

Diana Kao: Thank you Dr. Leaf. Welcome to the 2009 State of Our University presentation. Thank you everyone so much for being here today and especially my peers. If you're a student in the audience, could you stand up and just give a quick wave? Thank you. This is the first State of the University address being delivered to a combined audience of students, faculty and staff in many, many years. We're here to today to hear about our University's progress to date and our goals for the future, and as we move through our University's 40th year I am so excited to know that we have so much to reflect on and so many more goals ahead of us. I would like now to introduce our University leader, Dr. David E. Daniel. Dr. Daniel is in his 5th year as a University president. He came to us from Illinois where he was the Dean of one of the nation's top engineering schools. He holds three degrees from the University of Texas in Austin, and he's our fourth chief executive. Dr. Daniel, will you please come forward?

Dr. Daniel: Well before I give my address, we want to hear from Daniel Calhoun, the president of the UTD Staff Council. Daniel was elected into this position this year and it's my great privilege to work with Daniel and with the Staff Council. Staff Council represents the staff of UT Dallas, in much the same way that Student Government represents our students and our Academic Senate represents our faculty. It's great to have so many staff members here, and let me invite up to the podium your leader, Daniel Calhoun.

Daniel Calhoun: Thank you Dr. Daniel. This year we are trying something new, as Dr. Leaf said. We will still have a Staff Council forum and Annual Report, where we'll invite the President and later on we'll give our report to him later this year. I would like to recognize, as Ms. Kao did, all the staff that are here. I appreciate your coming out, all the staff that are here, thank you. I would also like to remind everyone that after we're done, stick around. We will have refreshments out front, so if you'd like to join Dr. Daniel, Dr. Leaf, Ms Kao and myself, we'll adjourn out front for refreshments afterwards. So, again, on behalf of myself and the Staff Council, thank you for being here and I'll give you back to Dr. Daniel. Thank you.

Dr. Daniel: Okay, let's see, is the lavalier working okay? Good. Well, thank you all for being here. We are trying this as an experiment, so give us some feedback: whether it's a good idea or bad idea to get everyone together in one meeting. You feel like a family to me, so for me this is the natural mode, but if it doesn't quite work, tell us and we'll try something different. Let me, first of all, thank Dr. Harry Redlinger who help me put together all of today's data and facts. He's in Austin today, so if you don't like any of the data, blame him, and also Susan Rogers and the whole Office of Communications staff who always do such a superb job of supporting me and helping, late into the night usually, to put things together, so thanks to you all. Mostly, what I want to do is hear your questions, and I actually have a list of questions from the faculty, they've come prepared. It's a good chance for me to hear you and answer any questions you may have. Is this microphone cutting in and out or is that just me? Okay, are we alright now with the podium? Alright, well I'll just stand here and shrink away behind this podium as a height challenged president. Let me just restate our priorities, and it really is excellence. I mean that from the bottom of my heart. I realize that excellence is a goal in many cases, but it is a goal that should drive us, and I every time I see something I ask myself the question "Is this excellent?" It ranges from mowing the grass, to managing the chemistry department, to you name it. I expect excellence and I hope we all expect it and demand it and insist on it. We certainly see that in our students, Diana, and I

