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## State of the University

DRAFT Remarks of Michael A. McRobbie

President

Indiana University

UPCC Auditorium

IUPUI

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### 1. INTRODUCTION

Thank you, Simon, and thank you all for joining us this afternoon. I am pleased to be here to present to the members of the faculty, and the broader University community, some remarks on the state of the university. This is among the privileges of the presidential office at Indiana University and affords the opportunity to review the university's tremendous progress over the past year even as we look forward to the challenges and opportunities of the coming year.

At this moment of economic, social, and political uncertainty, we can say for certain that Indiana University has built tremendous momentum during the past academic year. During that time, we have demonstrated time and again, our renewed commitment to excellence in education and research, our two fundamental missions. And we have further strengthened our engagement in the life of the state.

News about the university's record-setting progress only begins to suggest how far we have advanced towards realizing the vision I set forth in my inaugural address just a year ago.

## 2.1 EXTERNALLY-SPONSORED RESEARCH

Last year was Indiana University's best ever for externally-sponsored research. Our outstanding faculty surpassed the half-billion dollar mark in grant and award totals, receiving a record \$525.3 million. Over \$263 million of that total was from federal sources, a 25% increase over FY07 and a new record for the university. Everyone in this room knows that this comes at a time when competition for federal awards has increased dramatically. The rate of successful proposals has dropped from about one in three to one in five, so this makes such an achievement even more impressive.

### 2.1.1 PROJECT HIGHLIGHTS

Let me offer details on a few of these projects to demonstrate their tremendous range and quality. Geoffrey Fox is the principal investigator on the Polar Grid Cyberinfrastructure Project. Working in partnership with Elizabeth City State University, an historically black university in North Carolina, his team of faculty is helping develop state-of-the-art instrumentation that will help experts understand rapid climate changes taking place in Antarctica and Greenland. This project received \$1.96 million in NSF funding.

Here at IUPUI, the School of Science and the IU School of Medicine launched a \$2.9 million NSF science education program that pairs research graduate students in math, science, and medicine with middle and high school classes and outdoor labs in central Indiana including the Indianapolis Public Schools. With Principal Investigator Kathleen Marrs, associate professor of biology in the School of Science, this five-year project

aims to stimulate student interest in STEM education and increase the number of STEM graduate students at IUPUI.

Indiana University and the IU School of Medicine, in conjunction with Purdue University, received a \$25 million award from the National Institutes of Health to fund the Clinical and Translational Sciences Institute activities at IU and Purdue. Directed by Anantha Shekhar, professor of psychiatry at the IU School of Medicine, this institute will be among a select group of academic health centers, which are transforming the world of clinical and translational research, speeding discoveries from the bench to the bedside.

These great achievements of the last academic year continue. Just last week the IU Melvin and Bren Simon Cancer Center, directed by Dr. Stephen Williams, was recognized for the third time by the National Cancer Institute as a premier cancer center. This prestigious designation, which the IU Simon Cancer Center has held since 1999, came after a highly competitive process and includes a five-year, \$6.5 million support grant.

### 2.1.2 HONORING FACULTY ACHIEVEMENT

As I mentioned in my inaugural address last year, it is imperative that we recognize and honor faculty excellence in its many and varied forms. Established by the Board of Trustees in 1967, the rank of Distinguished Professor was designed to honor and help retain IU's most outstanding teachers and scholars. This year, we welcomed five professors to the rank of Distinguished Professor. As I outlined in my inaugural address, we have reinforced the distinction of this title by providing base salary increases, additional research support, ensuring that the conditions of Distinguished Professorships are in line with other titled professorships

In addition, just last month, my wife Laurie and I were delighted to host the second annual Academic Excellence Dinner, which honors all IU faculty, past and present, who

are members of major national academies, who are Pulitzer Prize winners, or Nobel Laureates. This year, we honored Thom Kaufman and Mike Wade, who were elected members of the National Academy of Science and the American Academy of Arts and Sciences, respectively. I also awarded the President's Medal to Distinguished Professors Emeriti Dennis Sinor and Harvey Phillips in tribute to their long and highly distinguished careers.

## 2.2 CONSTRUCTION INITIATIVE

As I have stated repeatedly over the years, for our faculty to maximize their productivity as teachers, researchers, and scholars, they need more space, and the space we have must be improved where possible. I announced a major construction initiative in my inaugural address, and we have made rapid but steady progress towards our goals. Indeed, Indiana University is in the midst of one of the largest construction efforts in decades.

Across the university over the past year, together with our partner Clarian Health, we have completed or are nearing completion on ten buildings, which have added well over 1.2 million square feet of teaching, research, and living space. That includes new student housing complexes at IU South Bend and IU Southeast, both of which opened in the fall and are at or near capacity. It also includes the magnificent IU Simon Cancer Center I mentioned a moment ago. This 405,000 square foot facility allows IU researchers and clinicians to provide the very best care to tens of thousands of patients every year. We remain deeply grateful to the Simon family for making this facility possible.

