Good afternoon and thank you for being here today for my third address to the North Dakota State University community. We've heard it time and again since September 11, "everything has changed." And, yes, our view of the world is much different than it was just 38 days ago. Who would have thought on September 10th that we were living in simpler times?

Still, even on September 10th, the future was uncertain. We did not know how any course of events would change our world for the better or for the worse. And that's where we remain today, still living in an uncertain world, as humankind has done from the beginning. Two thousand years ago, Roman philosopher Lucius Seneca declared, "All that lies between the cradle and the grave is uncertainty."

But, I must take exception with Seneca if he meant there is nothing but uncertainty. I believe there are things that are certain, things that can be counted on. The appeal of freedom over tyranny, for example. The power of education over ignorance.

As members of the North Dakota State University academic community, we can be counted on by the people of this state and the world to serve their interests through teaching, research and public service. So, for the next few minutes, let's focus on this institution. We are fortunate to be here during a time of exciting growth and development.

At night, Gale and I often walk around campus and this year, in particular, I've noticed an excitement on campus. Time and again, I've heard from new students and their parents that our well-maintained grounds make this a very welcoming campus. I thank our colleagues in the Physical Plant Department for their tremendous efforts. But for reasons deeper than esthetics, I think excitement at NDSU is on the rise as it becomes more and more clear that this is a university fully engaged with our greater community and state, and that NDSU is the place to be.

There are many exciting developments underway and we have the good fortune to be a part of that. Enrollment is increasing, programs are expanding, new programs are being added and research activity is growing exponentially. New buildings are under construction and major remodeling is underway. We
are looking more like our national land-grant peers. Of course, challenges remain, but increasingly, we are gathering the resources and developing solutions to meet those challenges.

At the heart of my excitement is the premise that staying the same is no longer possible if we are to meet the needs of the people we serve. So this Homecoming Week, let's first talk about our campus as one in transition, then let's review the campus themes that give us a unity of purpose. And let's talk about how campus units are responding to the challenge of defining their own "next level of excellence."

I will take some time this afternoon to talk about "change" but perhaps a better word for what is happening at North Dakota State University is "transformation." For more than five years, the American Council on Education has looked at change in higher education through its Project on Leadership and Institutional Transformation. They note that the word change can have negative associations for some and so they talk, instead, of transformation, hoping for a more neutral reception. Let us consider North Dakota State University to be an institution in transformation.

ACE cites four characteristics of universities that are undergoing transformation. The first is that transformation alters the culture of the institution. It challenges the underlying assumptions and overt institutional behaviors. Two, transformation is deep and pervasive. It affects the whole institution. Three, transformation is intentional. And four, transformation occurs over time.

This is what we are talking about at NDSU: a campus community making a transition to look more like our national land-grant peers...offering a similar number of graduate programs, outreach services and, in short, providing more of the land-grant services the people of this region have asked us to provide. This year, I have continued my visits across North Dakota to talk with people in every county of the state. They, too, are excited by what is going on at their land-grant university.

Last year, about 500 faculty and staff participated in a survey which asked questions about the kind of university we would like to be. We met with student leadership and incorporated their ideas into our goals. I was very pleased with that high level of campus involvement in this planning process. As I read the results, it was clear to me that there is a tremendous unity of purpose at NDSU, and that our campus themes fit nicely with what people off-campus expect of us, as expressed through the Higher Education Roundtable and by other means. Allow me to quickly review those themes.

The first is It's About People and this theme recognizes that students learn best through faculty and staff guidance. This means that if we are to keep our best faculty and staff as we attract the most promising, increased investments in people are critical. The measurement of our success will be to advance all faculty and staff salaries to the mid-range of our professional peers.

The second theme concerns our students and it declares that Students Are Paramount. North Dakota State University exists to provide service to all people with service to students as paramount. This is accomplished by providing a superior learning environment in and out of the classroom at a cost which is a true value to students and all citizens of North Dakota. It is worth noting that our service to students
is returned to society many-fold. Last year, NDSU students engaged in more than 81,000 hours of service learning and community service efforts.

