

**STATE OF THE UNIVERSITY ADDRESS
PRESIDENT L. DENNIS SMITH
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On September 11, our nation watched in horror as terrorist bombers attacked two of our greatest cities. The world first focused on the rescue efforts and personal stories of heroism in New York City and Washington D.C. That focus has now shifted to a country on the other side of the world, Afghanistan. As print and broadcast media looked for experts who could provide insight into that nation and its people, many turned to the University of Nebraska.

The University of Nebraska at Omaha's Center for Afghanistan Studies has pioneered the study of Afghanistan, Pakistan, and that region of the world. In the past six weeks, its director, Thomas Gouttierre, has conducted more than 500 media interviews, including CNN, CBS, NBC, the *Wall Street Journal*, *New York Times*, *Washington Post*, Associated Press, *Time*, and *Newsweek*. In addition, he has advised the U.S. State Department as our government develops its policies on the war on terrorism.

Tom Gouttierre, Ambassador-in-Residence Peter Tomsen, and professor John Shroder's pioneering work in the study of Afghanistan is a source of tremendous pride for us all. Tom Gouttierre is with us today and I'd like to recognize him for his contributions to our University, state, nation, and the world.

During times of crisis, we reevaluate what is important to each of us as individuals, and collectively as a state and nation. In every instance, one of the highest priorities is to provide education for the next generation of leaders.

Education that builds strong, inquisitive minds. Education that is bolstered by research and discovery. Education that gives strength and support to local communities and our nation.

Just last year, the Board of Regents, our Governor and State Senators, faculty, students, and the citizens of Nebraska sent a message to this University. They said... "We are proud of the University of Nebraska, but we expect more." We listened, and through the dedication and hard work of people across our four campuses, the University of Nebraska has made tremendous strides in our teaching, service, and research.

There has never been a time when the pioneering educational work at the University of Nebraska has been more important to the future of this state. There is energy and optimism at the University that has created momentum. The University of Nebraska is truly making progress.

TEACHING

Our mission is to take this University to a higher level of achievement. That mission begins with teaching. To excel in teaching, we must create and sustain an outstanding learning community

where students can uncover things they never knew before and discover things no one ever knew before. Our learning community distinguishes the university education from a mere continuation of secondary education. We foster habits of lifelong learning and want all Nebraskans to be included.

When the University of Nebraska was founded in 1869, just two years after statehood, our charter was unique in the country. It did not limit our areas of teaching excellence and it made it clear, over 100 years ago, that there was a mandate for diversity. The University was to be open to all, stating...“No person shall, because of age, sex, color, or nationality be deprived of the privileges of this institution.”

This mandate to provide cultural, ethnic and gender diversity and equity at our University is even more important today than it was more than 100 years ago. In an age where technology and the Internet have brought us together as a worldwide community, we do a great disservice to future generations if we allow students to think that knowing only one culture and speaking only one language will be sufficient to remain competitive. In order to be a competitive university, we must prepare students to be competent citizens in a diverse world.

And we are a competitive university that exists in a highly competitive environment. We compete nationally for faculty and administrators. We also compete for students with the many other private and public colleges within Nebraska and all of the colleges and universities in the nation. We do not take lightly the responsibility students, and their parents, assign us when they choose to attend the University of Nebraska.

Considerable time and effort has been spent to ensure that students attending the University of Nebraska receive a first-rate education, at an affordable cost. We've set higher standards in a number of key areas...and made significant progress. Let me briefly share a few:

- We've stepped up recruitment and are doing a better job of bringing more, better-prepared students to the University. This year enrollment at the University of Nebraska was up nearly three percent. More important, the average entrance scores of freshman have risen over the last 10 years at all three undergraduate campuses— up nearly two points at UNL; and one point at UNO and UNK. Since ACT scores are measured on a 36-point scale, each increased point means a substantial improvement.
- Our retention rates, the percentage of freshmen that return for their sophomore year, have also improved considerably. Since 1995, retention rates are up 15 percent at UNK, 14 percent at UNO, and nine percent at UNL.