Currently, we have over 15 buildings under construction or in the planning stages across the university. This includes the new housing complex at IU Southeast, which I just mentioned, and which I will be dedicating tomorrow.

IU Bloomington's highly sophisticated new 88,000 square foot Data Center is nearing completion. This facility houses much of the University's core IT infrastructure and will provide IU with the capability to more effectively compete nationally for federal funding for the very largest research computing systems.

The Data Center will play a major role in housing storage systems associated with the new HathiTrust data repository announced just yesterday. This initiative is led by the IU Libraries and UITS, in partnership with the CIC and the University of California. This repository already contains 2.1 million volumes scanned books from CIC libraries, and yesterday's public announcement will soon add in the 1.2 million volumes from the campuses of University of California. This partnership represents an exemplary way to share costs while increasing scholarly services.

In February of this year, I charged that IU should develop its next strategic plan for information technology to follow the 1998 plan that so successfully guided the development of IU's IT infrastructure for the last ten years. It will be published for comment over the coming weeks and finalized next month.

### 2.3 ENGAGEMENT

The Data Center is located near Tenth and the Bypass, a location fast becoming a center of research and technology in Bloomington, creating a synergy that is vital to our engagement efforts, which are making great progress across the state. One year after creating the Office of the Vice President for Engagement to more efficiently and effectively coordinate our outreach efforts, communication with key stakeholders has improved, new partnerships are forming, and our contributions to the state's economic well-being are significant.

Key to much of this progress is the Indiana University Research and Technology Corporation, whose new board of directors appointed Tony Armstrong President and

CEO this past August. The IURTC is undergoing major restructuring and developing stronger relationships with researchers toward establishing a “one-stop shopping” environment for faculty with interests in commercializing technology. The Emerging Technology Center in Indianapolis, home to the IURTC, is currently operating at capacity and we have begun the process of exploring expansion options. We expect to narrow those options later this year and begin to increase wet and dry lab space in early 2009.

Increasing demand for wet lab space and modern business incubation facilities has prompted construction of the new Bloomington incubator facility at 10th and the bypass. Site preparation for construction of the 40,000 square foot building is underway right now, and we will have a formal groundbreaking ceremony on November 18th. This new facility will house both tech-based and life science start-up companies. The Kelley School of Business and the Johnson Center for Entrepreneurship and Innovation will maintain offices in the new building as well, as they help facilitate a high degree of student involvement tied to business start-up activities.

#### 2.4 PARTNERSHIP WITH CLARIAN

A crucial component of IU’s engagement effort is our partnership with Methodist, Riley, and University Hospitals, as well as a statewide network of health care providers, in Clarian Health. Clarian provides the essential facilities and environment that supports the clinical and many of the research activities of the IU School of Medicine. Clarian is a huge enterprise, and is the largest hospital system in Indiana, and can be seen as bringing the clinical and research capabilities of the IU School of Medicine to nearly every corner of the State.

As well as its hospitals on the IUPUI campus, Clarian’s “downtown” campus occupies much of a massive area from 21st Street in the North almost to the boundaries of the IUPUI campus in the South, and from Martin Luther King to the West and Capital to the

East. An exciting recent development has been the decision by Clarian to develop part of this area into a neurosciences campus. IU's planned new Neurosciences Research building will be co-located there along with other hospital facilities.

Given IU's increasing involvement in this area, Clarian and IU have agreed that once the Masterplan for IU's Bloomington and Indianapolis campuses is complete in February next year, it will then be extended to the Clarian downtown campus.

Clarian and the IU School of Medicine are committed to continue to evolve their clinical activities to improve the quality and comprehensiveness of the patient care that they provide. To this end Clarian and the School are forming the Indiana Clinic which will integrate all the practice plans in Clarian and the School into just one such plan. This is truly a milestone event of great complexity. But the benefits for the patient, for research and clinical practice at IU are enormous.

## 2.5 ARTS AND HUMANITIES: RECORD INVESTMENT

This construction effort includes a concentration of projects aimed to further enhance Indiana University's glorious traditions in the arts and humanities. With one of the best music programs in the world and a rich culture of the arts across the university, Indiana University's facilities must showcase the talents of our peerless faculty and talented students. Facilities like Eskenazi Hall and the galleries at the Herron School here at IUPUI, like the Ogle Center at IU Southeast, and like the Auditorium and the Musical Arts Center at IU Bloomington are part of the constellation of facilities that begin to fulfill that need. We are building on this foundation with record investment in the arts and humanities that I first announced in my inaugural address

Thanks to a very generous \$44 million gift from the Lilly Endowment, we have begun planning for the Jacobs School of Music North Studio Building, which will have the

highest quality acoustics and technology. This facility will surpass the teaching and practice facilities of other music schools and conservatories the world over.

We are also in the planning phases on a \$15 million renovation of the University Theatre into a state-of-the-art digital cinema facility, which I mentioned in my inaugural address last year. With the highest quality digital and traditional projection equipment, this cinema will rank among the best in the country and will attract the newest experimental films as well as classic films that are too fragile to be played elsewhere on lesser equipment.

