Good afternoon ladies and gentlemen. I hope the summer months were both rejuvenating and productive, and that you return to the 1996 academic year with a full agenda of good intentions. Professionally, I found my first year at NDSU challenging but manageable. Personally, I continue to take considerable pride in the learning environment we provide for our students, and the technology transfer we engage in with our many shareholders. This past year I attempted to achieve several objectives. These included balancing the demands of work and family; avoiding micro-managing this enterprise; serving our students well, both in terms of their campus life and their career preparation; developing a concept of industrial extension and technology transfer, modeled after our success in agricultural extension and research; focusing our efforts on our basic tasks of teaching, learning, and service, and settling the campus down a bit by assuring a shared governance approach to major campus-wide issues and concerns; building trust on and off the campus with our mission and our execution of that mission; and strengthening our town and gown relationships, especially through partnering in discussions, plans and programs which foster economic and manpower development. Most of all, I wanted to listen and learn from you and many others about potentials and ambitions which the programs and services of NDSU can help to realize. I appreciate the consideration, the insights, and the encouragements you have provided in moving towards the accomplishment of these personal agenda items.

The two biggest changes I have experienced in my first year as president of NDSU relate to calendar and to the nature of executive leadership in a public system of higher education. They are, in fact, related to one another. Clearly, the supply of hours and days on my calendar is woefully inadequate to satisfy the appropriate demands for time and attention from a variety of individuals and groups, both inside and outside NDSU. With this ongoing dilemma, I ask for your patience and understanding, and I will attempt to be as reasonably available as possible while, at the same time, prioritizing my contacts in light of my best estimate of what is needed for all of us to prosper as an intellectual community. I do firmly believe that a president should allocate time for reading and thinking related to the issues of the campus at the same relative priority level as contact and dialogue with the major constituencies that are invested in these issues. The second biggest change in my life involves my adaptation to a public university that operates within a state system of higher education as contrasted with the independent sector of higher education. While my scholarly understanding of the differences was pretty sound, the practical realities of additional reporting, various and changing time-lines, and check-offs for decisions, including the weighing of alternatives not only in terms of NDSU but also of the system, and the general paperwork, require quite a different working style. It is not at all uncommon to have an important campus process interrupted in mid-stream by an equally important system request, or a legislative request, or a request from the office of management and budget. With a lot of help inside NDSU and from the chancellor's office and some legislators and other system colleagues, I'm making this rather fundamental transition. There are other more modest sociological differences in my work here than in my previous thirty years of teaching and leadership. I'm not absolutely certain whether these differences relate to North Dakota in particular, or to the Office
of the President, or both. One involves the tendency for everyone to expect to go to the top of
the organization of any public enterprise for the most minor problem and to be heard and
responded to, on the spot. Aside from the complete inefficiency of this tendency, such behavior
demonstrates a serious lack of knowledge about the complexity of an organization like NDSU.
There is a second related behavior that manifests itself through criticism of public organizations
on the basis of a single incident rather than celebrating the patterns of success which
characterize the organization. This phenomenon, I find to be particularly cynical and disruptive of
positive change.

In this overall context of my first year objectives, changes in my professional life and social-
cultural aspects of North Dakota and public organizations, I continue to believe that we have the
talent, creativity, and traditions of achievement here at NDSU that will allow us continued
success in our triple-threat mission of teaching, advising and learning, scholarship and research,
and service and outreach. Our number one priority is the recruitment and retention of talent -
faculty, staff, student, and administration - and the maintenance of supporter loyalty - alumni,
legislators, the Governor, donors, and employers of our graduates. In this regard, I believe that
the support of the Governor and legislature is the thread that holds this fabric together. I am
confident that we can continue to attract and keep talent here, that private fund and friend raising
will improve, and that our alumni will do us proud. This is all contingent on the base operating
support levels from the Governor and the legislature. We can be as entrepreneurial as we like,
but the core of this university, its basic service courses in general education and liberal arts and
sciences, its important student services, its research equipment, and its physical infrastructure
were put in place by the citizens of North Dakota through their legislative bodies. Future
legislative bodies must be in partnership with us to maintain this university core. No one else
can or will do so. We can raise additional funds to enhance quality, to generate some exciting
activities on the periphery which are useful and well regarded, but they will not suffice to maintain
a vital land-grant university which citizens are proud of, where students want to attend, where
people want to work, and which can serve the critical economic and manpower challenges
awaiting North Dakota. We must, of course, be willing to change and to refuse to try to be
everything for everybody. But much of the core of what we do must remain in place if we are to
accomplish our mission. The quality of those core activities cannot be maintained with any
integrity over time without modestly increasing funding from our state government.

