

THE STATE OF THE UNIVERSITY

by

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President

THE UNIVERSITY OF MONTANA
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Good morning and welcome for another year at The University of Montana, especially you who have recently joined us. We think your decision to accept our invitation manifests the same uncommon good sense we demonstrated by asking you. More importantly, we believe you will soon find confirmation that you chose well because you have come to a campus blessed by good people who care a great deal about the students and their own roles as professors, mentors, and scholars. This morning we had the opportunity to recognize and congratulate several of these dedicated people who have earned tenure and promotion. Based on what we have seen and learned about you, we expect you to settle in nicely and to keep us on track. We ask no more than the best you can do, knowing that your success will carry the University to a new level of excellence.

This year marks my 19th as a member of the administration and faculty of a fine University, my *alma mater*. It has changed a good deal since my years as a student in the early 60s, and all for the better. Nonetheless, some of its major attributes remain perennially constant. I came to the University because of the programs and the people responsible for its distinctive character, and – I admit frankly – because of the location. I believe the University continues to merit recognition for its attention to students and their achievements, the quality and responsiveness of the faculty and staff, the excellent programs, and the superb surroundings in the Garden City of Montana. I have absolutely no doubt that serving with such an outstanding group in this wonderful setting explains the tendency of faculty and staff to remain in place for a long time, despite our inability

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to compensate them as their accomplishments warrant. The resultant institutional memory combined with the creativity they bring to their work positions the University for responsive, meaningful, and sustainable change in the unending pursuit of excellence. I can assure you as well – as I have each entering group of students – nothing compares to changing your status from student to President of such a remarkable institution.

During the Summer, as I prepared a piece for publication on the history of Montana higher education, I read once again H. G. Merriam's brief work entitled The University of Montana: A History (written in 1969 and published in 1970). Merriam knew the University well, having served, albeit intermittently and in various capacities, from 1919 until his retirement in 1954, when he launched a second career as a writer and editor that ended with his death at age 96 in 1980. Michael P. Malone, former President of Montana State University and the premier historian of Montana until his untimely death in 1999, always referred to Merriam as the "dean of literary affairs in Montana." After reviewing the development of the University from 1893 to 1969, Merriam offered the following observation that holds even greater relevance for us today:

All in all, the outlook for the University is good. In the Clapp days [1921-1935], it was ready for consolidation as an undergraduate institution. It remains to be seen if it is now also ready to settle down as a graduate institution. Certainly a healthy growth in expansion, in increasing involvement with the life of the State, in the confidence of the State and Federal Governments in the ability of the faculty, and the sweep of interests which the University harbors – these are clearly evident.

The University of Montana – It Shall Prosper.

[H. G. Merriam, The University of Montana: A History (Missoula: University of Montana Press, 1970), pp. 181-2.]

I will return to Merriam's theme and explain my comment about relevance a bit later.

INTRODUCTIONS

As usual, I have the pleasure at the time to introduce new members of the University's administrative team. Some of these individuals assumed their positions during the last year, and others will arrive during the coming year, but today provides the occasion to introduce them formally to the campus community.

Dean Perry Brown, College of Forestry and Conservation, has agreed to serve a two-year appointment as **Interim Associate Provost for Graduate Education**. In this role, Perry will provide the expertise and leadership to develop and grow the University's graduate programs, transforming our approach to graduate education and strengthening our status as a graduate institution. **Dr. Jim Burchfield**, currently **Associate Dean**, will serve as **Interim Dean of the College of Forestry and Conservation** during this period.

Christopher Comer has accepted our invitation to become the new **Dean of the College of Arts and Sciences** and will arrive on campus to begin his duties in January 2009. A biologist by training, Dr. Comer comes to us from the University of Illinois in Chicago where he served as Dean of the College of Arts and Sciences and Professor of Biological Science. He brings an outstanding record of leadership in teaching, research, and service, and we welcome him to lead the College into the future. Until Dr. Comer arrives on campus, **Dean Emeritus Jerry Fetz**, who retired this past Summer but now begins a post-retirement appointment, will remain with the College as **Dean**.

Stephen Kalm, Chair of the Department of Music, will serve as **Interim Dean of the School of Fine Arts** while we conduct a national search to replace Shirley Howell who retired last Spring. Stephen comes to the role on the nomination of his peers in the School, and he knows the School and the University well.