This record investment also targets our humanities programs through the International Studies Building, a \$47 million project that I also mentioned last year. This building will house many of our leading departments, programs, and centers in international studies, and will feature major new classroom facilities specially designed to support education in these fields. As such, this building will build upon IU's great traditions of global education and engagement.

## 2.XXX IU NORTHWEST

But as we continue to vigorously build new facilities, we nevertheless remain at the mercy of acts of nature. Our IU Northwest campus sustained extensive flood damage from the rainstorms in mid-September. This resulted in the cancellation of classes for two weeks at the beginning of the semester. Working with university administration and campus leadership, a thorough assessment was conducted of the damage, and significant work was done to facilitate clean up and repair as quickly as possible. All faculty have been temporarily relocated and classes are now underway as per the published schedule.

However, through the process of analyzing the damage, it was determined that Tamarack Hall would need to be abandoned, and the replacement of the Hall, built in

1957, is a priority in capital appropriation request for 2009-2011. We will pursue that project vigorously with the state legislators, the Commission for Higher Education and State Budget Agency. In addition, a hydraulic study is underway to determine the cause of the extreme flooding and lack of drainage, the nature of the 35 acres that comprise the IUN campus, and the priority for repair, renovation and replacement based on the potential for further flooding.

I would commend Chancellor Bruce Bergland and his administration and staff for their tireless efforts over the course of several weeks to restore operations.

#### 2.4 RECORD STUDENT ENROLLMENT

Teaching and research facilities like the ones that I have been describing will become increasingly important in the coming years, as the university's student enrollment continues to grow.

This fall we welcomed a record 101,717 students enrolled across the university, a 2.6% increase over our 2007 record. Both IUPUI and Bloomington saw record enrollments top the 30,000 and 40,000 marks, respectively. IU East saw the largest percentage increases in enrollment, at 8%, and credit hours taken, at 8.6%. Here At IUPUI, this was the 13th straight year that the total credit-hours-taken set a record.

IU Bloomington also welcomed the largest, brightest, and most diverse freshman class ever. We welcomed over 7,500 beginning students with the highest SAT scores ever among first-year students, up 5 points from the previous record. A record percentage of these students—69% to be exact—were ranked in the top quarter of their high school classes. And we attracted the largest number of freshmen from Indiana since 1998.

#### 2.4.1 DIVERSITY AND EQUITY: THE PRESIDENT'S DIVERSITY INITIATIVE

University wide, we saw increases across the board in the number of underrepresented minority groups. Both IU East and IU Southeast noted increases of over 20 percent, and most other campuses across the university saw overall increases among these student populations, including an 8.1% increase at IU Bloomington. That puts Bloomington's percentage of minority students—11.1—at close to the state average.

As encouraging as these numbers are, we must redouble our efforts in this area. To this end, I recently announced a major \$1 million initiative to strengthen racial, ethnic and cultural diversity at all of the university's campuses. Proposals under this initiative that aim to enhance campus diversity are welcome from any IU unit by the November 3<sup>rd</sup> deadline. This is a new approach to increasing diversity designed to draw upon the creativity and initiative of units across the university. Vice President Marshall and I are greatly looking forward to reviewing proposals.

#### 2.4.2 INTERNATIONAL STUDENTS AND IU STUDENTS STUDYING ABROAD

This fall also saw a record number of international students enrolling across the university. We welcomed nearly 6,000 international students from 144 different countries. The top three countries sending students to IU are India with 801, China with 861, and South Korea with 1,202 students. In fact, in recent years, Indiana University has welcomed more students from South Korea than from any other country in the world.

In just three weeks, I will be travelling with a delegation from Indiana University to both Korea and China. There we will visit with our alumni and strengthen our ties with both Korean and Chinese universities by signing university-level agreements that will greatly increase the potential for international educational and research partnerships.

Early numbers for IU Bloomington alone suggest that nearly 2,000 students participated in study abroad programs over the last academic year a 17% increase over 06-07. We are seeing increases across the university as well. IU South Bend set a new record for the number of students studying abroad with programs in Costa Rica, the Dominican Republic, France, England, and Peru. Just last spring, a group of nursing students at IU Kokomo traveled to Guatemala as part of the Hispanic Culture and Healthcare program, providing education, health, and nutrition services to poverty-stricken individuals in over 18 villages. Here at IUPUI, the summer language and culture program in Guangzhou, China, enabled a group of students to participate in educational exchange classes and travel to the Great Wall, the Forbidden City, and other historic sites.

Many students at IU Bloomington have Ed Hutton to thank for their study abroad experiences. With the benefit of Mr. Hutton's endowment, over \$3.4 million (\$3,431,075) have been awarded to over 2,400 students to fund their studies in other countries. Last academic year alone, 529 students received grants totaling \$712,800 from the International Experiences Program.

The number of international students studying at IU and IU students studying abroad only begins to suggest the vitally important role global education will play in the 21<sup>st</sup> century. Whether students are from Indonesia or right here in Indiana, they will need international experience to achieve their highest aspirations. In our increasingly global culture where economic highs and lows reverberate the world over, international experience is, quite frankly, a practical necessity.