North Dakota cannot do without a vital land-grant university. North Dakota State University
certainly cannot do without substantial and continuing funding and moral support from our
citizens, our Governor, and our legislature. I pledge to work hard on continuing the historic -
more than 100 year partnership made possible through public funding, that has made a quality
land-grant university education available to students and that has guaranteed excellence in
outreach activities and research which positively affect the quality of life of all who reside in North
Dakota.

I do believe that the next two budgets of the Governor and the next two sessions of the North
Dakota State Legislature will solidify a pattern of support for public higher education that is
unlikely to change in any material way for at least a decade. This session we are about to
commence is very important. Combined with the session in 1999, a critical path will be in place.
Either North Dakota will position itself by the year 2000 to remain competitive through modest
incremental support, or essentially commit itself to a slowly deteriorating higher education
system. This is a public policy matter of the highest importance and complexity. It is not simply
a question of cost, but one of cost/benefit or investment. I believe many in public office,
members of the business community, economic developers, and citizens know this fact, and are
committed to finding a workable and affordable approach, by recognizing the return on investment higher education provides to the state, especially the return on investment that a land-grant university rich in agricultural and applied science talent can generate. Having just enjoyed the summer Olympics in Atlanta with three of my four sons, I have been reinforced in my belief that excellence cannot be bought on the cheap, no matter how artful the rhetoric. Any vision and leadership approach which drives us toward long-term vitality for the state of North Dakota must include a healthy system of public higher education, one which includes a viable research structure. It is a cog which cannot be removed from the wheel of state. Like any important infrastructure, if one defers needed investment long enough, the accumulated cost that ultimately builds up, makes it impossible to resurrect a quality system again for many decades. We will work honestly and hard to forge partnerships that do not allow this phenomenon to characterize North Dakota higher education, and thereby negatively affect the long term quality of life for North Dakotans.

As we anticipate the unfolding academic year of 1996-97, several items are certain to occupy our attention. Happily, we are concluding the several searches that were underway for leadership positions this past year. We welcome our new deans and extend our gratitude to the search committee members and their chairs who presented NDSU in its best, but genuine light, and who continue to prove that we know how to introduce others to the NDSU saga with class, even if we exhaust them at the same time! I also want to thank those individuals who have served in interim leadership positions this past year. They have, to a person, responded to our call to leadership and served the university well and faithfully. Their performance has allowed us to continue forward momentum in our most important activities. This fall, as I previously announced last fall, we will initiate a national search for the permanent post of Vice President for Academic Affairs. I have consulted with the past presiding officers of the University Senate on the search advisory process. I am now reporting it to you. I have asked R. S. Krishnan to serve as chair for this search. The remainder of the membership will be selected as follows:

- one faculty member from each of the seven colleges appointed by the President from a list of three nominations made by each college faculty
- one dean appointed by the President from a list of two nominations made by the Dean's Council
- two representatives from the Staff Senate appointed by the President from a list of six nominations made by the Staff Senate
- an undergraduate student and a graduate student appointed by the President from a list of two nominations for each, made by the Student Senate
- one at-large member of the committee, appointed by the President as nominated by the University Senate
- one director from the support units which report to the Vice President for Academic Affairs as nominated by those directors
- both external and internal candidates are welcome
- the Search Advisory Committee, in consultation with the President, will retain a consultant to assist in the search process
As you know by now, I have extended the search for a Vice President and Dean for Agricultural Affairs, and I expect that search to conclude during this academic year.

As significant new leadership comes into place, we can join with the University Senate, the Student Senate, and the Staff Senate to collectively explore, in some depth, our strategic competitive advantages and our strategic vulnerabilities in order that we might strengthen our advantages and lessen our vulnerabilities.

