2007 Academic Convocation

Dr. Eddie J. Davis

Howdy and good afternoon. Welcome once again to Academic Convocation at Texas A&M University. I was asked several months ago whether I wanted to have an academic convocation this year. I could have said yes because I know how much you enjoy feeling the steam rise under your academic regalia as we walk across campus in dark robes in 98 degree heat. Or, I could have said yes because I like the confused look on our students’ faces as they watch us walk across campus in dark robes in 98 degree heat. Or, very selfishly, I could have said yes because I could stand to lose a pound or two, and the trek across campus in 98 degree heat could count as an installment on my daily exercise regimen—just don’t tell my wife Jo Ann. But, in all seriousness, I said yes because as Interim President, taking stock of where we are and looking to our future might seem somewhat problematic to some; however, at this great institution it is both an essential and invigorating thing to do.

If I identified a theme for the year just completed and for the period defined as our immediate future, it would probably be something like, "Everyone is in favor of progress; it’s just all this change they dislike." As you know, change has been the dominant theme over our recent past. Perhaps the most dramatic change occurring over the last twelve months was the unexpected departure of Bob Gates, who went from being president of Texas A&M to becoming the nation’s 22nd Secretary of Defense on December 18th. Bob led a period that some describe as a "second Camelot" at Texas A&M University.

Shortly before Bob left, I made what now might be considered an ill-timed but prophetic statement to my staff at the Texas A&M Foundation. I said, "I pity the poor SOB who has to follow Bob Gates." My comment, by the way, was made not only because of his vision, charisma and Reaganesque capacity to deliver a message. It also was because I could, with my financial instincts, understand the challenges in sustaining the gargantuan agenda initiated by Dr. Gates. Today, I will touch on that challenge.

First, the changes we have experienced. Late last fall, a new Chancellor was named at The Texas A&M University System. The Chancellor’s position has been one that has seen frequent turnover and varying levels of "success" over the past several decades. Dr. Mike McKinney is a physician by training and a politician and university health administrator by experience. Dr. McKinney has good solid country doctor instincts. He has a value system that will benefit the A&M System now and over the long haul. He is politically wired and he has the full confidence of the Board of Regents and the State’s leadership. He and I have a good working relationship, and I am confident he will have a good working relationship with the next leader of our system’s flagship institution. The ultimate collaboration of the two roles can make a substantial difference in the overall performance of Texas A&M.

The second major change was when our Executive Vice President and Provost, Dr. David Prior, announced his departure to become the Vice Chancellor for Academic Affairs at The University of Texas System. David, who carried an enormous workload as the Executive Vice President and Provost during the Gates administration, was a competent and experienced professional administrator. He
deserved an opportunity to continue his career and deploy his talents in a way that could be enormously beneficial to The State of Texas in general and to public higher education specifically. I consider David a friend, and he and I have collaborated on several occasions since his departure. His position at The University of Texas System provides a distinct advantage to our two great flagship universities' efforts to move forward together as national higher education leaders in The State of Texas.

The same week that David announced his departure, our Vice Provost, Dr. Bill Perry, learned that he was to be the new President at Eastern Illinois University. As Vice Provost, Bill had become the closest thing to an indispensable resource as we might imagine at Texas A&M. During his long service as a faculty member, an academic administrator, Dean of Faculties, Vice Provost, and importantly, the Chair of the Council on the Built Environment, Bill generated an inventory of institutional knowledge that was simply incalculable. I also valued Bill’s wisdom, humor and calm demeanor. He will make Eastern Illinois a better place, just as he did here in Aggieland.