Last academic year saw the completion of IU's first International Strategic Plan, and one of the first at a university anywhere. The Plan describes a systematic approach to developing IU's global engagement activities to ensure the University's continuing growth as one of America's finest international universities. Vice President O'Meara and his office have worked diligently to ensure that our agreements with institutions around the world are substantive in nature and that these universities are of a comparable quality to IU or complement its strengths in some way. Such agreements aim to

enhance the educational and research missions of the university by creating further opportunities for global collaboration among students and faculty.

## 2.5 AFFORDABILITY AND ACCESSIBILITY

Our tremendous increases in the number, quality, and diversity of our students would have been impossible without a concerted effort to enhance affordability and accessibility across the university. We have near-record numbers of Hoosier students because of the great success of programs like the university-wide Herbert Presidential Scholars, IUB Excellence and Prestige Scholarship, and the 21<sup>st</sup> Century Scholars Program. In fact, this year, IU Bloomington increased funding for 21<sup>st</sup> Century Scholar Covenants. That increase moved the number of students in that program from 267 in the fall of 2007 to 452 this fall, which amounts to 10% of the incoming resident class. Programs like these target the highest-achieving Hoosier high school seniors, encouraging them to pursue their education right here in Indiana.

I would be remiss at this point if I did not mention the phenomenal success of the Matching the promise Capital Campaign. Nearing its billion-dollar goal, this campaign has raised nearly \$253 million for scholarships and fellowships alone. It supports 980 undergraduate scholarships and 106 graduate fellowships and has transformed the lives of countless students by providing them educational and research opportunities otherwise out of their reach.

Together with state and federal aid, these funds mean that—for the first time ever—the neediest students are attending IU Bloomington nearly free. Qualifying in-state freshmen whose family's incomes are under \$50,000 pay an average of just \$341 annually for tuition, room, and board. The average out-of-pocket cost for other eligible in-state students has been reduced by 40 percent.

IUPUI has added to these efforts with a \$2.1 million annual need-based student aid program, the largest commitment of financial resources for need-based aid in the history of this campus. This investment has enabled IUPUI to establish the IUPUI 21<sup>st</sup> Century Scholar Grant and the IUPUI Pell Pledge Grant, and these two grants join the host of other financial aid programs, which provide tremendous opportunities to students here.

#### 2.5.1 DEGREES OF EXCELLENCE

Where programs like these get students in the door, programs like Degrees of Excellence, which I announced in my inaugural address, keep them at IU and help them progress quickly toward degree or program completion. In its first year, this initiative led to \$2 million in cuts from administrative spending, reallocating those funds to programs that increase the number of degrees earned. The program is beginning its second year and has dramatically enhanced opportunities for student achievement by expanding existing financial aid and academic support programs and creating innovative new programs such as IUPUI's Themed Learning Communities, IU South Bend's Peer Mentor Program, and IU Southeast's Mid-Semester Intervention Program. This is a model for collective reallocation efforts aimed at transforming student lives.

#### 2.6 PRIVATE SECTOR GIVING

In addition to record achievements in research and education, accessibility and affordability, I was recently delighted to announce a new university record in private sector giving at \$408.6 million. As I have said on many occasions, philanthropic support has transformed the face of Indiana University. We are grateful for the unparalleled generosity of well over 100,000 (110,461) thousand donors. In fact, IU has received support from over 100,000 donors annually since 2001.

We know well names like Lilly, Simon, Krannert, Long, Jacobs, and Glick, but we should also remember the names of countless other friends of IU, whose names are indelibly etched across every campus of this university: names like Quigg, Raclin, Geisel, Quinet, Esamann, Rinard, and so many more.<sup>1</sup>

The collective impact of their generosity has helped Indiana University ascend to record heights in so many different areas. That generosity reflects alumni and friends' engagement in the life of Indiana University and enables the university to more vigorously pursue our fundamental missions of education and research while strengthening our own engagement in the life of the state.<sup>2</sup>

All of these record numbers speak in different ways to the outstanding caliber of IU's finest teachers and researchers. You draw students from across the country and around the world, inspire loyalty and generosity; and both create and preserve knowledge through world-class teaching, research, and creative activity in an increasingly competitive environment.

### 3. IMPLICATIONS OF THE WORLD FINANCIAL CRISIS

So it has been a great year, truly a record year. However, we are moving into times of considerable uncertainty. Since the fall semester began, we have seen an unprecedented global financial crisis highlighted by a significant drop in major stock market indices and the near-collapse of the global credit markets. I want to turn now to

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<sup>1</sup> Rob Quigg, Richmond resident who led the recent capital campaign for IU East and was inducted into the Presidents Circle this year; Ernestine Raclin, generous donor to IUSB; Audrey Geisel, widow of Theodore Geisel ("Dr. Seuss"), generous donor to IU School of Nursing at IUPUI, and 2008 inductee into the Presidents Circle; Philip Anthony Quinet, supporter of the IU School of Medicine and 2008 inductee into the Presidents Circle; James D. Esamann, endowed a scholarship in the name of Harry R. Esamann at the Herron School; Dr. and Mrs. Joe R. Rinard, donors to the Dental Materials Department, and 2008 inductees into the Presidents Circle.