think you deserve nothing less than excellence across the institution. I think balance is one of the inevitable challenges in a major research university: balance between all of the tugs and pulls on the faculty time, on the staff time, on student time, I think that's something we all share in our own unique ways, but for me as University leader trying to find the right balance is an important priority. We have to grow to meet our goal of being one of the best public research universities in the country, but that means managing the growth. It means increasing our student enrollment, but in a thoughtful way, expanding our degree programs and the other facets you see on the slide. We all have responsibilities to our University, and that has to be an important priority. Back to the first bullet item, excellence, we have a responsibility toward providing excellence for our students, for our tax payers, for the parents of our students, and for ourselves, and I think that means an attitude towards service to others, treating our students and other coworkers respectfully and trying to make sure that we deliver the best possible service to everyone involved. And, of course, we are striving to become, as part of our strategic initiative, one of the best public research universities in America, and making progress on that goal is important to us. We did write a strategic plan about three years ago. It made a series of proclamations of purposes, goals and priorities, and it also had a number of specific parameters. When we put those parameters in, I put them in with the intent of coming back and reporting progress to you year to year and that's what we're going to do with some of the slides, is let you know how we're doing. These were ambitious goals, no doubt about that, but I thought they were ambitious but not beyond that which is attainable. So one of the keys is to gradually increase our faculty size to the point where we can compete with the English departments and the history departments and the business schools in terms of number of critical faculty in the key areas so that we can be competitive with the best universities in America. We had about 370 tenure, tenure-track faculty when I came here four and a half years ago, we're at 421 now, so we are growing, but schools like the University of California at San Diego, the University of Virginia, North Carolina state: the truly exceptional and relatively small research universities in America, typically have 1000 faculty members or a little more. At some level, you can't field a chemistry department with 14 faculty members when one of these other institutions has a chemistry department with 40 faculty members. You just can't cover all of the exciting areas of chemistry with the kind of strength that you need at some point, unless you've got enough outstanding talent to compete. It also means you can't offer the range of graduate courses that would be appealing to students. We see this, for example, even in the languages. We have a very limited offering of languages here, I think in part due to our small scale. If you say "Why is scaling up important?", it's because we can cover more areas, we can provide a richer educational experience for our students. That's the why. We need to increase our research productivity to a more competitive level, add more students in order to do this, which will meet the needs of our region. Our region desperately needs the incredibly smart students that come to this campus, and I think they would readily line up and say "Give us more of this type of outstanding talent that we need here." Perhaps I didn't realize it at the time, but maybe the hardest number for us to attain, and maybe the one number that isn't really attainable in the ten year timeframe, is the PhD graduates per year. I think we'll do well to get over 200 to 230 in that time. I don't think we realized when we wrote this how incredibly difficult that would be, in part because as one hires more faculty it takes them a year or two to get established, it takes them three or four years or longer to supervise and complete a doctorate, and so the lag time when you hire a faculty member, and when that faculty member actually graduates more doctorates may be on the order of a

decade. At any rate, we said all along that this would be a living document and we shouldn't be bashful about acknowledging that additional knowledge has given us additional clarity on some of the parameters, and I'll touch on some of the others in a minute. We like to talk about our points of pride. Typically, our average SAT score is among the highest in the state of Texas. We're very proud of the fact that most of our undergraduates, or a good fraction of them I should say, are actually first generation college graduates in their families. We have incredible success in placing our students in medical schools and in law schools, I think that's one of the proudest fact points about our undergraduate class. Our chess team is a perennial powerhouse. Our debate team defeated 174 other universities and finished number one at the first national debate championship among collegiate entities in the US, I believe we beat Harvard in the semi-finals, too bad for them. Our basketball teams last year, both men's and women's, were absolutely fantastic and won the conference. The men's team almost made it to the final four, but we won't talk about that right now. Our volleyball team finished their first undefeated season ever, and I'm told by Chris Gage our volleyball team is the only undefeated volleyball team in division 4. Is that right Chris? Division 3, I said division 4. They're the only undefeated team in division 3 and there are 420 or so universities in division 3, and they play at 7:30. Several of you joined me in the audience of the game on Saturday night where we closed out that season. They play at 7:30 on Friday, is that right Chris? Yeah, we're hosting the conference tournament, if you haven't been to a volleyball game, come out Friday at 7:30 and watch them, I hope, continue their undefeated season. Our executive MBA program is consistently ranked among the best in the nation, and our full-time MBA program actually cracked into the top 50 of the US News and World Report Top 50 ranked business school programs. I don't think people who haven't tried to run schools realize how difficult it is to try to compete with the very best universities in the country. Especially for such a small and young university, this is really powerful, as is the audiology program, which is our highest ranked program at UT Dallas, ranked number 4 in the nation among all graduate programs. I'm really proud of what we've accomplished. Let me give you a short opportunity to sleep, and that is to give you our budget figures for the year. This is a summary of the 2009 budget and the actual numbers in 2009 and our 2010 budget. This is our sources of revenue. Notice the bottom line, we're expecting about a 50 million dollar increase in revenues this year, almost 15%. While the rest of the country suffers, we are doing absolutely great here. Also, notice the growth in tuition and fees, that's mostly the result of the growth in enrollment and a little bit growth in tuition. Keep in mind, though, that we have a guaranteed four year tuition plan, so all of our continuing students will pay zero increase in tuition. This is only applicable to new students, and of course they choose us in a competitive environment. Also notice that the state appropriations went up about ten million dollars this year, thank you Amanda Rockow. Great work from our government affairs group. Also notice that the ratio of tuition and fees to state appropriations ways quite a bit heavier on the tuition and fees side, and I think this is important for us as a university community to realize. If one were to go back just about 20 years ago, when we first admitted freshman, you would find that for every dollar that a student, or his or her family, paid in tuition, the state provide about five dollars of operating income. It was a 5 to 1 match to the dollar of tuition paid. Today it's about a 60 cent match for every dollar funding that a student, or his or her family, pays. This is not unique to UTD or Texas, it's a national trend. It's the same thing, almost the exact same numbers, at the University from which I came, and I predict that this trend will continue. What this means for us as a university community is that, while maybe 20 years ago we could've said to students "Well, stop complaining. The tax payers are paying