Extremely competent people have filled the two roles left behind by David Prior and Bill Perry. Our Interim Executive Vice President and Provost, Dr. Jerry Strawser, has done a remarkable job of picking up the responsibilities of that office and carrying them out with skill and class. I sought input from more than 200 people as I assessed the Interim Provost’s appointment. Almost everyone with whom I communicated found Jerry to be the ideal interim to serve during this period. He has the full confidence of the Deans, the Provost’s staff, and generally across the campus is considered as someone who can get the job done. Likewise, Dr. Luis Cifuentes, who has taken on the Interim Vice Provost role, has quickly picked up most of what Bill Perry was carrying and has been a valuable member of the leadership team at Texas A&M. I should also note that Dr. Doug Palmer, as Dean of Education and Human Development, has taken over the role of Chair of the Council on the Built Environment, and I believe Doug’s leadership, attention to detail, and ecumenical nature will be of great service in that role. Finally, in the academic arena, the return of Dr. Richard Ewing to the classroom and to his impressive personal research program, and Dr. Rick Giardino’s announced departure from the role of Dean of Graduate Studies provide two more examples of dedicated leadership at Texas A&M from which the university has benefited for many years. These two individuals will be sorely missed in the administrative ranks, and replacing them will be a challenge. Nevertheless, Dr. Jim Calvin as the Interim Vice President for Research and Dr. Bob Webb as the Interim Dean of Graduate Studies are doing outstanding jobs of filling those roles during this transitional period.

As we think about it, not all of the change over the past year has been in the university administration. In July, we applauded the election of our first African-American Chairman of the Board of Regents, Mr. Bill Jones, an attorney from Austin. I believe his election is extremely significant from a historical perspective. My year has been characterized not only by change but also by an abiding sense of several historical footnotes to my own personal journey with Texas A&M. It is significant that when I enrolled at Texas A&M 44 years ago, the Civil Rights Acts had yet to be passed and the first African-American student had yet to be admitted. Both of those events occurred during my time as a student. The selection of Chairman Jones to lead our governing board is a tangible and dramatic verification of those historical decisions for our country and our institution.
In another footnote to decisions made long ago, Ms. Shelly Potter recently was named president-elect of The Association of Former Students, only the second female to hold that distinction. Additionally, a Women’s Former Student Network is being formed, initiated by our Senior Vice President & Chief Financial Officer, Ms. Sue Redman. Sue, like many others who were students at Texas A&M in the late 1970s and early '80s, was a beneficiary of the changes that occurred to allow coeducation here. She recognized that we are now missing opportunities for women’s leadership in University volunteer groups, recognition of women’s achievements, and support of Texas A&M through women’s philanthropy that will grow exponentially in future years . . . for all you men in the audience, it’s an irrefutable, physiological fact, that on average women will outlive you . . . and . . . they will control the assets. I applaud this new initiative to create this very important and potentially history-making group.

Well, enough for now about this "change business," Let’s get on with the progress. In the spring of 1996, as we were nearing the end of our first comprehensive capital campaign, I suggested to then-president Dr. Ray Bowen that we begin to think about an approach to planning the next campaign and begin to define the critical needs and directions to create a template for guiding the purpose of that campaign. I reminded him that Texas A&M had a history of inter-generational studies. The first installment, in the early 1960s, led to our profound transformation into a university that was coeducational, with a voluntary Corps. The second installment, in the early 1980s, focused on governance issues and the need to get beyond our rural and agrarian history. My urging led President Bowen to bless and initiate the effort that became Vision 2020. It engaged over 200 people, both internal and external to our campus, and that led to a long-term vision and set of long-term strategies for Texas A&M.

In my first visit with Bob Gates, after he was selected but before he assumed the role of President of Texas A&M, Bob asked me what I thought about focusing on three or four of the key imperatives in Vision 2020 as an early direction for his presidency. He believed, and I concurred, that if we could gain direct momentum on a few priorities, we would accomplish indirect movement on some or all of the remaining imperatives. I indicated to him that I thought that his idea was right on target and that by taking that approach it would be possible to embed the idea that a vision such as Vision 2020 could span a number of university administrations. After consulting with the deans, faculty and scores of other university leaders, Bob decided to focus on four: elevate the faculty; enhance and strengthen the undergraduate and graduate programs and experience; diversity; and space—or the 13th imperative, as it was not a part of the original 12 identified in Vision 2020. Let me give you my executive summary assessment of the progress on these key institutional priorities over the past year.