Our third theme is Leveraging Support. For North Dakota State University to be the kind of university we want it to be, we require new sources of funding for salaries...for buildings...for new programs...for scholarships. We are, in fact, taking responsibility for finding a greater share of the resources we seek. North Dakota's elected officials have been generous with higher education, providing funding that is among the highest per capita in the nation. They share our desire for higher education to provide even greater contributions and so they have given us greater flexibility - with accountability - to make local financial decisions. As a result, we have the local authority we need to leverage the resources we need. Our sources include philanthropy, business partnerships, enrollment growth and increases in our research portfolio.

The fourth major theme is Programs. It leads us to reflect on the services we offer, and to look for opportunities to expand. It prompts us to ask if we offer the academic programs our students want and need. It prompts us to ask if we are fulfilling our land-grant mission to serve all corners of North Dakota. It prompts us to ask if we can do more with our colleagues in the North Dakota University System and the Tri-College.

Our final theme is Status and Recognition. Our national and international reputation is important to the future of this institution and our state. We seek to advance the University to the level of Doctoral and Research University-Extensive in the Carnegie classification system. This requires the graduation of 50 or more doctorates in at least 15 academic disciplines per year. Why is this important? Because North Dakota needs what a national research university provides. Today, North Dakota State University is emerging on the national scene as a major research university where great faculty are doing great academic work on the same level - and in many cases at a higher level - as their better-known national peers.

These themes, affirmed by on- and off-campus groups, guide our goals for the future. Our goals are as follows...

Increasing our national and global reputation.

Advancing to the Carnegie Research Doctoral-Extensive classification.

Enrollment growth to 12,000 students, with the majority of the increase in graduate students.

Increasing salaries to the mid-range of peer institutions.

Increasing business and industry partnerships.

And increasing philanthropy.

I said earlier that transformation is needed to meet our goals. Let's talk more about that. By doing things the way we always have, we have become a well-respected regional university. But now, campus groups
have accepted the challenge to be more. Standing in the way of our full transformation are challenges, including salaries near the bottom of the national higher education salary scale, attracting new faculty and staff, and expanding our facilities. Logically, doing things the way we have in the past will continue these trends. But we have chosen to pursue an alternative model, we are seeking to move to a new, higher level. We are taking responsibility for increasing the salary pool by finding new sources of money.

This year, the North Dakota Legislature funded a three percent increase in the salary pool with another two percent coming next year. By using the flexibility granted us, we have elected to reinvest in people. We have increased our salary pool by supplementing it with local funds and we increased summer teaching and research opportunities for faculty. We are also exploring how the faculty/staff tuition waiver program might be expanded to include faculty and staff family members.

My belief is that the university's senior administrators have the task of filling the salary pool, and that recommendations on how that pool is drawn down are best made locally, at the college and departmental levels. Here is my commitment to you regarding salary increases: I will do all I can to increase funding for the salary pool and then support the recommendations made by those closest to the working levels of the institution.

The only way we can achieve our goals is to invest at greater levels in our people. Increased enrollment brings greater tuition revenue. Expanding our research portfolio brings greater Indirect Cost Recovery revenue. These resources, and more, need to be directed at the problem of salary compression, the situation where established faculty and staff find their salaries not growing at the same rate as entry salaries in their field. During the salary administration process next spring, we will pay particular attention to the salary compression issue. We'll look to see if current faculty and staff with a sustained level of performance are falling behind compared to new hires, and if so, to address those issues.

We are also making a greater investment in our students, doubling the amount of scholarship money in the last two years. Students are also finding college more affordable this year through a new program offering NDSU students free bus service around campus and around town.

I mentioned Indirect Cost Recovery, or IDC's. Let's talk about that a bit more. Through the expansion of our research portfolio and through the redirection of additional funds, we are making increases in our salary pool. So far, we have made an additional $300,000 above general fund appropriation available for salaries and my intention is to bring that total to $1 million by next July. In addition, we are using IDC's to supplement departmental operating budgets.