<sup>2</sup> For 16 of the last 18 years, IU has ranked in the top 20 of all the universities in the nation in Total Voluntary Support. In 2007, IU's private support total was ranked 19th in the country, seventh among public institutions and fourth among Big Ten schools. Rankings based on fiscal 2008 numbers will be released early in 2009. (From press release about IU's newest private sector giving record)

consider what some of the implications of these problems might be for IU.

Over the last few weeks, higher education has been buffeted by two aspects of the credit crisis in particular:

- Debt service payments for variable rate debt rose sharply as credit markets froze, and
- Access to supposedly liquid funds was denied to more than 1,000 universities, including IU, by Wachovia's decision to shut down a key short-term investment fund.

Fortunately, IU was among the universities least impacted by this crisis. Due to the foresight of the University's financial administration, in particular the University Treasurer MaryFrances McCourt and Vice President for Finance Neil Theobald, and the prescient leadership provided by the IU Board of Trustees Finance and Audit Committee, IU moved last February to convert all of its variable-rate debt to fixed-rate debt at historically low rates of close to 4%. In addition, IU partly diversified out of the Wachovia fund in early September, allowing us to avoid the liquidity crunch that hit many universities.

Thus, IU escaped the havoc and expense wrought by the unrest of the last few weeks and can let the markets hopefully return to some semblance of normalcy before it is necessary to seek further funding. Indiana University's liquidity and credit rating remain strong, and I stand ready to take all necessary actions to ensure this continues to be true in the coming weeks.

Going forward, the credit crisis will create a complicated environment that can be expected to affect university revenues and expenditures but in ways that are still emerging and, hence, make it difficult to plan appropriately at this stage.

It appears very likely, though, that the credit crisis will seriously impact all universities, including IU, in a number of ways:

(i). A significant decline in interest income may require us to postpone, or slow down, planned spending. This will impair our efforts to address crucial programmatic and facility needs across the university. In this process, our vital academic initiatives must be given priority so that we emerge from any slowdown with increasing momentum in these areas.

(ii). Endowment income at IU, and throughout higher education, could be flat or may decrease. This income supports scholarships and fellowships for students, endowed chairs for faculty, and new facilities for our medical and life sciences initiatives. Hence, IU's ability to accomplish its mission, especially as it relates to student access and research, could be constrained if investments made by our fundraising partner, the IU Foundation, continue to be buffeted by market volatility.

(iii). Philanthropic giving that was at a record level this year may decline, though research by IU's outstanding Center on Philanthropy indicates that philanthropic giving declines only marginally in times of economic decline. However, this is a time to stress to our immensely generous donors that their support is particularly needed in these difficult times.

(iv). I am particularly concerned about the impact this crisis may have on the availability and expense of student loans. I have directed IU's Chief Financial Officer, Neil Theobald, to immediately form and chair a task force that I have charged with developing a comprehensive plan for assisting students and their families in accessing affordable student loans.

(v). The impact of this crisis on state and federal spending on higher education is uncertain though we can expect that federal funding for research to agencies such as the NSF and NIH will be, at best, flat for the next few years, and that the approaching Budget Session of the State Legislature will be a difficult one.

In addressing all these challenges we will need to continue to ensure that we use the

resources available to us as effectively and efficiently as possible. National data show that IU already operates more efficiently than many of our peers, but we must work to find further efficiencies that will help us continue to give priority to the academic mission of the University.

Over the next month as financial stability hopefully returns, we will continue to refine what measures we will need to take in response to the new financial environment. However, it seems prudent to begin to take some actions now. Hence, today I ask that all units throughout the University, particularly administrative units, slow hiring in non-faculty positions, and I ask Vice President Clapacs to monitor this matter. In addition, we need to look at savings that can be made in our regular operations. In this regard, I am asking that each Vice President and Chancellor submit to me, in the next week, a list of contingency measures that can be rapidly introduced.

#### 4. PRESERVING THE GAINS & MAINTAINING THE MOMENTUM

So we are clearly moving into times of considerable uncertainty. But I encourage everyone in the IU community to adopt an attitude of relentless but responsible optimism. Our academic fundamentals as the State's flagship research university remain strong as do our financial fundamentals.

In fact the strength of these, and the relative strength of the Indiana economy, give us the opportunity to emerge from whatever downturn is ahead both faster and stronger than many other comparable institutions of higher education. To do this we must continue to take vigorous actions to move us forward - actions that address many of our key goals. We must strive to the utmost to ensure we maintain the momentum that IU now has and preserve and build on the hard-won gains of the last few years.

Hence, today I am announcing a number of new initiatives aimed both at preparing and

strengthening us for the challenging times ahead, but that are aimed fundamentally on continuing to build excellence in education and research.