**Elevate the Faculty**

The key priority is elevating the faculty. We are on track for this effort through new Excellence Funds and endowments raised during the One Spirit One Vision campaign and through our faculty reinvestment initiative. We now have 89 Excellence Funds totaling more than $16 million. We also have created 71 new endowed chairs, 70 new endowed professorships and 16 new faculty fellowships. These new positions will help us recognize, reward and retain one of our greatest assets, our faculty.
But that’s not all. As of this fall, we will have 429 of the 447 faculty under the faculty reinvestment program in place at Texas A&M University. We will finish the program, this year or next year, and we will have made dramatic impact on the faculty-to-student ratio and to the enhancement of the academy at Texas A&M. The faculty to student ratio has improved from 22:1 in 2002 to 19.7:1 in 2006. It also is important to note that the faculty reinvestment program has elevated A&M more prominently on the national academic map. Not only have we worked on the numbers, but we also have enhanced to even greater heights the high quality of our existing faculty. Speaking of tremendous quality, the recognition of our world-class faculty was most appropriately witnessed recently when President George W. Bush and House Speaker Nancy Pelosi presented the Congressional Gold Medal to Dr. Norman Borlaug, Distinguished Professor of International Agriculture. With this award, Dr. Borlaug became one of only five people in all of history to be awarded the Nobel Peace Prize, the Presidential Medal of Freedom and the Congressional Gold Medal, joining others such as Dr. Martin Luther King, Jr., and Mother Teresa. Adding to the lofty company of Dr. Borlaug, we recruited to our faculty Dr. Dudley Herschbach, Professor of Physics and our second Nobel Prize winner. As we have recruited more world-class and internationally renowned scholars, we also have added to our faculty ranks a genesis of bright, competitive groups of young faculty who will be the next generation in line for memberships in the National Academy of Engineering and National Academy of Sciences. They will compete on behalf of Texas A&M for such other prestigious awards as the National Medal of Science, Wolf Prize and World Food Prize.

One of the intended objectives of the faculty reinvestment program also was to increase the diversity of our faculty, which prior to the reinvestment program was 85 percent White and 82 percent male. We would be derelict in our land-grant responsibility if we did not capitalize on the great intellect and perspectives of non-White and female scholars and teachers. As of today, through the faculty reinvestment program, we have increased our faculty diversity by 32 African Americans, 33 Hispanics, 82 Asians, 1 American Indian, and 142 women. With respect to another type of diversity, this year’s group of new faculty has come to us from 35 states in the United States and 16 countries throughout the world.

In addition to the Faculty Reinvestment initiative designed to put more professors in the classroom to reduce class size and provide more substantive faculty advising to our students, we anticipate an unprecedented level of turnover in our faculty ranks in the next ten years. As our student enrollment of A&M grew during the 1970s and early ’80s, the faculty by necessity grew. Many of that generation of faculty will be entering their retirement years as we reach the halfway point to Vision 2020. Replacing them presents a great challenge, but also gives us an opportunity to recruit faculty who will oversee the dramatic path of growth and quality at Texas A&M over the next decade.

In more than a footnote to our faculty growth and increase in quality, we should especially celebrate the faculty’s role in the governance of our great institution. In many forms, the faculty are day-to-day contributors to the direction setting of Texas A&M. Most notably, the Faculty Senate this year celebrates its 25th Anniversary . . . 25 years of service in shared governance with the leadership of Texas A&M. I was a protégé of then-President Frank Vandiver, who insisted on the Senate’s formation and just this year I was asked to eulogize his life. That singular act initiated by Dr. Vandiver has had a profound and positive impact on the governance of Texas A&M and it will continue to do so well into the future.
Undergraduate and Graduate Programs