In recent months, a number of high profile announcements on major research grants have received a lot of attention. The nanotechnology project and the $713,000 National Science Foundation grant to develop an anthropology digital archive network are wonderful examples of our expertise in diverse areas. As our campus advances, it is important that no area be left behind. Even those areas traditionally without large sources of external funding must see the benefits of our growth. This year, it looks like we will approach $60 million in research expenditures. But let there be no doubt that the liberal arts are an integral part of our university. On our path to the future, all areas of our university will advance through the sharing of the rewards of growth.
Increases in salaries and operating budgets are a part of our growth. So, too, is professional development. Last year, 584 faculty and staff shared $516,466 in professional development grants. I am pleased to say that this program will continue. Grants of up to $1,000 are available through my office for travel to professional conferences and for other academic pursuits. To apply, simply prepare a one-page request explaining how that money will advance your professional goals and submit it to my office. I continue to encourage all faculty and staff to take advantage of this opportunity for professional growth.

North Dakota State University is experiencing a period of remarkable enrollment growth. We have set a goal of enrollment growth to 12,000 students. Last year, we passed the 10,000 student mark for the first time in our history. At that time, adding an additional 2,000 students seemed a long-term goal, but, with the benefit of time, perhaps the goal is not so daunting. This fall, third week enrollment numbers showed our enrollment at 10,538, putting us well ahead of schedule to meet our goal.

How are we going about meeting our enrollment goal of 12,000? One way is that we are becoming more aggressive in our marketing efforts. We are tossing our net out farther out-of-state and we are finding the market receptive to our message. A second way is through the expansion of our graduate programs. North Dakota has traditionally done a fine job providing our students with undergraduate education, only to send too many graduate students away. That's changing. In just two years, our new doctoral program in Communication has attracted some 23 new students. Our new Psychology doctoral program now has five. Several doctoral programs have expanded enrollments. Cereal Science has grown from three to ten students. Entomology expanded from zero to eight. Chemistry has admitted 16 new doctoral students. Industrial and Manufacturing Engineering added 11.

All across campus, faculty are gathering with departmental colleagues to define their own next level of excellence. Proposals for new doctoral programs are in various stages of development in Molecular Pathogenesis, Human Development, Transportation and Logistics, Natural Resources/Environment Studies, Food Safety and Criminal Justice. We are also working to remove enrollment caps in undergraduate Pharmacy, Nursing, Architecture and Veterinary Technology programs.

In the fall of 1999, NDSU had 868 graduate students. This year, that number is 1105. That's a 27 percent increase and it is only possible through the hard work and vision of our talented faculty and staff.

Still, we have some progress yet to make before we are more like our national land-grant peers. For example, compare our 20 doctoral programs with the national average for land-grant universities of 57 doctoral programs. Also, while our goal is to be a Carnegie Extensive university - like nearly every other land-grant university - we are still a Carnegie Intensive. I've said it before, "North Dakota needs a great land-grant university." To be that, we need to offer more of what our peers offer their home states.

In addition to expanding our graduate portfolio, we are expanding our undergraduate program offerings, as well. Some 50 students are taking classes in the new Equine Studies program. The new minor in emergency management is also particularly appropriate for a university in this region. We continue to review academic programs looking for multidisciplinary opportunities and new opportunities for further engagement with groups on-and off-campus.
As more and more students choose to pursue their studies at North Dakota State, we continue to match those increases with corresponding increases in faculty and staff numbers. Right now, we have searches for more than 30 faculty positions underway. During these last five years of enrollment growth, our student to faculty ratio of 19 to 1 has not changed. Of course, I think we should do better than 19 to 1 and we will continue to work on improving that ratio.

Increased numbers of students, faculty and staff will change our University in a number of ways, and one of them will surely be to increase our diversity - that will be a significant part of our institutional transformation. Given that last year our campus and community experienced some unfortunate incidents, I felt strongly that we needed to take steps to create a campus climate that respects and fosters diversity, and so last spring I appointed a Diversity Council. That group will be developing a campus diversity plan and advising me when issues related to diversity arise. Bigotry and prejudice are not compatible with our campus themes that emphasize the importance of people.

It is clear that we can not grow this campus to 12,000 students with the facilities we currently have. As our enrollment grows, we need to continue to add to the bricks and mortar of the NDSU campus.

Our need for more student housing is obvious. Last fall, fire destroyed F Court apartments. We sought and received legislative authority to rebuild. Our new building will have the capacity for 120 residents and be ready next May. We also sought and received legislative authority to construct a new 175-resident building, which will be ready by Fall 2003. Finally, the Department of Residence Life will soon begin working on another proposal to add a third residence life building to accommodate an additional 150 to 200 students.