most of your freight.” That’s not true. They’re paying most of the freight today, and if you see students expecting to be treated more and more like customers paying a stiff price tag for the privilege of earning an education, they’re right. They are paying more and more and more, and I think it means we need to think of our students in a bit of a different way than we might have before, and we really need to think about providing a service culture to our students. I predict that that ratio of tuition and fees to state appropriations will be significantly higher in ten years than it is today, because I just don’t see how this trend of shifting state obligations to Medicare, Medicaid and on and on and on, I just don’t see how that’s going to change. Notice the significant increase in external research funding. Most of that money is used to pay salaries on campus of students, post-docs and staff, and our investment income, fortunately, has not changed too much, in part because we raise more and more money. On the expenditure side, we’re also projecting about a 50 million dollar increase in expenditures. This budget, by the way, is authorized by...maximum authorization to spend approved by our board of regents, it’s not a commitment to spend all that money. So, when we budget this, we usually are conservative in projecting our enrollment numbers so that the actual number exceeds what we expected. We don’t want to be surprised and have too little money, we want to be surprised and have a little bit extra money. Furthermore, the budget, as I said, is maximum authorization to spend, so we typically don’t spend all of this, but we have the authority to spend it if, for example, revenue significantly goes beyond what we had anticipated. You’ll notice the typical increases: 20 million dollars in instruction, research is up by a substantial amount, scholarships are up, certainly, over the budget from a year or so ago, and you can look at the other categories. This will all be posted on the web, in case you really want to go study these numbers at a later date. This is a graph of enrollment trends: the orange for future projections and the green for the past few years. So, when we made this graph up a few years ago, it was mostly orange. Each year we convert one new bar to green and adjust that to the actual number, but the orange numbers were the numbers in our strategic plan and you see our plan to grow the total enrollment about 4% or so every year, and we’re more or less on track. We do not want explosive growth. The last thing I want is a 15% increase in enrollment on this campus one fall, because we would have one heck of a time delivering quality instruction under those circumstances. Neither do we want zero growth, because we cannot meet our strategic goals. So, our sweet spot is a total of about maybe 3% or so total growth in enrollment, and because about 1/3 of our students are new every year and 2/3 are continuing. What that means is the new student enrollment needs to go up around 10% or so compared to the previous year’s new student enrollment to stay on track for a 3% growth in total enrollment. That’s what we are hoping for. Here’s a profile of our freshman class. It didn’t change a tremendous amount from the previous year. One thing that did happen is, unfortunately, our SAT score went down a little bit this time; it actually went down a little bit more than we had planned. I think it was 1248, or something like that, a year ago. I’ll talk about that for just a second, we changed our admissions sort of parameters to make it more convenient and less uncertain for families, so we put an assured admissions criteria in if you were in the top 15% of your class you were admitted, or if you had SAT score above a certain amount you were admitted. We got a few more students in at the low end of SAT score range than we had expected, but, maybe more importantly, we got a bit fewer students at the very high end of the SAT score range than we had gotten the year before. That piece is actually of more concern to the provost than me. We, no doubt, will change and tweak our admissions criteria for a year from now, it’s already in place this year so we can’t change it, but we will turn the fine tune knob on that