Probably the most significant achievement in the area of undergraduate programs over the past year is in the implementation of the University Studies Program. Every college now has a process by which students can select University Studies as a degree program. This solution to the "access to majors" issue has the potential for dramatic change in meeting the needs of our students. This degree program allows more students who are in good academic standing to find an academic home where they, in consultation with their advisors, can tailor their curriculum to their own professional and intellectual interests. We intend this coming year also to concentrate on a number of recommendations contained in the Murano Committee report which focused on such things as access to small classes, participation in learning communities, and research-based learning. The working group that Dean Murano chaired had an almost infinite list of worthwhile objectives. Dr. Strawser and I will focus on two or three for actual implementation. In the area of academic programs we also have initiated a planning process for the creation of an academic master plan, which will both assess our progress toward the 12 imperatives of Vision 2020, as well as identify important next steps to continue our journey to recognition as one of the top public universities in the world. Through this master plan, we will assess the nature of the instructional delivery that we should provide our undergraduate and graduate students. We will assess such things as learning outcomes. For example, are we providing the best opportunity for cross-functional learning and research? Are we properly structured to create the best learning environment? Dr. Strawser will lead this effort in collaboration with the University’s councils, Faculty Senate, Distinguished Professors, Council of Principal Investigators, the deans and many others in the academic community.

With respect to our graduate programs, we are in the third year of our plan to increase our graduate student population by 1,000 students over a five-year period. This increase results from our increased demands and capacity provided by the faculty reinvestment program and will catapult some of our highly ranked programs to even more prestigious status. In addition to quantity, we also are making important steps to increase the quality of our graduate programs. This year, we have infused our graduate programs with an additional $1.8 million to provide increased stipends and additional assistantships. While our undergraduate programs are deservedly strong and receive a large amount of media attention, the foundation of a successful research institution is a strong faculty and strong graduate programs.

Diversity

Diversity is another top priority. Let’s be clear: Diversity is an essential ingredient of a solid, well-rounded college experience and it comes in many forms. While I have touched on the diversity we have realized in our faculty ranks, we also have achieved promising results with regard to our students. At the undergraduate level this year, we received approximately 22,000 applications for only 7,600 seats available in the freshman class, not including those in the Blinn Team program—a record number of applications and a record-size freshman class. We admitted 10 percent more Hispanic students and 6 percent more African-American Students than last year. However, we saw only a modest increase in Hispanic students who enrolled and a slight decrease in African-American students who enrolled. We still face the challenge of convincing minority students who are admitted actually to enroll. In both categories, we are assessing our strategies and progress and looking at ways to sustain
and/or regain the momentum we have made since a renewed focus on student diversity was implemented in 2003. Simultaneously, we are ever cognizant that we have considerable work ahead of us if we intend for Texas A&M to reflect the state’s demographics and the diversity of our aspirational peers.

The percentage increase in enrollment of Hispanic and African-American undergraduate freshmen year to year may seem modest; however, we must not lose sight of the fact that in just four years, we have seen a 67.1 percent increase in African-American freshman enrollment; a 60.5 percent increase in Hispanic freshman enrollment; a 71.4 percent increase in Asian freshman enrollment; a 74.1 percent increase in American Indian enrollment; and a 16.4 percent increase in enrollment of international students. Those increases in freshman enrollment translate into a 28.3 percent increase in African-American total undergraduate enrollment; a 37.7 percent increase in Hispanic total undergraduate enrollment; a 43.1 percent increase in Asian total undergraduate enrollment; a 20.7 percent increase in American Indian total undergraduate enrollment; and, a 1.7 percent increase in international total undergraduate enrollment.

At the graduate level, this past year we saw modest increases in Black and Hispanic enrollment. Since 2003, representation of those two groups has increased 58.2 percent and 37.5 percent, respectively.

And, consistent with our land-grant mission of opening doors to students whose families did not attend college, we are most proud that 25 percent—a full quarter—of our students in the freshman class are first-generation students. More importantly, our Regents Scholars, all of whom are first-generation students, are performing well. Last year’s cohort had an 89.5 percent year-one to year-two retention rate, comparable to the highest since the inception of the Regents Scholars program in 2004.