These new buildings will be paid for by the students who will live in them. They are self-supporting and do not compete for general fund resources, such as operating expenses, salaries or new classroom buildings. By the way, among the amenities to be found in our new residence halls will be classrooms.

I'd like to offer additional illustrations of how North Dakota State University is accommodating our growing student body. As a result of student suggestions, the divisions of Academic Affairs, Business Affairs and Student Affairs are examining the concept of a one-stop shop where a student has one location to go to conduct most routine business transactions with the university. Things like making financial transactions, drop/adds and parking permits. We continue to make services available on-line, as well. Society's tolerance for standing in line is on the decline and so our service quality needs to be on the incline.

This fall the Wellness Center opened, which added a wonderful enhancement to college life. Congratulations to all the students who worked so long and hard to make this outstanding project a reality.
We are also working hard on the challenge of binge and underage drinking, which is plaguing so many campuses across the nation and is recognized as a problem at NDSU. Our efforts include MU Live, which offers weekend activities on campus in an atmosphere without alcohol, and last spring's agreement with Greek leadership to create alcohol-free housing. These efforts are not about implementing prohibition. These efforts accept the reality that too often, alcohol abuse reduces students' academic success and threatens their very lives. Let us use the opportunities we have to encourage our students to take responsible action.

Finally, we need more classroom space for the best learning environment. A year ago, we added needed room in Ehly Hall. Three new classrooms have been added at the remodeled Nelson Health Center, one with high-tech enhancements. This year, we received authority to begin an addition to Minard Hall for classrooms and office space. You will soon find new classroom space in Sudro Hall and we are renting space for the new equine center, with that construction project to begin soon. We continue in discussions with public and private sector groups to add a downtown campus, primarily, but not exclusively, for studio art and design programs. And, of course, we are expanding at the Research and Technology Park. The first tenant is Phoenix International. The second building will house research and administrative space. The Polymers and Coatings department will move to the Park, freeing up laboratory space on campus for other uses. Construction of a third building for nanotechnology research will begin soon.

Let's talk a bit about the August announcement of our new research partnership in nanotechnology. Imagine computer chips the width of a human hair. Small enough to fit inside the D on a dime. And they cost less than a penny. Now think about our research strengths in chemistry, computer science, polymers and coatings, engineering and other related disciplines. The proven expertise of our faculty has been tapped, opening the door for this technology to be developed at North Dakota State University. And now that the door has opened, let's swing it wider. How can this technology be used to tell us if a pound of hamburger has E. Coli? How can this technology be used to track store inventory? How can this technology be used to bring needed high tech diversification to our regional economy?

This campus has an opportunity to be on the ground floor of this change. Where can it take us? What ideas do you have from your own discipline to do new research and creative activities? Of course, the science potential is apparent. But also intriguing are the social and ethical implications of this technology. Just because technology offers the potential to locate kidnapped children, ethically, should we "track" every citizen?

One last thought about this technology. Imagine being a freshman this fall at NDSU with an interest in this emerging technology. During the course of your education, you will have a rich opportunity to study and gain hands-on research experience in nanotechnology that is the best available to any student anywhere. What a way to expand learning and start a new career!

Athletics have been called the front door of a university, one which engages the greater community with a campus. A major question to be answered at NDSU is if a reclassification to a higher division makes sense. We don't have enough information to know the answer to that question yet. On one hand, the
increased national visibility and the challenge to our student-athletes and coaches to compete at the next level fits our campus vision in many ways. However, we also need to make sure that our athletic program can make this move successfully, reviewing all areas including funding, facilities, staff, and conference affiliation.

Discussions about Division I athletics have been around, off and on, for some time. Now it is time for a full and thoughtful exploration. In my first State of the University Address, I asked each department to think about and define what they see as their next level of excellence. In athletics, this triggered questions of a possible divisional reclassification, and of adding men's and women's intercollegiate hockey. Let me tell you where this process sits today.

First, before questions of adding hockey can be answered, it is necessary to find answers to questions concerning a divisional reclassification. So, for now and for the immediate future, let us put the hockey discussion aside. That conversation can continue once we have more thoughtfully considered the divisional matter.