## 5.1 EDUCATION: IUPUI HONORS COLLEGE

The quality of the undergraduate student body at the IU Bloomington campus has improved significantly over the last few years with an average SAT 135 points over the national average and 148 points over the state average. The best of these students become members of the Hutton Honors College which will soon be housed in a magnificent new building that has been made possible through an act of wonderful generosity by Mr. Ed Hutton who provided a gift of around \$10M for this and related purposes. The Hutton Honors College provides an enriched academic and social experience for the best students at IU Bloomington, and includes developing a close working relationship with some of the best faculty on the campus.

At the same time, the quality of the undergraduate student body here on the IUPUI campus has also improved significantly in recent years. Over the past decade, the percentage of the freshman class in the top quartile of their high school class has doubled, the percentage in the top 10% has nearly doubled, and the average SAT has increased more than 50 points. In just the past four years, the number of valedictorians and salutatorians has doubled.

This in turn has led to a growing need for a similarly enriched academic and social experience for the best students at IUPUI and this need has been considered by Chancellor Bantz and his staff, by faculty, and by others on the campus. Based on their deliberations, Chancellor Bantz has formally recommended to me that IUPUI also now establish an honors college to address the academic needs of its most gifted students.

Hence, I am announcing today that I am approving this recommendation and directing that Chancellor Bantz and his colleagues begin the development of the new IUPUI

Honors College immediately to commence operations at the beginning of the 2009/10 academic year. It is the Chancellor's hope and mine, that it will be possible to find a benefactor as generous as Mr. Hutton to name and endow the College.

## 5.2 EDUCATION: IUPUI LABORATORY BUILDING

Indiana University has identified the life and health sciences as a key area of emphasis across all its campuses. A broad strategy for how to develop this area at IU is contained in the Life Sciences Strategic Plan. IU's engagement in this area ranges from its joint partnership with the Methodist Hospital in Clarian Health, its partnership with Purdue in the Indiana Innovation Alliance, the partnership with local communities around the State to further develop the Medical Education Centers such as IU's partnership with Notre Dame in South Bend to develop the Mike and Josie Harper Cancer Research Institute, and IU's extensive building program over recent years to construct numerous major new laboratory and research facilities. In the past two weeks alone I broke ground on this campus for the Eugene and Marilyn Glick Eye Institute and dedicated the Optometry Eye Care Center at IU Bloomington.

The provision of modern laboratory space is of course an absolutely essential part of research in the life and health sciences. And it is also an essential part of undergraduate education in chemistry and biology - two of the disciplines most fundamental to the life sciences. The opening of Simon Hall, together with the opening of the Multidisciplinary Science Building II next year, help address the need for more laboratory and research space at IU Bloomington. The completion of the Research III building here in the Medical School, will finalize a massive new over 238,000 square foot complex focused on research in the Medical School. And in our capital request to the State Legislature, we have requested funds for a new Neurosciences building for the IU Medical School in Indianapolis, a new Multidisciplinary Sciences Building at IU Bloomington, and funds to renovate all the laboratory space in Jordan Hall at IU Bloomington, and the Van Nuys Building in the IU Medical School.

However, as IUPUI's undergraduate student body has evolved to become increasingly full-time and as the campus' focus on life and health sciences has sharpened, demand for both student teaching laboratories and faculty research laboratories has escalated rapidly. Given IUPUI's strong life and health sciences focus and the needs of this sector of the economy in Indiana, it is essential that sufficient teaching laboratories be available for undergraduate students studying biology and chemistry, especially organic chemistry.

There is also a related need for further research laboratory space on the campus in these areas. For example, in the research space study conducted in 2004 while I was Vice-President for Research, the School of Engineering and Technology and the School of Science were estimated to be short about 100,000 square feet of research laboratory space. Even greater shortages were foreseen in the coming years as a result of the significant research programs engaged in by newly hired faculty. And such research laboratories are also required to recruit talented faculty.

To this end, I am asking today that Chancellor Bantz and Vice President Clapacs, together with the relevant deans and campus administrators, to begin immediately to prepare a proposal to be submitted to me within three months, for the development of an IUPUI Laboratory Building. This proposal should identify the amount and kind of additional laboratory space that is the top priority for enabling these schools to more fully support their education and research missions, especially as it relates to undergraduate and graduate students.

## 6.1 RESEARCH

As I have already noted, we can expect that the national economic situation may lead to federal funding for research to agencies such as the NSF and NIH being, at best, flat for the next few years. Such federal funding made up about half of the record \$525 million

in externally sponsored research that IU obtained in the last financial year. This included an amount of \$59 million in indirect cost recovery that is a vital part of the budgets of a number of IU's largest schools.

Clearly then, in the face of these looming difficulties, we must do everything we can to maximize our ability across the whole University to compete for external funding, especially from the federal agencies. As I noted earlier, our faculty has responded magnificently to the challenging climate for external funding - in a period when competition is greater than ever before, IU researchers are being more, not less successful in obtaining grants.

## 6.2 RESEARCH: ENHANCING COLLABORATION

What is our next step? We must maximize our ability to leverage the combined intellectual resources of the Bloomington and Indianapolis campuses of Indiana University in particular in pursuit of this goal.