The progress we have made in increasing student diversity at the undergraduate and the graduate levels is the result of many hands, ideas, efforts and energy. We owe a great debt of gratitude to the staff in the offices of admissions, financial aid, graduate studies, and the Regional Prospective Student Centers. We applaud the commitment of the hundreds of staff and faculty across the campus and on the Minority Recruitment and Retention Leadership Team and former students—especially the Texas A&M Hispanic Network and the Black Former Students Network—who work tirelessly to help us convince minority families, through their achievements and their example, that Texas A&M is a place where they can thrive while being more than a number. Also, as they do with so many faculty, student and staff initiatives, the support from the Association of Former Students and the Texas A&M Foundation play critical roles in our ability to attract and support outstanding students throughout their time at Texas A&M. All of the aforementioned, in addition to many superintendents, principals, counselors, teachers and friends of Texas A&M have embraced our commitment to make Texas A&M more reflective of the diversity of the State, the nation and the world we serve. They believe fundamentally in their hearts—as do we—that making Texas A&M the institution of choice for an increasingly diverse population of families whose talented students are graduating high school with more choices than ever before benefits the entire A&M community and therefore it is simply—quite simply—the right thing to do. At both the undergraduate and graduate levels, we must forge ahead, enhancing those strategies that have in the past worked well for us and tweaking those approaches that have not produced the results we desire.
By the end of FY 2008, we will have invested $31.2 million dollars in undergraduate and graduate scholarship, fellowship and infrastructure initiatives in support of our diversity commitment. It is important that as we move to the future, that alternative sources be identified to support this important activity, including a substantially increased commitment from the State of Texas, if we are to succeed in recruiting high-performing minority students to institutions like Texas A&M and The University of Texas. If we and the State of Texas don’t invest more broadly and competitively in keeping these students in Texas the “brain drain” to other States that have recognized the value of investing in promising minority students will prove detrimental to Texas’ intellectual reserve and its economy.

In another step that I consider progressive this year, I asked our Vice President and Associate Provost for Diversity, Dr. Tito Guerrero, to establish a Council on Climate and Diversity. This is a second attempt for the formation of an advisory group to the university administration on this issue. I believe that success for such a group is dependent on clear support from university leadership, on council membership that is broad and deep in representation, and by the involvement of campus leaders who are committed, and have a capacity for getting things done. Dr. Guerrero is moving ahead aggressively. We hope to have the council up and operating before the end of this month. It will report to the Vice President for Diversity but will make recommendations to the Executive Vice President and Provost and to the President about progress toward increasing our diversity goals for faculty, staff and students.

Diversity, whether it is in the faculty, students or staff is not merely about numbers. In my thinking, diversity is synonymous with value. When we increase our numbers and provide a nurturing climate for diversity, we add value to the Aggie experience.

**Space**

Well, we have over $500 million in new construction on our campus today and many of you still say you don’t have enough space. You all see it being constructed on campus and I’m sure you have your eyes set on the corner office. It would be my hope that each of you could occupy the corner office or lab or classroom. But first we must get it built. Most significantly, through the success with the Legislature early in January, we received the support for tuition revenue bonds to initiate the engineering technology and economic development buildings which will be located just east of the current engineering complex. The planning for these facilities is underway and they are essential to the support of our faculty growth in engineering as well as cross disciplinary activity between engineering, science, architecture, and geosciences. I observe the progress on the Life Sciences Building most days of the week. With the gooseneck cranes moving materials and labor, the building is going up at a phenomenal pace. We expect it to be completed by next October and we are working with the Council of Participating Deans on the occupancy planning for that building. Through the substantial support of George Mitchell, Class of 1940, The George P. and Cynthia P. Mitchell Institute Building and the new George P. Mitchell Physics Building are both under way. These will provide not only space for our physics program, but also relief for engineering, science and a number of other academic disciplines.

One of the reasons for the substantial construction progress was a historical commitment of the Permanent University Fund bonds to support the addition of new facilities. To try to service the
substantial need for space, the Council on the Built Environment and the administration rapidly moved the planning for facilities. The appetite for space probably was substantially larger than the capacity to deliver with Permanent University Funds, particularly given the recent worldwide increase in costs of steel and concrete alone. Thus, we have much space underway on the campus that will be partially completed. We are re-calibrating the financial need, having conversations with Chancellor McKinney with regard to additional PUF capacity and working with the Development Strategy Council to focus fund raising on capital facilities as a major part of its effort over the near term.

