about Tu Nguyen. He’s the UNO student who single-handedly won the 2003 Microsoft Imagine Cup, worth $25,000, against a field of thousands of other student entries from 25 countries. Tu is one of nearly 6,000 students who have enrolled in the Peter Kiewit Institute since it was created in 1996 to meet the needs of the nation’s technology and engineering firms.

A future biologist might be intrigued by the chance to work – even as an undergraduate – in UNK’s Mobile Environmental Lab, studying the impact of exotic species on Nebraska’s agricultural economy or the unique ecology of the Platte River.
Research opportunities for undergraduates at Kearney are so abundant and so strongly encouraged that in 2003 alone they sent 66 students to the national undergraduate research conference sponsored by the National Science Foundation. They are considered national pacesetters in this arena.

A student with an interest in public service might be interested to know about the four Truman Scholars we’ve had since 2000 – two each at UNK and UNL. These students each received $30,000 scholarships to advance their studies in government, education or public service. Nebraska students have also won Fulbright Fellowships, Goldwater Scholarships and National Science Foundation fellowships in the past five years.

And the growing reputation of the Medical Center – with six programs ranked in the U.S. News 2004 rankings of America’s Best Graduate Schools – will continue to attract top students who want to learn from the best as they work alongside cutting edge researchers.

I also want to note that UNO has seven graduate programs recognized in this publication. And while I usually take these rankings with a grain of salt, I have to admit that their method of evaluating graduate-level programs – which includes faculty assessment – is vastly superior to the approach they take in ranking undergraduate programs.

In the past month, a number of people have asked me what I consider my greatest accomplishment as president. Without hesitation, I can say that I have tried to foster a culture of excellence in which research and scholarly study is valued. With the support of the chancellors, we encouraged aggressive competition for research funding. The faculty responded, and the results are phenomenal.

In 1993-94 the University of Nebraska received just over $66 million in competitive research grants; we’ve already more than doubled that to $147 million for 2003. Before I step down next June, I expect to see us hit the $175 million mark. Our total external funding has also more than doubled in the past decade. That is remarkable progress.
Let me mention a few of the grants received in just the past six months:

- UNMC was awarded three major NIH grants -- $10.5 million to study genes in neurosensory systems, led by Dr. Shelley Smith; $6 million to study how the immune system affects neurodegeneration, led by Dr. Howard Gendelman; and $9.9 million to study cell signaling in cancer, led by Dr. Margaret Wheelock at the College of Dentistry.

- UNL won an NIH grant of $6.5 million to develop a vaccine to protect against botulism; that grant will be directed by Dr. Mike Meagher. A $1.8 million grant that UNL received in September from the National Science Foundation will study the ecosystem of Nebraska’s sandhills. Dr. David Wedin is the lead researcher.

And in case you think that research occurs only in the sciences, UNL also received $5 million to study school readiness strategies in children from birth to age five. Drs. Susan Sheridan and Carolyn Edwards are co-investigators on that award.

In addition, university researchers have won other grants that are slightly smaller in dollars but huge in impact. For example:

- UNK received nearly $800,000 to help K-12 students with limited English proficiency; Dr. Donna Shelton directs this Platte River Corridor Project.

- Earlier this month, UNO won a $2 million National Science Foundation grant to increase the number of students pursuing degrees in science and mathematics; Dr. Jack Heidel, chair of UNO’s Department of Mathematics, is principal investigator.

- And just this summer UNO’s Center for Afghanistan Studies, under Tom Gouttierre’s leadership, received additional funds to continue their remarkable work in rebuilding Afghanistan’s educational system.

Grants like these result from having talented faculty who are eager to work in interdisciplinary teams to make new and exciting discoveries and meaningful contributions. Among our interdisciplinary efforts, I am particularly proud of the Center for Biosecurity under the leadership of Dr. Steve Hinrichs at UNMC. This center, which has been cited as a national model, includes experts on bioterrorism from all four campuses.
Likewise, the Rural Initiative, directed by Sandy Scofield, is applying the collective expertise of our campuses to the unique challenges of rural Nebraska.

Faculty members who are the given the opportunity to create and disseminate new knowledge create an environment that encourages other talented faculty to come here and stay here.