a little bit. Notice the Asian-American population. I'm told Asian-Americans make up about 4% of the Texas population; they make up about 20% of the freshman class at UT Austin and over 30% of the freshman class at UT Dallas. I think that, in part, reflects the demographics of our area and also the high success rate of Asian-Americans academically. We did improve our Hispanic and African-American enrollments, and I was very pleased about that. If we are to be the great University that we want to be, we have to be that University for all the peoples of the state of Texas, so that's a very important parameter for us. For those of you who don't know about National Statistics, you see gender ratio: great place for young women to come to school. 44% female, 56% male. That's the exact opposite of the national numbers. In fact, it's about 60% women and 40% men in American universities. The reason why we're flipped, is because of the strong emphasis on fields that tend to attract more men, like engineering and so forth, and the lack of programs like nursing and education that tend to attract more women. We're trying to bring this more in balance and thinking about academic programs that would help balance that number a little bit better. So, guys, the situation may get better for you in the future. Here's the total student profile that includes everyone: freshman, upper class men and women, and graduate students. You can just see the break down by school. The school of management is the biggest school on campus: 32% of all the students, and even higher fraction of all the degrees, because they have a lot of masters students whose resident time here is a bit shorter than others. A parameter that's extremely important to this University and its future is called the retention rate. That's the freshman to sophomore retention rate. If you look at that number at Harvard and Princeton and Stanford, it's typically 96 to 98%. In other words, those elite universities lose very few students going from the freshman year to the sophomore year. We have historically, as you can see from the green, trended this number up, and if you look at the far right, my goal for ten years out, when we started this plan, was to get to 88% freshman rate, which is pretty typical for the upper end of the public research universities in America. That's a big increase. To bump that number up we have to retain those students that are academically challenged, and it means to the student services staff that we have to create a wonderful environment here on campus that makes students want to stay here. One of the ways you do that, is have as many students as possible live on campus and get them as heavily involved as possible in activities on campus, so that they build a family and a community that helps them in school. So, the two keys to improving that number are a) the kind of counseling and help we give students, especially in those top calculus, chemistry, physics and math courses and, secondly, the student life opportunities that we provide here for our students. A unique aspect of UT Dallas is that we do offer a higher percentage of degrees in math, engineering, science and business than just about any other university. You should look at the little yellow section of the pie, that's the non science, engineering and business section. Only 18% of our University falls in that category, where you can see it's a much higher percentage at other universities. So, one of our important requirements here is to remind our whole community that while many people think of us as a science and engineering school: a) it's our school of management that's by far our biggest school, and b) the humanities are really important to this institution and to the completeness of this institution, so that schools like the schools of arts & humanities, interdisciplinary studies, and economic, political and policy sciences. Although they may not sort of get the headlines and the immediate connection to UT Dallas, to succeed as a University, we have to be a complete University and continue to pay very important attention to all of the fields, not just those listed there. This is a graph of four year graduation rate. Texas underperforms the nation in