As we develop a better strength and weakness profile of NDSU and identify targets of opportunity, centers of excellence and competitive edges, technology will quickly appear as a priority concern. We will need to efficiently invest the student technology fee revenue and integrate those investments with the effort funded by our telecommunication bonding authority, our PPRC grants, and other unit by unit capabilities to purchase and implement technology solutions. We need a campus plan for the integrated use of information technologies, not the least of which is multimedia instruction. Our technology fee committee has provided good direction for the initial use of fee revenues.

One certainty is that both the content and delivery of our courses are going to change. Our students are visual learners, accustomed to highly sophisticated mass media productions. The traditional lecture/discussion mode of teaching just does not match up well with our students’ learning styles. Multimedia classroom presentations are coming and our faculty will have to adopt and adapt to this powerful new delivery system. But use of multimedia is not easy. The learning curve is steep, even for bright and technologically literate faculty. So training and support are important. For all these reasons, an NDSU information technology round table will be formed this year to address this and other important matters.

As you all know, we are entering a legislative session year. We anticipate some different protocols to develop as the Chancellor, State Board of Higher Education, Governor, and legislative leaders set the “ground rules” for individual campus participation in the process. We anticipate an approach which will favor more centralized communications between the Chancellor, the Governor, and legislature rather than multiple communications from all the campuses to the Governor and legislature on an individual basis. It will be a more System based approach. Of course, campuses will have their budget hearings and respond to requests for information, but ad hoc lobbying per se appears to be discouraged at this point. As instructed by the State Board of Higher Education and the Chancellor, each campus has developed targeted initiatives for consideration within a defined dollar amount. In our case the university may request $4,050,000 worth of initiatives. Extension and Experiment Station have been allowed $2,000,000 in targeted initiatives, an additional $2,000,000 is allowed for other university initiatives and $25,000 each for initiatives from the Northern Crops Institute and Upper Great Plains Transportation Institute. The System itself, through the State Board of Higher Education, has submitted a budget request with several special initiatives in addition to the carry-forward budget which accommodates inflationary costs and previously awarded salary increases, and other adjustments made during this current biennium. The State Board of Higher Education has also developed a request list for new construction and major renovation projects. I will focus briefly on our NDSU initiatives and other key items of special importance to NDSU which are contained in the State Board of Higher Education system recommendations, for both operating and capital funds.
Biennial budget guidelines

System initiatives:
- 2% inflationary increase in general operating budgets
- 6% inflationary increase for libraries
- salary
- technology
- workforce development
- capital repair/renovation (equal to 1% of plant value)
- financial aid (need based and merit based)
- faculty and staff professional development
- tuition increase ($100 per year)

NDSU initiatives: ($4,050,000)
- industrial outreach (Co-op work study, Industrial Outreach Center, Student Career Services, etc.)
- teaching and advising (multimedia training, K-12 articulation, degree audit, enrollment management, technical support for course material development, course availability, and section size)
- research (graduate assistance, grantsmanship support, start-up equipment)
- Extension and Experiment Station (value added agriculture, crop production, youth programs, rangeland management)
- NCI (expanded programming)
- UGPTI (integrated logistics)

NDSU capital projects: (new)
- Animal Research Center
- Health and Wellness Center (local funds)
- Engineering and Architecture Addition (local funds)

NDSU capital projects: (renovations)
- South Engineering
- Ceres Hall
- Minard Hall