- Graduation rates have followed suit, improving over the past six years by over 11 percent at UNL and UNK, and 17 percent at UNO. This means that more students are staying in school and graduating from our campuses.

While we are working hard to attract and keep students, we also strive to remain accessible. We've taken important steps to improve both need-based as well as merit-based financial support. The University of Nebraska Foundation has pledged to raise a \$20 million endowment for need-based scholarships to ensure that those who want to attend the University, but cannot afford to do so, have the opportunity. We want all Nebraska young people to contribute their talents to this University, and later our state and world.

One of the reasons for our recruitment success is our partnership with public and private K-12 schools. Through the P-16 Initiative, we are working together to ensure that all students across the state who are academically qualified have the opportunity for higher education. Earlier today there was a joint meeting of the University Regents and members of the State Board of Education to discuss improving communications between our organizations. I believe several members of the State Board are still here with us and I'd like to publicly thank them for their support.

Teaching is a priority at every campus and we do it quite well. Just this year, the University of Nebraska at Lincoln was recognized nationally for its exemplary undergraduate education. The Association of American Colleges and Universities cited UNL for visionary campus-wide innovation. UNL is one of only 16 colleges and universities to earn this recognition and only one of five research universities, the others being Duke, Michigan, USC, and SUNY Stonybrook.

Just this spring, UNL's College of Journalism and Mass Communications placed third out of 105 journalism programs in the national William Randolph Hearst Journalism competition, behind only Northwestern and North Carolina at Chapel Hill. A recent UNL graduate, Brian Carlson, won first place in the National Writing Championship, often referred to as the Pulitzer Prize of educational journalism.

The University of Nebraska at Omaha's College of Public Affairs and Community Service once again has several graduate programs ranked among the best in the nation by *U.S. News and World Report*. The public administration department is ranked 31st overall and its program in public management is 22nd and its program in management of information technology is ranked 7th in the nation. And UNO's Goodrich Scholarship program was one of only four nationally to earn a certificate of excellence in this year's prestigious Hesburgh Award competition.

The University of Nebraska at Kearney has developed a nationally recognized program that involves undergraduate students in research, working alongside faculty members. Last year alone, more than 100 students presented their research findings at state, regional, and national academic conferences.

UNMC has developed national models for problem-based learning and the training of health students in rural and community settings. As a part of this effort, they have aggressively addressed the shortage of health professionals across the state, particularly in underserved areas. The family practice rural training track was recently expanded to a fourth site, allowing physicians to spend two of three years of a residency working in a rural community.

Every one of our campuses is becoming recognized for the innovative teaching approach we

offer at the undergraduate level, as well as specific areas of expertise. One of the best ways we can ensure that our pioneering spirit is passed from generation to generation is through the education we provide throughout the University of Nebraska.

SERVICE

The University of Nebraska has a commitment to service. For many Nebraskans, this commitment to service had its genesis in agriculture and the personal contact, advice, and support from local Extension Service agents. I think I am safe in saying that the quality of life for most people in this room and around this state has been improved through the many programs offered by the University of Nebraska's Cooperative Extension Service.

In recent years, we've worked closely with many of the state's top business leaders in an effort to not only improve education, but also strengthen economic development efforts and create jobs across this state. While some believe these efforts are focused only on our major cities, much of our success is the result of our ability to help improve life in rural Nebraska.