Leveraging the combined intellectual resources of both campuses is especially important in this era of increasingly large multi-disciplinary grants at the expense of the more traditional much smaller single investigator grants. The \$25 million Clinical and Translational Science Award that I mentioned earlier is a classic example of such a grant that draws on the great strengths at the IU School of Medicine in partnership with researchers at IU Bloomington and at Purdue.

This kind of collaboration has grown even further in the shape of the Indiana Innovation Alliance, an unprecedented broad-based research alliance between IU and Purdue, as well as other key business and government stakeholders, designed to help the state grow its bio- and life-sciences industries, increase the number of physicians being trained in Indiana, and improve public health. IU and Purdue are, together, requesting

\$35 million per year to establish the Alliance. This partnership will enhance IU's ability to meet the state's increasing need for more health care professionals.

### 6.3 RESEARCH: VICE PRESIDENT OF RESEARCH

Leveraging University and other resources requires a University office focused on continuing to increase the University's ability to compete for externally funded research in these difficult times. It requires an office that will help identify and develop new sources of external support for research and scholarship in all disciplines, as well as providing all the critical research compliance services.

I have been intimately involved in the research mission and organization of IU for over a decade. Based on this experience, I am convinced that in order for us to succeed in the increasingly competitive federal and state environment for research funding, we need a single office clearly focused on research

Consequently, I intend to fill the position of Indiana University Vice President for Research not operational since I became Interim Provost of the Bloomington campus in 2006. To this end I have asked the Co-Secretaries of the University Faculty Council to help identify the members of a committee to commence, as soon as possible, an international search for candidates for this position. The membership of the committee should be drawn from our most distinguished researchers, and I expect to have the position filled by the beginning of the next academic year.

This position will not only leverage research strengths across the University, but it will also bring together the key aspects of research support by absorbing all the duties and responsibilities of the present position of Vice President for Research Administration and of the Vice President for the Life Sciences.

I created the VPRA position about a year ago because of the urgency of addressing a number of serious issues concerning research compliance that had the potential to put at risk over \$250 million of federally funded research. Dr. Ora Pescovitz graciously accepted my offer to serve in this role until the end of this academic year.

I would like to take this opportunity to pay public tribute to the absolutely superb job that she and her two senior colleagues, Steve Martin and John Talbot, as well as all the staff and faculty involved in the Office of the Vice President for Research Administration, have done to vigorously address these problems. On their recommendation, I allocated over \$4 million to expand and coordinate our compliance efforts, and much has begun to improve, though much remains to be done. And for these improvements the whole University owes Dr. Pescovitz and her colleagues a great debt of thanks.

Similarly, the position of Vice President for Life Sciences was created to provide a source of skilled advocacy for IU's life sciences initiative in its early days of gestation. However, under the very able leadership of Dr. Craig Brater, this initiative it is now much more fully formed and its boundaries now touch many other disciplines. Hence, the incorporation of this position into that of Vice for Research is a natural evolution.

Here, too, I also want to pay public tribute to Dr. Craig Brater for his energetic and highly skilled efforts in this role. As I have said before, Dr. Brater's effort in helping secure \$20 million for the Life Sciences Fund from the State Legislature at its last Budget Session, was an outstanding piece of advocacy.

#### 6.4 RESEARCH: DEAN OF THE UNIVERSITY GRADUATE SCHOOL

A final consideration here is the role of the University Graduate School. The intimate connection between research and graduate education was reflected in the fact that until 2003, the Vice President for Research was also Dean of the Graduate School. When

President Brand appointed me as Vice President for Research effective in 2003, he also established a separate position of Dean of the Graduate School.

I am strongly of the view that there needs to be a robust connection between the Office of the Vice President for Research and the Graduate School. However, I recognize that this is a complex matter. Thus, I will be asking faculty groups and administrators for their perspectives on reporting relationships as we move into the search process for the Vice President for Research.

## xxENVIRONMENTAL SCIENCE AND SUSTAINABILITY

All of us are concerned with issues of sustainability, energy conservation and independence, environmental degradation and climate change. In response to these issues, the "Campus Sustainability Report" for IU Bloomington, prepared under the committed leadership of Michael Hamburger and Paul Sullivan, was submitted to me earlier this year. Based on this report I approved the appointment of an Interim Sustainability Director and a series of other actions in this area.

Universities can and are doing much to more effectively address issues of sustainability and energy conservation. And IU is committed to doing so. But one institution, even one as large as IU, can only do so much on its own. There is far greater potential for them to address these issues through their research. One fundamental breakthrough in battery technology or the design of new catalysts in IU laboratories, could have a major effect world-wide on all these issues.

Recently some of IU's research groups in environmental science at IU Bloomington and IUPUI, have been working closely together to develop a coordinated and integrated approach to some key problems that will more effectively leverage their combined resources. They are focusing on three areas of investigation:

- (i) Modeling the effects of developing new energy systems in Indiana
- (ii) The use of genomic signatures in environmental human health
- (iii) Sustaining Water Resources and the impacts of chemical contaminants and transport during floods.