Vernon Grund, former **Chair of the Department of Biomedical and Pharmaceutical Sciences**, has assumed the position as **Associate Dean for Research and Graduate**

Education of the College of Health Professions and Biomedical Sciences. Dr. Grund's duties will include providing administrative support for the College's interdisciplinary research and graduate programs and coordinating the activities to nurture economic development stimulated by the College's programs.

Alan Fugleberg will assume the position as **Associate Dean of the College of Technology**. An alumnus who earned all three of his degrees from the University, and who most recently served as the Marketing and Recruitment Coordinator in Enrollment Services, Alan reports for duty with the College on 1 September 2008.

Rob Gannon has joined the Office of Academic Affairs as the **Director of Academic Budgets and Personnel**. As demonstrated by an excellent record of service in previous roles – **Director of Human Resource Services** and **Interim Director of Equal Opportunity and Affirmative Action** – Rob brings a strong background of expertise and rich experience that will serve the University well.

Associate Professor Kate Shanley, Department of Native American Studies, has a new role as **Special Assistant to the Provost** to work with entities across campus to develop a comprehensive strategic plan for Native American programming for incorporation into the Academic Strategic Plan. Professor Shanley will also coordinate the appropriate use of the Native American Center scheduled to begin construction this Fall, and will participate in the University outreach to the Native American communities in Montana and the region.

Jeanne Loftus has become **Assistant Director for Faculty Exchange** in the Office of International Programs. She will work closely with the International Committee in managing the University's partnerships and assist scholars and faculty with their exchanges.

Lucy France, formerly a partner with Garlington, Lohn, and Robinson specializing in employment law, joined us as **Director of Equal Opportunity and Affirmative Action** in May. A UM alum and the daughter of Tony Rudbach who served this University well until his untimely death, Lucy brings an excellent foundation of knowledge and skill combined with contagious enthusiasm to her new role at the University.

Becky Garner joined the Montana Museum of Art and Culture as the **Programs and Publications Coordinator**. Her program experience with the Rocky Mountain School of Photography and editorial association with publishing houses in the Midwest make her an excellent choice at this exciting time in the Museum's history.

Fredricka Hunter, an outstanding alumna of The University of Montana, returned to campus at the end of July to the position as **Director of American Indian Student Services**. A successful graduate herself, Fredricka comes to her Director's role with a depth of understanding of Montana Indians and tribal cultures, personal experience as a student on this campus, and a strongly held commitment to improving educational opportunities in Montana for Native American students.

Murray Pierce assumed the role of **Special Assistant for Mentoring Programs to the Vice President for Student Affairs** in December last year. Murray will focus his efforts on mentoring the students and fostering social connections on campus and in the community to enhance student success by fostering an intellectually, culturally, and socially diverse educational community, and promoting a campus enriched by the contributions and full participation of people from different backgrounds

Arriving this past January from Stillwater, Oklahoma, **Jan Madole** assumed the position as **Director of the Office of Research and Sponsored Programs**. She brings over two decades of valuable research administration experience and has earned national acclaim for her educational outreach in the profession.

A Montana native, educated at Montana State University, **Dana Wier** recently joined the executive team of the UM Foundation as the **Vice President for Marketing and Communications**. Dana spent a number of years with the University of Arizona Foundation and brings an exciting level of expertise to the Foundation.

Please join me in a round of applause as we welcome these people to their new roles.

PROPECTS FOR THE FUTURE

When I spoke last year on this occasion, I stressed the significance of the College Affordability Plan (CAP) proposed by the Governor, endorsed by the Board of Regents, and approved by the Montana Legislature during the 2007 Session. For the first time in my years of service, the State of Montana found a way to freeze resident tuition for two years to help Montanans meet the cost of college, an increasingly necessary investment for all who wish to thrive in today's rapidly changing global society. That outcome became possible because of the commitment and determination of the Governor, Legislature, and Regents, supported financially by a favorable economic environment, and by the willingness of the faculty and staff to rally behind the effort. We recognize that continuance of the CAP will depend on the persistence of political support and favorable economic prospects. The University System enjoys broad public support – as evidenced in the ongoing political campaigns and by the generally positive response to the effort to persuade the voters to support the Six Mill Levy approved every ten years since 1948 to support the Montana University System – but the economic environment – still quite good relative to national and international turbulence – has become somewhat less favorable. It appears now that the voting public will approve the Six Mill Levy again in November, since doing so does not involve a new tax. However, because of changing economic conditions, the Legislature meeting in January 2009 will probably not have the largess enjoyed in January 2007 to respond to budget requests for the coming biennium.