So, what of the divisional matter? The athletic department, with funding from Team Makers, has contracted with an outside firm to help them explore the matter thoroughly. The best option for NDSU Athletics may be to stay with NCAA Division II, where we are now, or the next level may be to change to Division I. Our consultants have worked with several universities in similar situations. In some cases, they have advised for a divisional change, in other cases, they have advised against a change. I want you to know that I have made no commitment to either course of action. This decision has to made on the basis of what is in the long-term best interests of the university and of Bison Athletics. It can not be made on the force of individual desires and personalities involved in the process today.

I expect to receive a draft report from the consultants in December with a final report received prior to the N-C-A-A conference in January. This report will not address the market conditions needed for any change in divisional status. That work will be done by another group if this initial report establishes that we have resolved policy, regulatory and implementation issues for a divisional reclassification. I know there is tremendous interest on- and off-campus in arriving at a final decision, but we will not be rushed, and we will not accept a superficial examination. If a divisional reclassification is truly the "next level" for Bison Athletics, then surely the question can withstand thoughtful scrutiny. Then, and only then, will I consider a proposal from the Athletic Director.

Let's continue our look ahead to matters which will occur this year on campus. Work has begun to fund and construct a new business building. This facility, incorporating the best design features of new business buildings from universities around the nation, will serve traditional and non-traditional students in ways simply not possible in the space we now have.

Look for major remodeling in Sudro and Robinson Halls to progress towards completion. We will begin the process for major remodeling at Minard Hall. The NDSU Animal Nutrition and Physiology Center has opened, which allows us to seek accreditation from the American Association for Accreditation of Laboratory Animal Care, further enhancing our research enterprise. With the opening of the Wellness Center, look at the additional classrooms in the old health center. And look for expansion of the living-
learning program in our residence halls and for a greater institutional commitment to the service learning program.

North Dakota State University is uniquely positioned to meet the educational and economic development needs of citizens in all corners of the state. As an 1862 land-grant university, our mission clearly includes outreach. Building on the success of the NDSU Extension Service, I am asking the university and the Extension Service to find new ways to partner more broadly on this campus, to assess the changing needs of North Dakotans, and to offer new ways of providing programs and educational opportunities to meet those needs.

Realizing that agriculture, human development, and 4-H youth programs will continue to be the lead programs for the NDSU Extension Service, we will work closely with the State Board for Agricultural Research and Education, current extension faculty and staff, and leaders across the state to assist in this transition. I am particularly pleased to make this announcement today, when for the first time, the State of the University Address is being web-cast to all 52 county extension offices, all eight research extension centers, and, for that matter, the world.

Early in this presentation, I talked about the growing role of philanthropy in achieving our goals. Through the generous efforts of our alumni and friends, we have 30 new Presidential Doctoral Fellowships and 10 endowed chairs and professorships. Now, the members of the NDSU Development Foundation’s board of directors are doing groundwork in anticipation of a major new campaign. This campaign will challenge us individually and collectively.

This campaign will focus on many areas, allowing us to leverage the resources we need to increase the number of scholarships available, add faculty enhancements including endowed chairs, and build infrastructure - bricks and mortar - to accommodate growth and new academic initiatives. Major details of the campaign, including timeline and specific financial goals, are still being worked out.

I believe you can not lead people where they do not want to go. As we continue our university transformation, we can only do so because the vision and goals, developed cooperatively, are shared across the campus and affirmed across the state. North Dakota needs a great land-grant university. Our means of achieving that come when individual campus units are encouraged to define their own next level of excellence. It comes when flexibility is granted to make decisions quickly and locally. It comes when resources can be directed to the most important issues. Being that great land-grant university is taking the collective efforts of our faculty, staff, and students. It is leveraging the support of our state’s elected leadership and our alumni and friends. It takes the efforts of the State Board of Agricultural Research and Education and the State Board of Higher Education. All of you deserve our recognition, our support and our gratitude.

Change or transformation, call it what you will. But North Dakota State University is making a long-term commitment to being more like our national land-grant peers, and demonstrating leadership among our peers. North Dakota needs a world class land-grant university. We are that university and in uncertain times, we are a rock that can be counted on. Events around the world may dominate our thoughts these
days, but take assurance in knowing that, we, the people of North Dakota State University, help make the world a better place.

Thank you.