How we are able to plan for and approach the year 2000 will depend significantly on the funding outcomes for our special initiatives and those NDSU items which are contained in the system requests. Our options will be dramatically affected by an increase or decrease in general operating funds, the size and makeup of the salary increment pool, the nature of the decision on our animal research facility, and infrastructure funding. As I indicated earlier in my remarks, we look forward to special initiative funding, but we are equally concerned with funding of the continuing operations which form the core of this university. Both must be in some balance if we are to maintain anything approaching our current quality and comprehensiveness as a land-grant university. In my thirty or so trips outside of Fargo to other communities in North Dakota, and in my contacts locally, I am convinced that many of our shareholders value the benefits which NDSU brings to North Dakota. While we can certainly improve, I am very comfortable that our stewardship of public funds is of the highest order. We are a major asset in North Dakota, an economic, educational, and cultural engine. I have said facetiously to some of you that "if we were a business, we could locate in another state because we would be wooed by many to come." There would be few questions about our investment value if we were a business generating, as we do, an annual economic impact on the state exceeding $½ billion dollars. But
we are a public trust, and we need to take our case to the citizens and listen to their concerns. They too suffer from revenue diets, but they can be generous if they know their money is used well for the general welfare of youth and community. Our best approach to the legislative session is to tell our neighbors our success stories, because there are many. We do make mistakes, but we are loyal to the state and the needs of our public. As a land-grant university with quality people and programs and with teaching, research, and outreach missions, I know of no benchmark accepted by knowledgeable analysts which would not suggest that we are currently underfunded. In tough times in the state, one can accept this and do one's best to cope with meager funding. When the state is in relatively good economic shape, we can rightfully expect to share in some of those revenues. We are keenly aware of other state funding needs, whether they be for water development, K-12, or social services. We only ask for a fair share. This is what we should all ask our neighbors, the Governor, and legislators to support.

Regardless of the distractions a legislative year may provide, we have business to attend to on our campus which cannot wait for future development to move forward. I want to comment briefly on one of the six (6) integrated educational components of our mission that I introduced last year.

1. A value-added and career-oriented approach to student academic and social development.
2. Aggressive outreach programming.
   - quality of life improvement
   - economic development
   - manpower training
   - continuing education
3. Focus on knowledge and technology transfer.
4. A diversified portfolio of academic programs.
5. Policies and practices which promote development and create a culture of civility and colleagueship.
6. Expanded civic and regional partnerships.

Last year I spent considerable time on our responsibility to our students. This year I would like to comment on the workplace policies and practices component. I believe that significant change in higher education and satisfaction with our intellectual workplace will only come from rearrangements in the way students, faculty, and staff relate to one another, and to the citizens of the state. Teaching, learning, and outreach are relationships, not functions. We all need to think about and work on improving and expanding our relationships with one another. Time and energy must be devoted to knowing of one another's ambitions and activities. Most of us limit our interactions and participation to far too narrow a people and place spectrum, and much of it is too formal and unrelaxed. When I spoke to our ethics conference last year, I commented that in a university like NDSU, we tend to talk about and reward various balances of good teaching, good advising, good scholarship, good research, good outreach, and good service. Perhaps, we should also talk about and celebrate good colleagueship. We need to display behaviors that clearly indicate that we respect each other's views and respect each other's roles. Teamwork, collaborative planning, programming, both social and academic, and evaluation should demonstrate the civility and reaching out which is required both for intellectual community and intellectual integrity.

Bruce Wilshire, in his book, The Moral Collapse of the University, writes about the academic community in this way, "the key point is that there is no substitute for human relationships and presence, for listening, for sharing silence and wonderment, and for caring. There is no expert
knowledge of the human self which can be claimed by any particular academic field. There are merely insights here and there that must be tested through experience."

We should all try to catch each other doing the right things rather than looking around to find someone doing something wrong. It is certainly possible that given the overall context we will inherit in the next few years, our activities will have to be scaled down somewhat, but all of us should never scale down our ambitions. One of our continuing ambitions is to be student centered. In a lot of research on student satisfaction, similar findings emerge which are probably generalizable to all of us. Generally, folks like to be treated courteously and allowed some time to discuss what concerns them, people like others to keep their appointments and scheduled appearances, people expect others to be well informed about their organization and to stay up to date on procedures and policies, people like others who demonstrate in numerous ways that they don’t see them as a bother. As we test ourselves as educators, whether we are staff or faculty, we ought to take an internal audit of how easy it is for most students to obtain letters of reference from one or two of us who can make a knowledgeable appraisal of both those students' academic performance and their personal and professional competencies and experiences. If we are doing our job, that should be relatively easy for the majority of our students. I am reminded by George Bernard Shaw, that “the difference between a duchess and a charwoman lies not so much in the way they act as in the way they are treated.”