In anticipation of a more constrained State budget within a System expenditure environment of energy and other escalating costs fueled by external drivers, the Board of Regents has alerted the public at large to the possible need for resident and nonresident tuition increases during the 2011 biennium to maintain the responsiveness and quality of the education. Much as we all support the resident tuition freeze because of its obvious benefits and the need for it to promote access, we also know that quality matters. Since at least 1990, the Regents have consistently supported access **AND** quality, refusing to make the counterproductive choice of one over the other. Any sensible person wants access to something worthwhile, always asking access to what? As a society, we can choose from among a variety of ways to assure access, ranging from no or low tuition to adequate financial assistance for those without the means to pay. Decisions taken years ago have drastically modified some of those options. Montana public higher education no longer offers low tuition as the means to assure access, as it once did. In recent years, the Governor and Regents have emphasized the role of State-funded financial aid to supplement available but still inadequate federal and donated funds. In my view, we need a smart approach to assure continued access to higher education of high quality in Montana.

I will expand a bit on this point, with your indulgence. In a provocative article published in Change Magazine [Clifford Adelman, “Do We Really Have a College Access Problem?” Change Magazine (August 2007), Clifford Adelman challenged the claim of a “College Access Problem” in the United States. As he said, our definitions shape what we see. If access refers to the ability to get through the college door shortly after graduation from high school – “threshold access” in Adelman’s definition – then this country does not have anything close to a crisis. He demonstrates that nearly 80 percent of graduating seniors nationally enter college immediately upon or within a year of high school graduation. Nonetheless, he concedes that we do have an access problem, one he defines as “participation access.” In Adelman’s terms, “participation access” refers to the benefits matriculants actually realize through the learning opportunities afforded by “threshold access.” As a relevant statistic pertinent to a “participation access” crisis,

Adelman notes that fully 90 percent of first-time matriculants enroll at some college or university at some time for a second year. However, more than 1/3rd of these students enter the second year with less than 20 credits earned, either because of withdrawals or academic failures, and some 3/4th of them do not earn credentials of any kind by age 27. Here, according to Adelman, we find the real crisis in this country. While lack of money to pay for college explains a substantial number of failures to earn certificates or degrees, inadequate academic preparation combined with the resultant poor academic performance during the initial year of college account for the largest portion. Geography also makes a difference in the outcome, as I will explain.

To gain some insight concerning the role of money versus preparation in “threshold access,” Tom Mortenson recently reviewed the percentage of overall enrollments accounted for by students from families with low incomes in all the states and the District of Columbia. [Thomas G. Mortenson, “College Participation Rates for Students from Low Income Families by State: FY 1993 to FY 2006,” Postsecondary Education OPPORTUNITY (No. 188; Feb. 2008): 1-12, at p. 8]. Interestingly and perhaps counter-intuitively, Montana ranked 13th among the 50 states and DC in 2006 for the college participation rate of low income students (29.1% compared to the national average of 23.8%) [*Ibid*, p. 1]. That relatively high ranking probably indicates that more Montana families have lower family incomes than families in most other states. Ominously, however, Montana also registered one of the largest declines in the low income participation rate between 1999 and 2006, a loss of more than 12 percentage points. Thus, changing circumstances have taken a heavy toll on the participation of low income students in Montana and certain other states, while some states, specifically those making investments in their higher education systems, have done better. Given existing and projected economic conditions, it behooves us in Montana to pay close attention to this emergent trend and these outcomes.

Adelman’s argument concerning the role of inadequate academic preparation and poor first-year academic performance helps us to understand why only 18 out of 100 entering