To give you just a couple of examples from the past year:
The Medical Center successfully recruited Dr. Jean Grem from the National Cancer Institute, where she headed their gastrointestinal cancer research. She joins an impressive group of nationally recognized cancer experts including Gloria Borgstahl, George Hemstreet, Ken Cowan, Jim Armitage and Chancellor Harold Maurer.

The Med Center also lured Dr. Sanjay Singh away from Yale to establish the Nebraska Epilepsy Program at UNMC. He is Nebraska’s first epileptologist.

UNL was successful in hiring Dr. Thomas Borstelmann, who left a tenured position at Cornell to join UNL’s History Department. A prize-winning author and teacher, Dr. Borstelmann will deliver one of the E.N. Thompson lectures this year.

And William Velander recently joined UNL as chair of the chemical engineering department. Dr. Velander is an outstanding bio-medical engineering researcher who was a faculty member in the Virginia Tech-Wake Forest University School of Biomedical Engineering and Sciences.

There are many more faculty members I could name – winners of Fulbright Fellowships, national teaching awards, National Science Foundation career awards, Guggenheim Fellows, Newberry Fellows, and our most recent star, Jim Van Etten, elected in May to the National Academy of Sciences.
A quality faculty is the fundamental driving force in a great university. And a great university is a fundamental driving force in a state. I’ve already mentioned how our research benefits agriculture, medicine, business, and communities. We also provide new talent for the workforce.

At UNL, the Center for Entrepreneurship helps students write successful business plans and find internships that prepare them for a career in their chosen field. And the Peter Kiewit Institute places more than 400 students annually in internships with Nebraska businesses.

We help new and existing Nebraska businesses succeed – in 2002 alone our Nebraska Business Development Center, part of UNO’s College of Business Administration, helped small businesses secure more than $46 million in government contracts. In a more specialized field, the Food Processing Center at UNL has helped hundreds of food-related businesses with everything from market research to merchandising and packaging.

Universities often refer to their mission in terms of teaching, research and service. But for the young people who will be tomorrow’s leaders in the state and the world, there is another dimension to the university experience. That is the opportunity to live and work together in a rich mixture of ethnic heritage and cultural backgrounds. It would be a shame if any student – no matter how academically accomplished – left our university without an appreciation of the value of diversity in today’s global community.

That’s the reason I created the position of Associate to the President with responsibilities for helping us advance diversity and gender equity across our four campuses. You’ve already heard about the success the campuses have had in increasing the number of female faculty members. In the past decade, minority representation among faculty has more than doubled, while minority student enrollment has also grown, from 5.9 to 7.5 percent.

Although the numbers are slightly down due to post-9/11 tensions, we continue to attract international students, who also enrich the cultural diversity of the university. Today, 130 nations are represented in student populations across our four campuses. At UNK alone, where nearly 90 percent of students are Nebraskans, 49 countries are represented.
The changes and improvements we have been able to make over the past decade are grounded in our history as a public land-grant university. And a great part of the land-grant tradition emerged from agriculture. We have not forgotten that agriculture is not only one the most important industries in Nebraska, but that it is the source of many of the values the citizens of this state hold dear – whether they live in rural or urban areas.

To preserve that tradition, we have given our full support to efforts to keep Nebraska’s agricultural sector vital. Extension specialists at IANR, and researchers both at the Institute and at UNK, continue to find ways to make agriculture more profitable for Nebraska farmers and ranchers – whether that is through developing disease-resistant strains of wheat or corn, developing new cuts of beef, or teaching farmers how to profitably grow new crops such as grapes and potatoes. UNMC has also made it a priority to serve the medical needs of rural Nebraska through their rural residency program, and other nationally recognized health outreach and education programs.

A large state university is a complex institution, and it is not easy to understand in all of its facets. In 1994, it was evident that many Nebraskans did not have a full appreciation of the university. When I felt we’d put our house in order, we began a university-wide effort to communicate more frequently and more consistently about how our faculty and students are pioneering new frontiers in teaching, research and service. That work is paying off.

A 2003 public opinion poll by the Bureau of Sociological Research showed that Nebraskans give the University of Nebraska an overwhelming vote of confidence.