For example:

- The University's Distance Education Initiative was one of the first in the nation. We began offering college courses by distance in 1909 and high school courses in 1929. We continue to be a national leader in taking the classroom to the people. Thousands of people in dozens of Nebraska communities annually benefit from our Distance Education programs.
- The Medical Center continues to be a leader in providing services to low income and uninsured individuals across the state – UNMC provides dental care for nearly 3,000 patients in more than 20 Nebraska communities; offers diabetes screening services for primarily Hispanic and Native American populations in the Panhandle; and provides medical, nurse practitioner, and pharmacy students to operate the weekly SHARING Clinic that serves the medically underserved in Omaha. The Sharing Clinic recently received the Secretary's Award from the federal Department of Health and Human Services.
- IANR's Technologies Across Nebraska project has received high marks from citizens and communities across the state, as well as from Congressman Tom Osborne. The project is a unique and model effort to bridge the digital divide by teaching technology, e-business, and connectivity opportunities in rural Nebraska. Technologies Across Nebraska is one part of the University's Rural Initiative designed to coordinate and provide University resources and expertise to grow the success and prosperity of greater Nebraska.

Let me share one other example. During the 1990s, Broken Bow, the county seat for Custer County, lost approximately 10 percent of its population. Civic leaders were looking for help in trying to stem the exodus of families and bring new hope and business opportunities to their community. They turned to the University of Nebraska Center for Applied Rural Innovation. Working together, a 12-week course was offered to improve businesses and strengthen entrepreneurial skills.

Recently, the success of this program was featured on National Public Radio. The reporter noted

that a local grocer had learned how to improve profitability, while also providing better benefits to employees. A couple raising bison are now able to more efficiently market their product locally and in the region. Throughout the community, existing businesses are growing stronger and new business opportunities are being identified and initiated. Together we're making a difference in this great Nebraska town.

RESEARCH

The knowledge that is taught in the classroom comes from the research that our professors conduct. The most exciting part of learning is discovery. Two years ago we embarked on a concerted effort to increase our share of federal research dollars, not just in the total dollars received, but in the quality of new programs those research dollars would help fund.

Overall federal research funding, both competitive and earmarked, has increased dramatically. At UNL alone, research awards over the past five years have risen from \$33 million to \$63 million, an 88 percent increase. At UNMC, research has increased 76 percent from \$25 to \$44 million. These increases demonstrate the research momentum of this University and the national recognition we are achieving as we move forward in our research status on a national scale.

Just as exciting as the dollars raised are the research projects they are funding.

- UNL's physicist David Sellmyer researches particles measured in billionths of a meter. His nanoscale technology research produces magnetic materials made from individual atoms that may allow us to decipher complex computer codes for increased national security.
- Molecular Virologist Charles Wood's research is reaching the frontlines of the battle against HIV/AIDS in Africa. He is studying how HIV is transmitted from mothers to their infants and seeking a way to block the virus through a vaccine. Dr. Wood also runs a National Institute of Health-funded program that brings Zambian scientists to UNL and trains them in their fight against the AIDS epidemic in Africa.
- Micrometeorologist Shashi Verma and Agronomist Ken Cassman have turned 480 acres of fertile Nebraska farmland at NU's Agricultural Research and Development Center into a unique high-tech laboratory, the only one of its kind in the world. Their ultimate goal is to find a way to reduce the CO₂ in the atmosphere, a major factor in global warming, by storing more of it in the soil through carbon sequestration.

- Russell Smith and Mary Fink at UNO's Aviation Institute continues to receive national attention for its expertise in the airline industry. Through a major NASA grant, the researchers at the Institute will work on enhancing air transport services to communities that are not well served by the nation's traditional air transport system.
- UNK's Dianne Aga is developing new methods of testing for the presence of herbicides and antibiotics, which is critical to understanding antibiotic resistance. This research, funded by a prestigious National Science Foundation grant, is particularly rewarding in that it provides funding for undergraduates to be involved in this ground-breaking research.
- All four campuses have received National Institutes of Health money to support student and faculty research efforts in biomedical research, with new frontiers being explored in bioinformatics, genomics, proteomics, and virology.

The new Research Center for Excellence at the Medical Center is perhaps the centerpiece for the progress we are making in research. Coupled with tobacco settlement funds, UNMC is poised to recruit world-renowned researchers in key areas such as restoring vision, preventing and treating diabetes, heart disease, and neurodegenerative diseases, and preventing rejection of transplanted organs.