high school freshmen manage to attain certificates or degrees within 10 years, and the majority never do. [See William E. Kirwan, “Erasing the Education Deficit,” The Presidency 9 (# 1; Winter 2006), *passim*, 16-22, at 16.] This abysmal indication of a “participation crisis” explains why the United States has fallen from world leadership to below 8th in the percentage of young adults having some level of postsecondary attainment, with the trend line clearly pointing toward further decline by the decade of the 20s barring immediate action. [Jane V. Wellman, Donna M. Desrochers, and Colleen M. Lenihan, *The Growing Imbalance: Recent trends in U. S. postsecondary education finance* (Washington, D.C., Delta Project, 2008), p. 9, referencing OECD reports.] Why did this happen? In large measure because we, as a society, paid insufficient attention to our future. We neglected to make certain that young people have what they need in terms of preparation and motivation for success in education. Recently William Bowen – a noted economist and student of higher education, currently Senior Research Associate at the Mellon Foundation, former President of the Mellon Foundation, and former President of Princeton University – found in his studies seeking to identify the best predictor of success in college – incidentally he concluded that ACT and SAT scores predict only that some people take tests well – that academic performance during the eighth grade – meaning grades earned – serves better than any other indicator, except strength of curriculum and academic performance in high school.

The State of Montana mirrors the national trend, with the prospects even more dim than for all but three of the other states because of the impending 17 to 20 percent decline in the annual cohort of graduating high school seniors between now and the middle of the next decade. [The Office of the Commissioner of Higher Education, “Emerging Issues and Trend,” Board of Regents Planning Session, Great Falls, 11 July 2007; and Western Interstate Commission on Higher Education, Knocking at the College Door: Projections of High School Graduates by State and Race/Ethnicity, 1992-2022 (Boulder, CO: WICHE, March 2008), *passim.*, esp. p. 12.] As a society, we stand on the brink of losing a generation of talent which we can ill afford to lose. In addition, we know with certainty that unless we somehow increase the percentage of the graduating seniors who opt for

college – now about 55 to 57 percent – the Montana University System will experience considerable enrollment and thus budget volatility and inevitable decline during the next decade. After about 2020, the cohort group will rebound, and conditions will ease. During the interim, however, I see no indication that Montana policy-makers will reconsider the enrollment-driven funding basis for public higher education, nor do I know of any evidence suggesting robust enrollments on the campuses of the System *without* focused action by the Regents and the campuses themselves. So what do we do? What can we do that satisfies the criteria for a smart approach to State investments for the future, institutional planning and budgeting, tuition setting, and student financial assistance within this nearly perfect storm of dire trends and projections?

THE BIENNIAL BUDGET REQUEST

In my view, the biennial budget request under consideration by the Regents for inclusion in the Executive Budget Proposal satisfies most of the criteria defining a smart approach. The request straightforwardly starts with a stated preference for continuance of the resident tuition freeze, with General Fund appropriations sufficient to cover at least the present law adjustments, a budgeting term for inflationary increases required for the delivery of current services. However, the request nonetheless contemplates reasonable tuition increases to maintain quality if required by the pressure on available State funds to satisfy the critical needs in other State services. Assuming continuation of the CAP, a System budget adjusted for delivery of current services during the next biennium will require more than \$60 million in increased State appropriations, including funds for salary increases estimated at 4 percent. That budget will also require at least a 2 percent tuition increase for nonresidents, since nonresidents must pay the added incremental cost of the education provided.

A System budget adjusted for current services and some System initiatives will in all likelihood exhaust the State funds realistically available, thus requiring revenue from an additional tuition increase for all students, above the 2 percent already required for

nonresidents, with the possible exception of students enrolled in the Colleges of Technology, to finance campus initiatives responsive to the challenges described earlier and to assist the campuses to respond to the educational needs of the State and its people during the coming biennium. The total tuition increase required probably falls in the range of 3-5 percent for residents and 5-7 percent for non-residents.

If approved, this approach will generate a System budget resulting from the State investment and some strategic tuition increases to position the campuses to respond to emerging needs by providing for:

- Present Law Adjustments and a reasonable pay plan for all employees.
- A pool of funds over and above the pay plan to begin strategically to address critical salary problems on the campuses during the next two years. The Regents identified this increasingly serious issue last year, a challenge likely to require a response over several biennia because of its magnitude.
- Two pools of funds to address the enrollment challenges of the next few years.
 1. One pool to fund financial aid targeted to the 2-year and 4-year colleges to persuade perspective students to consider initial matriculation on a campus other than the ones in Missoula and Bozeman, without mandating where students go, but with the intent of sustaining steady enrollments on those campuses by incentivizing more of the declining cohort group to attend college.
 2. A second pool to support increased doctoral student enrollments on the Missoula and Bozeman campuses in place of the undergraduate students who opt to go elsewhere, and to promote economic development in the State. A recent Council of Graduate Schools study reported that every additional 1.0 percent increase in graduate enrollments resulted in a 0.7 percent surge in economic activity. [Ting Zhang, “Data Sources: Graduate Education and Regional Economic Growth,” Council of Graduate Schools Communicator 40 (#6; July 2007): 1-8, at 4.]