terms of four year graduation rate, and UT Dallas significantly underperforms expectations in terms of graduating students in four years. In fact, if you look at the US News and World Report rankings of our undergraduate program, we get dinged more severely on this parameter more than any other. Essentially, what the data say is that our freshman class is far smarter than the average freshman class in America, but our four year graduation rate is about average. And because our freshman class is so talented, our four year graduation rate should be proportionately above the national average, but it's not. So, again, we're attacking this problem, trying to go back to the freshman to sophomore retention rate, focusing on the academic side of the house, where we can help students succeed better and focusing on the cultural side of the house, where we can make people want to stay here and graduate. You should know that these statistics are weird statistics, in that when a student comes here as a freshman, they either do graduate from here or they don't. If they do graduate, then they count as part of the 40% or so that do graduate, if they leave, transfer to Harvard and graduate at Harvard, they show up as a non-graduate here at UTD. So, in that sense, don't track ultimate graduation from a University, just graduation from your University. By the way, most high school statistics are the same way. If you see a shockingly low graduation rate, it probably means you have a very mobile population, as much as anything, where they're simply moving to another school and not graduating from that school. But if we're going to be that serious world class University, we have got to retain and graduate more students. So, I just implore our academic leaders, our deans, our counselors to help on this one because it's really important. Here's a graph of growth in our tenure/tenure-track faculty members. Our goal is to get to 610 a decade or so from when we wrote this plan. I'd be surprised if we make that, but I'm going to keep pushing as hard as I possibly can, and I will once again tell the provost to be as aggressive as he possibly can be in hiring faculty, but, as you'll see at the end, the budget probably worries me more than anything, and our question really is "How aggressive can we be while being rationally prudent in the process?" This is a graph of our research expenditures. We're actually ahead of our plan in terms of research expenditures, and I suspect we'll hit the 100 million dollar mark, probably well before 2017. We've just hired some super faculty, who are doing phenomenal work here at UT Dallas. This is our private fund raising over the last 10 years you see the big spike in year 2000 thank you Dr. Wildenthal for creating with the donor Eugene McDermott Scholar program, that's what the big spike is, you can see we have done quite a bit better in recent years. Last year, 2008, was off a bit, mostly because the economy was off a bit, but in Sep. of 09, we actually had a great Sep. one day where we actually raised 17 million dollars, we got a match from the state, bringing that total to 32 million dollars. That is just the first month of the year. So I didn't see Dr. Conley here, but I suspect some of his staff is here. We expect you to have a bet year ever in UTD history. Let me just put this in proportion. Our state appropriation, and I know you remembered that earlier slide, is about 70 million dollars per year. So 30 to 40 million dollars of the private funds raised is about half of the entire state appropriation to the University. So this is not pocket change that we are talking about; this is serious cash. The staff will grow proportionally as the University grows. This is a graph over the last few years in green, and I thank you Daniel, in meeting with him he said "Well, what about the staff graph?" So, we listened to staff council and put together this graph, showing the substantial growth in staff, and the orange shows what we can expect over the next few years as the University grows. I was curious about where the growth has actually occurred in staff and so Larry Redlinger and his staff put together this pie chart showing 2003-4 versus 2008-9, and you can see that some categories have actually shrunk, whereas the big growth area has been in other

professionals: that's been in the growth category. I asked Larry where those jobs are. What does that mean: other professionals? So, he listed in descending order the job titles, and here you see them. Post-doctoral research associates: the biggest one. Software systems specialist. Some on infrastructure, many of them on research. Researchers, coordinators, managers. So, what you're also seeing as the University grows is a bit of change in the composition of the professional staff, and I'd say the growth is principally at the higher end level, and I think that not only will that increase the size and the overall competence of the staff, but I hope this will create growth opportunities for existing staff. I mean I'd much rather see jobs being added that I can aspire into as jobs below me that I have no aspiration to hold. So, we are growing, and we are changing. Every year, staff council gives the CARE awards. These awards go to outstanding staff members who not only are highly competent professionally, but they show a high degree of caring and concern for students and their fellow workers. So, I'm very pleased to recognize these folks. I see at least one or two people in the audience, I'd like to ask all of the CARE award recipients in the audience to rise and let's all thank you for the great service you provide to the University. Well, we have one anyway. Thank you, Lynn. You've all seen the changes in the campus. I know you can't read the map particularly, but let me just quickly go through the new buildings that you're going to see on campus. The first new student residence hall is open by all accounts, it's an incredible success, and I'd like Dr. Rachavong to stand and I want to give her a round of applause. Woohoo! It's fair to say that she talked us into this, and I confess to say I was skeptical, so here was the story. The seniors came to me; Student government came to me, Diana, and said "The apartments are wonderful, but looking back on it we wish that we had had more of a communal experience where we shared rooms and we had to walk over to the dining hall and we got to socialize with one another because the apartments are kind of isolating." My reaction was "Well, a 23 year old senior may say that, but what's a 16 year old or 17 year old high school student likely to say?" Because they're the ones selecting the University. But we decided to build it anyway, she talked us into it, and it's just an absolutely spectacular facility with overwhelming praise from everyone, and now our big question is "When can we build the next one?" So, I just thank you, Dr. Rachavong, for sticking with your guns and it really worked out well. Although, I see Chief Zacharias, and if you haven't met our new police chief, Larry why don't you stand and let us welcome you to UTD? About two weeks after this opened, we got a report that at about 4 in the morning one Saturday morning there were a group of students up on the roof of the residential housing, and I just shook my head. Students, what can you say? The new dining facility is open, and it's also just a tremendous success, and, again, Dr. Rachavong put her personal touch on that to make sure it didn't feel like a giant dining hall, that the tables were spread around and that it was comfy and cozy and livable. So, we're very pleased with that. The Math, Science and Engineering Teaching Learning Center: Dr. Wildenthal deserves credit for this. This was his idea, we put the request into UT System, and lo and behold the dollars appeared, so when we dedicate this, Hobson, we'll give you the pat on the back that you deserve for this. We are trying to break out of the historic architectural expression of exposed aggregate concrete, and for civil engineers: as exciting as that is, I'm pleased to see colorful expression of the human genome. The landscaping project's running about six weeks behind schedule, thanks to all the rain, but this is, I'm sure you've seen it in the middle of campus, this is going to utterly transform the look of campus. It's going to be absolutely gorgeous. Although, Dr. Rachavong's already planning the rubber raft float parade down the water feature. So, always thinking about student retention, but I am really thrilled with this. Again, Dr. Wildenthal is the one who deserves credit for this.