Now a moment about other progress. In my opening communication to the campus community after being appointed Interim President, I stated that I felt it important to continue the momentum and not simply act as an interim. Despite the very real challenges of not being able to dream or plan beyond a year (or parenthetically, however long it takes to complete a search), I am pleased to report that real progress has been made. Frankly, this role has been comfortable for me because I was involved in designing and leading the Vision 2020 initiative, for establishing its goals, for serving on its kitchen cabinet, and for aligning with Bob Gates’ agenda. I continue to believe that we are on the right path. What remains is for us to complete the implementation of the tremendous progress we have made to date. At this point, I would also issue a word of caution: We would be short-sighted and foolhardy if we decide to chase a new vision or new path before we have completed these initiatives. We must hold firm to the obvious directions that undergird our historical values, and to continue the progress that has been made to guarantee a bright future.

**Efforts to Reduce Administrative Costs**

As part of ongoing efforts to reduce administrative costs, the University embarked on an initiative that targeted the strategic sourcing of goods and services. This effort is focused on leveraging economies of scale at the University (and even System) level to realize significant savings at the college/departmental level. Significant progress has been made to date, with over $1 million of savings implemented, and much more to come as the initiative progresses. In the coming months, you will be hearing about new master agreements in the areas of information technology and maintenance, among others.

In addition, our intentional focus on conservation, investments in the university’s utility infrastructure, and our energy risk management and procurement program has dramatically reduced the university’s energy costs. With this new approach to energy procurement, we have moved from traditional fixed-price contracts to purchasing our gas supply using futures contracts while also buying financial options that allow us to participate in any downward move in the natural gas markets. These efforts saved the university over $2.5 million last year. Consequently, the university was able to reduce the student energy fee from $99 to $65 per semester.

**80th Legislative Session**

I have already mentioned our success with tuition revenue bonds to help finance the Engineering Technology & Economic Development building. We had other significant successes during the Legislative Session this spring. An unprecedented 11.6 percent increase in appropriated support for Texas A&M for the biennium represents the high-water mark for over a decade. More important than
the increase was the addition of a structural element to the appropriations process that could benefit Texas A&M and The University of Texas for years. In Texas, the funding formulas are based on growth. Obviously, if you’re an institution like Texas A&M, where growth in student enrollment and semester credit hours is not the principal objective, the formulas do not normally treat us as well.

Through the cooperative work of a number of key players in the Legislature, led by Representative Lois Kolkhorst of Brenham and Senator Steve Ogden of Bryan, something called the Competitive Knowledge Fund was created. The Competitive Knowledge Fund provided $40 million to the appropriation for Texas A&M through a formula which provides a million dollars for every $10 million in funded research. This is a critical fundamental shift in the funding pattern, one that The University of Texas and Texas A&M should support permanently in order to create a funding distribution system that responds not only to growth, but also to research productivity, graduate education, and above all, quality and excellence.

One other commitment I would mention was $100 million added to the appropriation at the end of session in response to the Governor’s interest in incentive funding. The process for allocating the incentive funding is yet to be determined and is under study by the Texas Higher Education Coordinating Board and the Governor’s Office. We have input into the process. If it focuses on graduation rates, time to graduation, increased participation by under-represented students and other like criteria, Texas A&M should do well.

The combination of our collective success in the Legislature and our own concerted efforts to reduce administrative costs translated directly into the budgetary cycle at Texas A&M, where we were able to provide a three percent merit pay pool, as well as, one percent of strategically-targeted funds to retain our very best faculty who serve this institution and their academy with distinction. These efforts provided additional funds to the colleges for start-up and support of the faculty. They helped off-set some of the effects of increases in benefits costs and parking for our lower paid staff. The success in the Legislature also allowed us to continue to focus on student accessibility to Texas A&M. Our tuition increase, which was forecasted to be as high as $27.40, ended up being just over $10 per semester credit hour. This is phenomenal application of constraint in order to continue to fairly share the cost burden of a higher education between taxpayers and students and families. It is one of the significant reasons why we are ranked as one of the best bargains in higher education by U.S. News and World Report.