- Funds to invest in 2-year programs, an understandable and widely supported priority of the State and the Regents.
- Funds to invest in the primary health care workforce, specifically additional WWAMI slots for Montana residents to attend medical school.
- Funds for the campuses of the two Universities and the Community Colleges to implement campus-specific initiatives to maintain and enhance quality, responsiveness, and student success. The initiatives vary by campus, recognizing that one size does not fit all because of differing campus conditions and needs.
- Finally, Present Law Adjustments and the same pay plan for the associated agencies – i.e., the Forest and Conservation Experiment Station and the like – and limited funding for new projects related to emerging and unfilled needs.

In addition to these base or ongoing increases, the Regents have under consideration a number of one-time-only appropriations for special projects that do not require ongoing support. While all have merit, I will mention only the one proposed by Provost Royce Engstrom for The University of Montana to collaborate with a dozen or more willing school districts, the Office of the Commissioner of Higher Education, the Office of Public Instruction, and the Governor's Office for a pilot study focused on student course choices in high school, curricular alignment between high schools and colleges, teaching methods, outcomes assessment, admission scores and placements, and student performance during the first year of college. The study will look closely at a range of factors to identify the most promising predictors of and ways to assure college success. While my description hardly does justice to the project, I trust you can appreciate its significance as we seek to address the challenge of reclaiming educational leadership for the United States and Montana in an increasingly competitive global society.

The Regents also submitted a list of priorities for renovation of existing facilities and construction of new buildings that will require some \$90 million, if all receive funding. While the total sounds high, the Governor has indicated a willingness to consider a bonding program this Session, thus allowing the possible inclusion of more projects, but

final decisions await the actions of the Legislature. The Regents assigned highest priority to deferred maintenance and code compliance problems, and also attended closely to the energy conservation imperative identified by the Governor in his 20x10 initiative. All campuses have high stakes in this important program, and all have launched responsive efforts to realize the conservation goal. Within the prioritized list of projects, a new and consolidated facility for the College of Technology on the South Campus – leaving only the heavy equipment and diesel programs on the Fort Missoula Campus – ranks first of all new facilities. I regard the ranking timely and certainly deserved. The College has grown programs and enrollments dramatically during the last ten years to become the largest of the five Colleges of Technology and must have appropriate facilities to continue to serve very real needs in the Missoula region and across the State. We have also requested, with Regental endorsement, some modest State assistance to finish out one of the five floors of the new Interdisciplinary Science Building funded by the University and students. The building program proposed by the Regents nicely complements the proposed operational budgets.

In my view, this biennial request responds to all the situational factors and trends I discussed earlier. If successful, it has the potential to transform what looms before us as threats into opportunities. I will now return to my earlier comment that Merriam's theme concerning The University of Montana in 1969 has even more relevance for Montana higher education in the 21st century.

A PROMISING FUTURE

As we scan the horizon and identify the threats and opportunities, we do so from a position much improved by the loyalty and generosity of friends and alumni of The University of Montana inside and outside of the State, as evidenced by the successful campaign we closed on 31 December 2007. Most people know generally of the campaign, and a good number helped to celebrate victory last May, just prior to Commencement. However, I will extend again our collective appreciation to our friends

and alumni who participated in the effort – some 30,000 people, 13,000 donating for the first time, with alumni accounting for more than half of the donors. As a result, the University has hundreds of additional scholarships for students and more endowed chairs and professorships, endowed programs, program support, and state-of-the-art facilities to support students and faculty in the future. Because of the \$131 million raised directly in response to requests, and another \$41 million from private donors and foundations that did not come directly in response to specific campaign requests, this University has \$172 million reasons to express deep gratitude and profound appreciation. The record outpouring of support positions this institution well for the 21st Century. The timing strikes me as fortuitous, for we have some serious challenges before us.