In support of these efforts, I am announcing today a grant of \$150,000 as seed funding to enable them to build and expand these research efforts. This is being funded through the Intercampus Research Fund I announced in my inaugural address last year. These activities represent exactly the kind of intercampus research collaboration that this fund was established to support. This fund will be based in the office of the new VP for Research.

## 7. ARTS AND HUMANITIES

One program that was initiated when I was Vice President for Research of which I was particularly proud was the New Frontiers in the Arts and Humanities Program. This program has been superbly implemented and managed by Geoff Conrad and Sarita Soni, and the two chairs of the grant review committees, Anja Royce and Bill Schneider.

By any measure, it has been an extremely successful program. It was designed to foster path breaking research, scholarship and creative activity in the arts and humanities, and was funded by a five-year grant from the Lilly Endowment of \$1,000,000 per year. We are now in the fifth year of this grant.

Funding from this program has given a tremendous boost to creativity in the humanities and studio and performing arts. Awards have been made to faculty members on all eight campuses of Indiana University. During the first four years of the program 557 applications were received and 319 awards were made. Of the four different grants

awarded under this program, the New Frontiers grants to support individual and collaborative projects, were immensely popular and hence substantially oversubscribed. In fact, over the course of the past four years, 252 applications were made for this grant, and 72 were awarded. That is approaching the competition levels for federal funding.

Last fall a survey was carried out of progress made on the projects funded by the New Frontiers Program in the first two years. A total of 174 Indiana University faculty members were involved in one or more of these projects, either as principal investigators or collaborators. Collectively they have so far published nine books and monographs and have 32 more in press or nearing completion. They have given 127 conference presentations and contributed to 44 art exhibitions and 37 performances of various kinds. They have 67 journal articles published or nearing completion, along with a variety of critical editions, special issues of journals, new works of art, musical compositions, novels, short stories, poems, and films and videos.

For every dollar of New Frontiers funds awarded during the first two years, the awardees have already brought in slightly over one dollar in external funding, and there are proposals still under review or in preparation. This figure becomes even more impressive when one considers that about half of all New Frontiers projects are self-contained and completed with their New Frontiers funding, while half are more open-ended. In reality, the open-ended projects are garnering over two dollars of external funding for every dollar of New Frontiers support.

This is major success in anyone's terms! Given this success and this record of productivity, and given how over-subscribed the core New Frontiers program is itself which indicates the need that exists for funding in the arts and humanities, I am announcing today that the New Frontiers Program will be continued for a further five years with the same annual funding of \$1 million per year.

The demand for resources to fuel the innovation, research, and scholarship of our faculty in the arts and humanities, as well as the manifest evidence of the impact of

these resources in books, articles, plays, operas, paintings, sculpture, poems, more than justifies this investment. New Frontiers has helped fuel a new era of creativity at Indiana University whose impact has already been felt around the state and nation. By continuing funding for this program, we expect the arts and humanities at IU to grow even more in stature and quality.

## 8. CONCLUSION

Almost precisely one year ago, in my inaugural address in the Auditorium on the IU Bloomington campus, I laid out a vision for Indiana University that I believed was both bold and achievable. One year later, despite the recent unprecedented economic and financial challenges confronting the global economy – challenges from which Indiana University is not immune – I remain as convinced as ever that our vision for this institution must be bold. And I am as confident as ever that such a vision is achievable.

In times like these -- when it may be tempting to withdraw to a seemingly safe harbor of smaller dreams and less challenging aspirations – it is instructive to remember the advice of Dr. Wells:

“Make no small plans for Indiana University.”

And we shall not.

For the notion that smaller dreams, more modest goals or diminished aspirations can somehow provide security in times of change and uncertainty, ultimately is an illusion. In a dynamic world, where students and faculty are free to choose, where research dollars are becoming more competitive, and where emerging nations are committing significant resources to building new institutions of higher learning -- there can be no security in mediocrity or complacency. And there is no safety in standing still.

We can ... we must ... and we will build Indiana University into one of the great universities of the 21st century.

We will do so carefully, prudently and deliberately. We will adjust, where necessary, to changing circumstances, recognizing that true leadership requires a clear understanding of what is possible at any given moment in time.

And we will be faithful always to the two great missions at the core of this institution: teaching and research.

Earlier, I outlined a series of splendid accomplishments by the Indiana University community over the past year. These achievements, all across the university, convince me that we are on the right track and that we will achieve our goals and aspirations. They signify that a new era has dawned at this great university and you can feel it in the attitude and the spirit of all who are associated with it.

At the end of the first year of my presidency, allow me to conclude by thanking all in the university community who have responded and performed so magnificently to the challenges I set forth one year ago. We are off to a great start and the successes of this past year confirm in my mind that we are on the right path.

As we justifiably take pride in what we have achieved, let us also re-dedicate ourselves to the great task of continuing to build Indiana University into a place that is worthy of our past and well prepared for the future.

Thank you.