This was his idea, he sold it to the donor, and it is going to be transformative. We can't wait for it to be done. Founder's renovation has been waiting for a long, long time, but it's finally underway. I'm especially pleased that the new façade is being put on the front of it that will bring it down to the mall level and just connect the building to the heart and soul of campus. It will be, I think, 100% faculty offices, classroom space and so forth. Our feeling was, and again this is back to Dr. Wildenthal, that this is at the core of the campus and it needs to be a student and faculty focused building and academic building. The student services building is underway. Again, Dr. Rachavong talked us into this one and has had her hand in every aspect of it. I also really commend Curt Eley for working very collaboratively on this project. It's going to be very fabulous as well. It will free up space in the library so we won't have to build a library building and free up other space on campus. The Arts & Technology building is in the planning phase now and should start construction in about a year or so. It will go in immediately south of the library. Campus services and bookstore will go in where the basketball court is right now, right next to the circle and right next to the activity center. This is going to be wonderful building because it will have a parking lot right next to it, a visitor's center and actually, Curt Eley has designed the student orientation rooms there, so that when we greet new students and give them the orientation about the campus, they'll start with the presentation there and then walk up the mall to the student services building, and it'll just be spectacular. Dr. Jamison and his crew have been working on this one, you deserve the credit for conceiving this and actually working with a private vendor to help pay the costs of the building. Great, great job. We actually have a plan for the roads, I'll skip that one. I hear more and more complaints about parking to which I say "This is good, we'll know we're tier one when that's the number one complaint on campus, if you've ever been to major university campuses." We're about to launch and are launching Project Gemini, which is a conversion of our HR and finance systems to people soft. These are always painful transitions, but one of the things I'm very gratified about is I think we took the lessons learned from the student information system and are taking that information to improve the process used this time. This is one of those things, like student information system that we just had to do whether we wanted to or not. Eventually, these systems become obsolete and you have to switch over. It's never any fun, but it will be done. I want to talk about the lean initiative for just a moment. Lean processes refer to trying to find deficiencies in the way that you do work, so if you have a process, let's say awarding financial student aid, the whole idea is you put a blank piece of paper up on the wall and you map every single step in the process from when the first letters arrived and dates stamped to the very last thing that's done and you literally map out each step in the process and you ask yourself "Did each step add value? Is each step necessary? Was there a more efficient way to do this?" When you do that, sometimes you discover "Oh, we didn't really need to do that." Or, you know, we pass this from person 1 to person 2 to person 3, we really didn't need person 2. We could've just gone 1 to 3. So it's not about reducing staff levels, it's about making you more productive, making you more efficient with your time. I had a talk with Judy Snellings and Judi Hensley about this, but I think we ought to look at some of the processes in the President's Office and see if we can't save you guys some time. Usually, you know, somebody calls and Judy laughs and that takes some time, we can eliminate Judy laughing at the request. I was thinking that maybe we need a website so that if somebody wants to book my time, they go on the website and maybe you'll still laugh but it'll have it more efficient. So at any rate, this is a very important step, but I want you to understand it for what it is, and that is just making our lives better if we can find ways to make things efficient. So, the things that are most amenable to lean, are