**Research**

In the area of research, I am pleased to report that total funding reached nearly $500 million for fiscal year 2006. Current research expenditures per tenure-track full-time equivalent faculty member topped $270,000 in fiscal year 2006. In addition, federal funding has grown by 38 percent in the last five years, whereas our total funds have grown by 21 percent in the last five years.

But in recent months, another issue has attracted considerable attention. You all have heard different reports about the problem of compliance with federal regulations in our "select agent" program. Select agents are certain toxins that have been defined by the federal government as tightly controlled following the World Trade Center and Pentagon attacks on September 11, 2001. We have had
violations in our program, none of which were threatening to the public or of substantial risk to human health. However, we must improve our processes and application of the rules and we are well under way in achieving that compliance. The select agent issue is modest in monetary terms in relationship to our total research effort, but substantial to our reputation. It will be repaired completely. We will have a model program and we are moving rapidly toward that end.

On another subject, I believe we can continue to build and enhance our research enterprise in a variety of ways. The design of our research structure is a product of the 1970s. In today’s era where complex research projects require cross-functional and multidisciplinary activity, the structure may not be the most efficacious. I encourage the Chancellor, the new administration of Texas A&M, along with the research agency leadership, to seriously consider and assess ways in which our structure may achieve Texas A&M’s ultimate research potential.

**Marketing and Branding**

We continue to implement the "Welcome to Aggieland" marketing and branding program our university-wide brand theme and set of standards to help us communicate in a more consistent and recognizable manner. We are currently reasserting the academic quality message in the advertising and marketing that is under way. We are developing strategies for reaching markets beyond Texas and the Southwest region and we are continuing to discuss and seek resource commitments for more joint communications strategy with our private partners and across the campus. We also will be rolling out a comprehensive brand guide to make it easier for all colleges and organizations to achieve a constant look and feel for our school. There is no question that we are making significant progress in terms of being perceived as an institution that is worthy of being ranked number one among all national universities by Washington Monthly.

**Governance**

As you have learned, I have created two additional councils and elevated a third. Last year in this forum, Bob Gates spoke of a gap in governance, most notably in the staff area. Next week, I will announce the appointment of a University Staff Advisory Council Task Force, to be chaired by Dr. Rodney McClendon, my Chief of Staff. The purpose of the task force is to advise me on how to move forward with establishing the staff advisory council. In the spirit and necessity of self-governance, the important responsibility of creating a permanent organizational structure will be vested in the first-year council. And, more importantly, the broad purpose of the staff council itself will be to provide communication, input and consideration of issues related to the non-faculty staff of Texas A&M. I have asked the Task Force to submit a draft final report of its findings and recommendations by February 2008.

I also am converting the existing Development Strategy Group which was initiated to guide fundraising strategy and assess a variety of fund raising projects, to council status. That important group will be co-chaired by Dean Charlie Johnson and the President of the Texas A&M Foundation. I already have reported to you on the Council on Climate and Diversity.

**Development**
In the area of Development, you know the University completed in December 2006 the One Spirit One Vision Campaign. The celebration occurred in March 2007, when it was revealed that over $1.5 billion was raised during the campaign against the goal of a billion dollars. We are now in the development interregnum . . . not stopping, but working on key priorities, with a focus on scholarships to attract high-quality and underserved students and a focus on using building naming opportunities and new construction to facilitate faculty support and continued reinvestment in start-up and college funding. Each college also has developed a discrete set of priorities for fundraising.

We know that our former students and friends have a perennial interest in supporting student scholarships. With that in mind, in 2008 we will introduce a university-wide scholarship campaign with a goal to raise $125 million for both graduate and undergraduate scholarships. This new scholarship campaign will make a profound difference for individual students and for the lives they touch when they graduate Texas A&M. We hope in turn it will make a difference for you, our faculty, by attracting the finest students.