And we continue to be recognized as a true research pioneer in the treatment of cancer and organ transplantation. This research is giving new hope to thousands of people here in Nebraska and around the world, one patient at a time. Two Nebraskans, Demeral Andrew and his step-daughter Julie Telly, both received peripheral blood stem cell transplants that were pioneered at UNMC to treat non-Hodgkin's lymphoma. Before this pioneering treatment began, only half of the patients survived. Now 95% survive. Not only has Julie Telly survived, she is able to share her life with her two children born after the transplants.

The research work being conducted at all four campuses is taking the University of Nebraska to a new level. As a scientist, I can tell you that what is being done here is exciting and I believe we have only scratched the surface of the research potential of the faculty serving the University of Nebraska at all four campuses.

STREAMLINING THE PROCESS

Teaching, service, and research all require considerable financial investments. We must do whatever is possible to be good stewards of the state's resources. With the recent slowdown in our economy, that is even more true today. We know that every dollar we save running the University can be redirected to support our faculty, students, and citizens in the state.

Almost three years ago I asked Omaha businessman Ron Burns to chair a committee to look at the efficiency of our business and administrative functions. This committee made extensive recommendations as to how we could reengineer our processes to become more efficient and effective.

The University has adopted or is in the process of adopting each of these recommendations. Let me give you just a few specific examples of estimated savings due to these recommendations. Eliminating duplicative computer servers and systems is saving an estimated \$1.5 million over the next five years. Almost \$2 million over the next five years will be saved due to negotiation of a single travel service and related airline discounts. The creation of NUCorp, a new joint venture between UNL and Lincoln Electric System, and the UNMC-UNO utility savings program are allowing us to modernize the energy systems of campus buildings using utility savings with paybacks of investments in as few as four to five years. Finally, to show how little things add up, by changing to a photocopy leasing arrangement on a per copy basis, we will save as much as \$1 million per year.

During tough economic times, the easy suggestion for budget cuts is to point at administrative costs and we will continue to look for ways to further reduce costs throughout our administration. However, we've already made considerable progress streamlining our system. The University of Nebraska has very low administrative costs, both at the campus level and here at Varner Hall. Last fall the Omaha World Herald reported that administrative costs at UNL were the lowest among its peers. And based on IPEDS data that institutions report to the federal government, each University of Nebraska campus spends far less than its peers on administration, whether based on dollars spent or dollars per student spent.

Likewise, Central Administration, when recently compared to 12 University systems across the country, spends the least amount on administration and has the smallest number of personnel than all but one university. We are making sincere efforts to spend our resources wisely and efficiently and those efforts are paying off.

PEOPLE

It is clear that the University of Nebraska has momentum. There is an excitement and a level of energy that I have not seen in my eight years here. The examples that I have shared are but a few of the many efforts being made across the four campuses to build an even stronger University. I believe we will continue to improve due to the support of the people who make up this University. It starts with our chancellors... Gladys Styles Johnston, Nancy Belck, Harold Maurer, and Harvey Perlman. These four have come together as a team that I am proud to work with.

This is an appropriate time to pay tribute to the outstanding leadership of Dr. Gladys Johnston. Gladys has played a major role improving the quality of UNK and helping to integrate UNK into the University system. She has taken the Kearney campus to a new level as a premier residential undergraduate university and is an important member of my team. We will miss her greatly. Chancellor Johnston, I thank you for your years of service to the University of Nebraska.

Our success also lies with our vice presidents and vice chancellors, and our administrative support teams who work hard each day to support the University's educational mission. I also want to recognize and thank Lee Jones for his leadership as Provost. Lee will retire next March and we will miss him.

Most importantly, I want to recognize the faculty of our four campuses. The work they do is gaining us national recognition as well as local support. I believe that we have a joint vision to

make this University even greater, and together we will get the job done.

I am proud to state that we are close to our goal of reaching the midpoint of our peer institutions for faculty salaries next year. This long-term goal has enabled us to retain key faculty and to add talented new professors to our campuses. This progress is in large part due to the support we have received from the Governor and members of the Nebraska Legislature. While every important need of the University has not yet been met, there is no question of the commitment our elected officials have for this University.