things that take a number of steps where maybe you didn't need all those steps. That's what lean is all about, and thank you Dr. Jamison for initiating the holding process. It's well underway, but I'm just encouraging you not to fear but use it, and see what you can do to make things more efficient. Our customer service initiative, again Dr. Jamison and a group of people, thank you for doing that. I think it sends a message back to what I said before: we are a changing University, relying more and more on higher and higher tuition, and I think that means we have to give better and better service as we morph from the kind of institution that we are to the one that we want to be. Well, let me summarize the challenge and opportunities. I really believe that we're on track toward achieving our goals. We're a little ahead in some, a little behind in others, but we are more or less on track. Our key to success, very simply, is continuing to focus on excellence. As long as everything we do here really is excellent, we'll be just fine, and if we can superpose on top of that some controlled and calculated growth in a smart way, I'm convinced we'll meet our goals. I think the critical tactics are first to recognize and reward excellence. I don't think we thank people enough, and that's one of my responsibilities as President, but it's a shared responsibility to thank your colleagues, to be respectful to your colleagues and appreciate excellence. Trying to keep the academic and research infrastructure growing with everything might be the most practical problem. Whenever I meet with the deans, it's the same old story: we'd be glad to hire the faculty if you give us some space to put them. So, keeping the infrastructure up and growing with the needs is maybe the most practical problem that we have. So continuing to grow and increase academic degree programs is important. There's no way we are going to make this the scaled University that we want it to be without new degree programs. We can't just sort of magically wish people to keep going where they are. In fact, I think the school of management, I think, is getting close to approaching capacity, and at some point these schools will stop growing. So, new degree programs, like mechanical engineering and bio engineering, which was just approved, and systems engineering in management: these are very important to sort of round out the complement of programs, and I think that's where most of the growth will occur, in these new programs that make us more complete, and more languages at some point Dean Kratz, I hope that actually becomes possible. We need, of course, to grow our faculty and staff to keep up with the student growth. We need private funds to really differentiate ourselves, to provide the sort of scholarships to get great students here, fellowship to get great students here, endowed chairs to get superb faculty here and so forth. We're going to have to find better ways to manage costs. It's as simple as that, and to me it means being more efficient, and, of course, we've always said we need to tell our story better. So, for me, I have a very powerful sense of urgency in seizing our opportunity, especially right now where things could not be going better at UT Dallas, particularly in light of how they're going in the rest of the country. The window is wide open right now with opportunity, so I think we need to be impatient in moving forward, but we have to realize that results take time and we need to not have unrealistic expectations about when we're going to see graduation rates improve, etc., etc. Good things do take time. I'm very concerned about the next legislative biennium, because the financial projections are not good, and so we're taking time to set aside money. I do have a special announcement. I said we don't thank people enough, and this is a thank you to our staff. We are closing the University... As it turns out, our holiday schedule required that we're open Monday and only Monday of the two week winter break period, but I've discovered, thanks to Larry Wilson, that I have statutory authority to close the University if it's in recognition of outstanding performance by staff, and you earned it, and again thank you. I want to thank you very much. We do

have questions submitted by the faculty, four of them. I'll go through these real quickly. What is the percentage of the University budget that goes to central administration, and what has been the trend over the last few years? You actually saw these numbers today, it's about 9%, by some official coordinating board measurement, that goes to all administration, and it was down a little bit from last year and that was up a little bit from the previous year. I don't know quite the central administration. We have grown the development office, and we have grown the communication office, but I see those as fully mature now and the growth we see now will, I hope, be in other areas. What was the SAT average? It was down a little bit, as I indicated earlier, and it was down in part because we had changed the admission criteria, it was down in part because we didn't recruit as many high end students. What are we doing about that? We're rethinking our admissions criteria, not for this year because we've already published them, but for next fall to tweak that a little bit. What is the President doing about faculty salary compensation in addition to studying it? We're aware of some faculty compensation issues, but, you know, every year when we have a salary program, we do set aside a little bit of funding for special cases. So, the challenge here is for the deans to go make the case to the provost that there is a real faculty salary compression issue, and I would just pledge to you we'll address it. It's sometimes difficult in separating real compression from just sort of individual performance because our salaries on the faculty side are purely merit based. I would be particularly concerned if there was a systematic issue, such as lower salaries for women than men, and, I think, if we saw that sort of compelling statistic or one particular school we would want to immediately address it. I would say the provost's office, I continue to encourage you to look at this, and the deans: bring your concerns to the provost and to me. Last one: what is the status of the proposal to serve alcoholic drinks in the pub? Student Government has recommended we do that, as has staff council, as has the faculty senate, so I've had a conversation with our vendor Chartwells and have talked about and, in fact, have a draft of a discussion point with them, and I would expect that we would have an announcement fairly soon about that, but I don't have anything to announce today. With that, we have just a few minutes left, and I'd be pleased to open the floor to any questions that anyone might have. We don't have microphones, but I'll repeat the question. Who'd like to ask a question? Yes, over here.