- They believe we recruit good students and give them an excellent education – in fact, 77 percent say we are among the best public universities in the Midwest.
- They understand that research conducted at the university is important and beneficial to our citizens.
- They agree that the university plays an important role in the state’s economic growth and stability.
- And they encourage us, almost unanimously, to continue to strive to be the best.
Public appreciation is nice – but public understanding is essential. We will continue to keep Nebraskans well-informed about the university and its programs. And, we will step up our efforts to attract excellent students and faculty, and to grow our research dollars and donations, by strengthening the academic reputation of the University of Nebraska with alumni, decision makers and opinion leaders throughout the United States.

Our marketing efforts are just one more indication of the power and benefit of speaking with a single voice.

In all that we do, we have outstanding support from the University of Nebraska Foundation. I’ve already mentioned their significant role in physical improvements to the university. The Foundation has also helped fund our marketing efforts. And, they help us attract outstanding students and faculty.

Campaign Nebraska, which ran from 1993-2000, raised $727 million, including $75 million for faculty support, $125 million for student support, $240 million for facilities and $245 million for programs. By establishing 95 new endowed chairs and professorships, and 918 additional scholarships and fellowships, the Foundation added an extra measure of support in our quest for excellence.

Campus leaders have also been instrumental in many of these fund-raising efforts. In just a few weeks, we will dedicate the new Durham Research Center of Excellence, a $77 million project at UNMC funded almost entirely by private donations.

And for the first time in university history, we named a college in honor of a long-time supporter. The Hixson-Lied College of Fine and Performing Arts at UNL was named after receiving $18 million from the Lied Trust to provide endowed funds for multiple areas of the college.
We could not have moved the University of Nebraska to the high level of quality it has reached without Terry Fairfield and his staff at the Foundation. We are now working with the Foundation on a new focused fund-raising strategy, the primary ambition of which will be to support the people whose successes give the University of Nebraska its vitality: our students, our faculty, and our staff. To this end, we are setting priorities to increase scholarships and endowed professorships on each campus.

In addition, these priorities will aim toward creating an environment in which students, teachers and researchers can thrive. This will include support for the football/computer science complex and the virology complex at UNL, a library addition at UNO, the clinical center of excellence at UNMC, and targeted investments in science, athletic and recreational facilities that will complete our infrastructure upgrades at UNK.

I hope you’ve gotten the impression that, despite economic downturns and budget cuts, the University of Nebraska is an institution that is poised to do great things in the future.

As I envision the University of Nebraska a decade from now, I see a university that students select as their first choice among all the schools available to them. They choose this university, not only because it is affordable but also because it offers excellent programs taught by superb faculty. And, because they know they will leave here well prepared for their chosen career.

I see a University of Nebraska that reaches out to minority students, especially to the Latino families who do not have a strong tradition of attending college, but who represent the fastest-growing segment of our state’s population. Only 11 percent of Latino adults over age 25 in Nebraska have a college degree, while 53 percent have less than high school credentials. We must continue to encourage minority students to attend college with events like UNO’s recent “Recruiting for Diversity” college fair and UNK’s Federal Educational Access project. And, we must make it financially possible for them to attend.
I see a University of Nebraska that is recognized nationally as a major research institution, consistently winning multi-million dollar competitive grants. Our research will explore the frontiers of basic science, enhance the human condition, improve the quality of health care, and apply new technologies to agriculture and business operations.

I see a University that aggressively seeks out new strategic partnerships with the business community. Over the past decade, these partnerships have changed the way we think about curriculum development and enhanced our competitiveness. Programs like the Peter Kiewit Institute have helped us turn out students who are far better prepared to join the workforce.

I see Nebraskans using a statewide telecommunications network to take university classes that will enhance and expand their knowledge – with wireless connectivity that allows them to participate whenever and wherever they wish.

I see a “virtually integrated university” in which a single student information system supports individual campus needs while using standardized and compatible systems.

I see a University of Nebraska whose campuses pursue their unique missions but who also work in collaboration with one another to advance teaching, learning, and discovery.

Finally, I see a university where Professor L. Dennis Smith works with brilliant young students in the classroom and leaves the thorny issues of running the university system to a new president.

Thanks to all of you for your support. It is a privilege to work with so many truly gifted faculty, staff and administrators to realize our shared vision for this great university.