**Other Progress**

There also have been significant achievements during the year at our two branch campuses, in Qatar and Galveston. In conjunction with the Qatar Foundation, we selected and installed Dr. Mark Weichold as the new Dean and CEO of our branch campus in the Middle East, Texas A&M University at Qatar. Additionally, with the immeasurable support from the Qatar Foundation, we opened and occupied our new state-of-the-art engineering building and will graduate our first class of Aggies from the Qatar campus in December.

At Galveston, demand for graduates is at an all-time high, with most graduating students receiving multiple offers for high-paying jobs in the maritime industry. In addition, this fall, Texas A&M at Galveston has seen record growth in several key areas: graduate student enrollment, the Hispanic population, growth in its Corps, and the largest freshman class.

Here in College Station, we have accomplished other goals and put new ones in motion. We responded proactively to the Virginia Tech tragedy by the creation of a Task Force on Campus Emergencies and we have elevated our security and communications response to such an emergency. By the way, if you haven’t signed up for Code Maroon, our emergency quick notification system, I urge you to go to the A&M homepage and follow the LINKS TO DO SO.

I have convened a new group of leaders from Bryan-College Station and Brazos County to implement a constant dialogue about ways the University and local community can work together to continue to attract high quality faculty, staff, and students. I also have proposed to the Chancellor ways the University and The System can collaborate to create value added services at reduced cost and complexity. We have a constant focus and vigilance on high integrity, a safe workplace and a reduction of risk in everything we do.

To return to my opening comments, we must now assess how we can sustain the progress underway. As I evaluate the current balance sheet of this University as it is, the nature of progress is not sustainable with traditional resources or funding levels. We have had the planets lined up in our favor
for the past several months in the form of additional support from the Legislature, increased tuition and increased productivity on the part of our University. This will not sustain the program over the long term. We have three principal financial resources for the future: state funding, student tuition, and private gifts. Growth of funded research, along with the associated indirect cost, also will continue to contribute to a level of excellence and competitiveness in our academic programs. State support, like the Competitive Knowledge Fund and the incentive Funding Initiative, recommended by Governor Perry and adopted by the legislature; or some variant needs to be embedded permanently into the State’s funding pattern so that we have a predictable and sustainable source of support for the flagship universities of this State. Inevitably, students and parents will have to bear more of the burden. As unpopular as it may be, tuition costs will continue to rise for the foreseeable future unless additional support is provided to finance A&M’s progress. Finally, private capital must be generated. It’s not just because I’m an old fundraiser that I say this. The future of American higher education, and certainly that of Texas A&M, will depend more and more on the generosity of our friends, our graduates, and our citizens for their philanthropic support of the enterprise. And, happily, they are there and willing to help. The success of our capital campaign clearly has enhanced our reputation as well as directly benefited our quality.

In closing, I feel blessed to serve you in the interim role of President of Texas A&M University. At no time in our history have we been on such an upward trajectory of growth and success. And at no time in our history have so many others taken notice of what is happening in this place we call Aggieland. As our parents told us and as you will tell your kids and grandkids, the company you keep helps define you as a person. Ladies and gentlemen, we are in very good company, regardless of the measuring stick. U.S. News & World Report ranks us number three in the very important category of best values among public universities, and we follow only the University of North Carolina and the University of Virginia, good company. Washington Monthly ranked us number one among all national universities this year, up from fifth last year and seventh in 2005. Others who consistently joined us in that group over the period: UCLA, The University of California at Berkeley, Penn State and MIT, all good company indeed.

And so it is . . . Texas A&M University is strong. We have challenges ahead, yet we continue our progress and we continue our achievements as a major academic institution. We continue to fulfill our mission of bringing new knowledge to light; providing exceptional service to our state, nation and world; and, producing not only the next generation of contributing citizens for our country, but world citizens whose intellect is matched by their integrity, loyalty, respect, leadership and passion for serving others.

I know we all look forward to welcoming the 23rd President of Texas A&M to Aggieland as the future once again is knocking at our door. That future is endowed with challenge, opportunities and sizable dowry . . . a dowry of excellence in everything we do. As we await that arrival, let’s take a moment and enjoy our success. All of you have made it so. Thank you for all you do and have a great year!

Gig ’Em!