Question: ???

Dr. Daniel: Prop 4 did pass yesterday. There's a 400 million dollar fund that is now available. None of the 7 eligible universities qualify for that fund yet, and we don't know who's going to get there first. I think there are 3 universities that are better positioned than the other 4 to get there sooner rather than later, and we're one of those three. We, actually, spent a long time taking a look at the criteria and sort of thinking about how we might position ourselves to get to the criteria requirements as quickly as possible, but one of the problems is that some of the criteria aren't defined yet. The coordinating board has to define those. The provost and I finally decided that the best thing for us to do is just do the right thing. That is to say, hire the right faculty, make the right investments, do what's right for the University and just trust that we'll get into that fund in due course. It's sufficiently unclear as to how you would game the system anyway, and we just decided that the right thing to do is the right thing to do, not to try to game that system. Having said all that, I'm hopeful that in a few years, less than ten certainly, maybe a lot sooner than that, we will qualify for that fund, which will bring millions of dollars to our

campus, which we will promptly use to hire faculty, who will promptly move into the classroom to teach our students, conduct research, and continue the progress of this University. Other questions? Yes?

Question: ???

Dr. Daniel: I would ask our students just to talk about yourselves and your experience here at UTD. Why? Because the strongest selling point we have here, sorry faculty and staff, but the strongest selling point is our students. We want to hear more from you: tell your story, talk to your friends, let our communications department, Meredith stand up or raise your hand, this is Meredith Dickenson from our communications department, let us tell your story, because it's so compelling and we're so proud to have you here on campus. Other questions? Okay, since I see no more hands...oh, everyone's pointing to a hand. Okay, one last question. Oh, we have a microphone, you're special.

Question: Just a statement to start with, I was pleasantly surprised to see UTD mentioned occasionally on KERA TV, rather than just in the news for some professor being interviewed. However, as a member of facilities management, I did notice on one of the charts that you still call us physical plant. All of these new buildings going online, and the faculty to fill them with, but what about maintenance personnel to continue to maintain them after they're turned over to facilities management for maintenance? Do you intend to increase those ones, rather than overtax the ones that are already in place?

Dr. Daniel: Gee, I wish I knew how you felt about this issue. That was so ambiguous. First of all, physical plant, I think, is the phrase used by physical plant. I don't even know what physical plant is. I know my wife makes me plant stuff in the garden and it's physical and I don't like it, so that's not a physically endearing term, but I like our physical plant folks here. Dr. Jamison is the strongest advocate, those of you concerned about maintenance, he has repeatedly warned us, and Dr. Wildenthal can readily confirm this, that we'd better set money aside to pay for all this new space that we're bringing on board, and that means not just the electricity. In fact, you said this this morning in a meeting, not just the electricity, but the maintenance, the janitorial staff, all the support that goes into maintaining an infrastructure. That is very much on our radar screen and we fully realize that there will be costs associated with that, and we are planning for those costs. It would be pointless...Back to excellence, what is an excellent way to have a building? An excellent way is maintain the building, having it look good, having it be functional. If you do anything less than that, it's not excellent and therefore it doesn't meet my standards. And with that, I know that Danielle Durbess, who helped arrange today's events, has arranged for an excellent reception out front. I want to thank you all for suffering in doors on a wonderful day. Thank you for helping us make this a great University. We are adjourned.