Governor Johanns and state senators will soon be gathering in special session to deal with the current budget shortfall. We know and agree that no area of the budget will be exempt from possible reductions and that includes the University of Nebraska. We are ready and willing to work with elected officials in doing our part to resolve this current financial crisis. However, we have tremendous momentum on our side and I urge senators to carefully consider at what level of reduction do we impact our progress in educating our children and our ability to deliver the services citizens across the state expect from the University. Budget cuts at this moment in our progress will be difficult, however, we will do what we can to preserve the quality of our undergraduate education, our ability to recruit the finest faculty, and to maintain student enrollment.

A special thanks is due the University of Nebraska Foundation. Much of our momentum is due to the success of Campaign Nebraska that generated over \$700 million for programs, buildings, endowed chairs, and scholarships.

Finally, I want to express my thanks to the Board of Regents. A former educator and historian of the University said recently that the University does best where there is a strong Board. He is right. The University's current progress is due in large part to the support I have received from this Board. Thank you.

I want this University to be as great as the people it supports. The people of the State of Nebraska are a mosaic of ethnicities and languages. We must treat the various cultures as assets, not weaknesses. We will continue to strive to create campus climates where acceptance and respect are encouraged and modeled, so all students, faculty, and staff in our education community can enjoy equitable opportunities for professional and personal fulfillment.

VISION

My vision for the University of Nebraska over the next five years is to become one of the top public universities in the country. There has been much focus on rankings and methods of determining quality. What rankings do not show is how well our young people are being prepared for the world. They cannot tell how well we serve Nebraskans, nor can they measure the success and importance of our research.

Over the next year, I will continue to strive to create the best University possible. In that regard, the academic prioritization process will be my top priority. I know that the University cannot be all things to all people. I also know that a University by its very nature must provide a wide variety of programs and offerings. However, each campus needs to build signature programs that serve its region as well as the state. Programs that are so good that our young people want to attend this University and remain a part of this state's future. More than 80

percent of in state, and more than 30 percent of out of state students who come to this University are still in the state five years after they graduate. That means this University has a role to play in increasing our state's population and its economic base.

I intend to work with the Board of Regents and the Chancellors over the next year to continue our focus on quality. We will make an attempt to identify quality outcomes and strategies to make a good University even better, and to measure just how far we have come toward that goal. We began that discussion last month and will continue it today and during the December meeting.

I also want to continue to build cross-department and cross campus programming. Sharing our resources and our knowledge is beneficial not only to the bottom line, but also to our students. Two examples of intercampus coordination will be presented to the Board today, the Center for Virology and the Center for Bioinformatics, both exemplary, interdisciplinary approaches that give students unique educational opportunities.

Some have called the University of Nebraska a diamond in the rough. I disagree. I believe it is a shining jewel. It is an excellent place for students to learn and prepare for tomorrow. With all of its economic contributions, nationally recognized research, statewide agricultural programs, and educational offerings, the University is a major resource to this state. It is a dynamic economic engine, a prestigious institution of higher learning that keeps great minds at home and is a major force impacting thousands of lives. My vision for the University of Nebraska is that it not only be a great University, but that the people of our state know how truly great it is right now. It is time we communicate all that we are accomplishing, so that Nebraskans become as proud of their University as I am.

CLOSING

Shortly after the first pioneers arrived in Nebraska, one of the very first steps they took was to create a University. They knew that in order for a state to grow and to prosper, education was essential. These pioneers paved the way for others to follow, establishing a legacy of support for our University, ensuring that our children would have the best possible education.

Our history is a source of pride and because of the leadership on each of the campuses our pride continues to grow. The University of Nebraska continues to lead the way, in education and discovery, and in outreach to the communities that we serve. The efforts of the people I have highlighted today, and the work of many, many others, makes it clear that our pioneering spirit continues. Only the frontiers have changed.