I am not much enamored of the TQM statement about organizations being leaner and meaner. I think that a university worth its salt should be able, if conditions require, to be leaner and nicer. Campuses that can do so, will be in a beautiful position for the year 2000. I would ask all of you to think creatively about our relationships on campus and our relationships with those off campus whom we serve. How can our relationships be improved? What do we need to do differently, or not do at all, to allocate more time and attention to this most human task? I know that department heads and directors of NDSU have excellent perspective on this issue having sat in on most of the sessions of our academic leadership series last spring. Our frontliners - our secretaries, clerks, tradesmen, and others can contribute to this topic as well. We have a Student Senate, Staff Senate, and University Senate that together are fully capable of generating some good ideas on this topic. I hope they will collaborate on this issue and that you will instruct me as to how I might facilitate that effort and implement good ideas that come from such interaction and dialogue. This past year we all benefited by the Student Senate’s leadership in establishing a mid-year graduation ceremony and a Health and Wellness Center plan and funding proposal. The Bison Ambassadors assisted in a new senior week celebration and many of us helped out our alumni-led campus clean-up. The Staff Senate developed new impetus for continuing professional education and training for our employees, and the University Senate developed an excellent base study on faculty workload and an approach to the very difficult funding constraints affecting our library. Our promotion and tenure policies appear to be right on target given the new State Board of Higher Education tenure guidelines expected to be approved in the fall. We have some kinks to work out, but clearly we know that more explicit expectations need be put in place by departments and colleges so that tenure track individuals know the balance and quality of work expected of them among teaching and advising, scholarship and research, and public service and outreach. These expectations now will need to have additional clarity for those tenured as we continue our evaluation cycle for them as well. As I anticipated last fall, the results of the State Board of Higher Education tenure study are quite manageable. Faculty throughout the system, with common sense and a reasonable approach, made this possible. These are tenure guidelines we can live with and thrive under. We also learned our way through the allocation process of the 1% discretionary salary pool this past year. I received very sound advice on this matter from many groups including the faculty/staff budget committee.
We know that most units need to improve their evaluation procedures and that we need to develop more explicit criteria on which discretionary salary dollars will be shared. I fully expect more salary dollars to be placed in discretionary pools rather than across the board pools in the future. We must be certain that fairness characterizes these discretionary pool allocations, even though judgment calls always contain a subjective element. Performance awards are also difficult in an intellectual community like NDSU where professionals are competent and well educated and where everyone's work is of value. Nevertheless, we must become comfortable with merit based raises and become good at it. We need all the best thinking we can obtain on this process and its procedures and I welcome your advice and counsel.

As we anticipate this academic year, I think it is appropriate to reflect on the 10 year reaccreditation team's visit and observations this past year. That very well qualified team found relationships on this campus to be healthy. They loved our students and hoped that we appreciated them ourselves. They chided us to graduate more of them. They found our faculty and programs sound and relevant, but worried a bit about our depth and our ability to decide to fund certain academic areas as centers of excellence, while accepting competitive quality levels in others but not necessarily aspiring to national or regional leadership in them. They saw our staff as loyal and skilled but stretched very thinly over their assigned areas. They thought our technology was competitive but needed integration and focus. They saw excellent research, both applied and basic underway, but they cautioned us about the meagerness of our laboratory equipment start-up funds and our graduate assistant support levels. The team found our facilities adequate - some excellent and some on the edge, but warned us about deferred maintenance, especially in infrastructure that escapes the eye of most but is well known to those who attempt to maintain it in working condition. I thought they analyzed us pretty well. We operate close to the margins, but still with excellent outcomes. We are in need of a modest infusion of revenues and those must come from a balance or combination of state appropriations, student tuition, efficiently managed auxiliary services, effective grantsmanship, and an aggressive friend and fund raising operation. Each of these revenue streams must increase modestly over time to keep NDSU's future bright. I believe, the job will get done. I pledge myself to your service in that regard and thank you for the honor of representing you in the office of the President of NDSU. I believe NDSU is quality when I talk of you and of our programs, I hold my head very high.

Monty and I hope to see you at our home this afternoon. Thank you.