As mentioned earlier, Montana and three other states will experience steep declines in the number of graduating high school seniors during the coming years, amounting to some 17 to 20 percent by the middle of the next decade. However, that decline need not result in further erosion in the educational attainment of the adult population of the State. Proactive public policy and renewed effort within the Montana University System can make a difference. Raising the college participation rate of graduating seniors from 55 to 68 percent – the average in developed nations that have surpassed the United States in the educational attainment of their citizens – will help to assure steady enrollments, while stronger campus efforts to enhance retention and graduation rates will in a short period raise the percentage of adults with college certificates or degrees. Success in this worthy effort will require more funds for financial assistance directed to potential students who lack the resources to consider college. As mentioned earlier, it makes sense to provide incentives for the declining number of potential students to consider first-time matriculation at a campus other than those in Bozeman and Missoula, thereby allowing those two campuses to devote more attention to serving transfer and graduate students. In all likelihood, some aspiring students with plans already in mind about where to go will consider other campuses in response to the incentives. However, we must simultaneously assure curricular alignment between high school and college and a robust outcomes assessment program to evaluate the attainment of identified and needed

competencies, skills, and understandings to assure “participation access,” using Adelman’s terms. Money and academic preparedness can and will make a difference, but will not suffice by themselves to change the gloomy prospects.

Thus, we must extend the focus beyond money and academic preparation. As Adelman cautioned, academic performance during the initial year of matriculation rivals academic preparedness and money in its effect upon success in college. We must have programs and procedures to enhance student success on all the campuses if we hope to raise the percentage of entering freshmen who ultimately earn certificates or degrees. The campus initiatives proposed by all but one of the campuses include projects to promote student success. As the lone exception, The University of Montana, Missoula, will reallocate more than \$2 million over the biennium for this purpose. In order to demonstrate the seriousness of the commitment, each campus must set some benchmarks relating to retention and persistence to graduation and report publicly on progress annually during the next few years. During the coming year, we will establish those benchmarks and begin reporting progress for The University of Montana campuses. We must do so whether or not we succeed with the requested budget initiatives because failure to act threatens our societal future.

Slowing the loss of talent to other colleges and universities and raising the morale of the current faculty and staff by beginning strategically to address critical salary issues will infuse the campuses with renewed spirit and energy. Recognizing and enhancing lean operating expense budgets, responding to the rapidly rising costs of access to books, periodicals, and information in other formats (either physically or electronically), and identifying the real costs of using modern technology to improve the quality and responsiveness of the education we provide will extend the System resources to meet the emerging and lifelong learning needs of Montanans wherever they reside in the State. We have known for some years of the need to develop an information transport system in Montana allowing the campuses to penetrate every community across the State. With the collaborative Montana Education and Research Network – perhaps better known as the

Northern Tier Network – responsive distance education can become a reality, not just a portal of information, for all Montanans. Given the resources, the System campuses can and will respond.

Taking steps to recognize the valuable contributions of doctoral students to the economic development of the State – by 1) increasing stipends to competitive levels and 2) treating graduate assistants as employees and thus residents for tuition purposes – will allow a needed and highly beneficial increase in the number of students enrolled in doctoral programs on the two campuses in Missoula and Bozeman. Montana currently ranks as the second highest producer of doctoral graduates among its regional peers, but has the second lowest enrollment of doctoral students. These data points underscore our efficiency and effectiveness at the doctoral level. With modest funding increments over the next few years, the two Universities can take advantage of this efficiency in doctoral productivity. In turn, the two Universities will have the means to increase research activities, thus raising the volume of dollars attracted to the State and the number of good-paying jobs stimulated. Of equal importance, the increased numbers of doctoral students will alter the level of intellectual engagement on the campuses, for undergraduate students and the campus community in general, and in Montana society generally. Educating more of these doctoral students will result in more creative and entrepreneurial activity in the State and region, as they carry the intellectual property developed on and owned by the campuses but licensed to the spin-off companies they help to form to introduce the technology or product into the commercial arena.

What will this mean for the Missoula campus? In my view, such a prospect involves a gradual shift in the mix of enrollments between undergraduate and graduate students and between undergraduates who begin as freshman and those who transfer. If implemented on a phased schedule, the strategy has the potential to lift the present enrollment of 14,000 students to 15,500 or 16,000 by the middle of the next decade, with virtually all of the growth in graduate and transfer students. The number of entering resident freshmen students will decline modestly, with more students coming as sophomores, juniors,

seniors, and graduate students after success on the other campuses. Graduate enrollments will rise to roughly 25-30 percent of the total, accounting for 4,000-5,000 students by 2016. At the same time, the number of doctoral programs will increase gradually as identified need, resources, and potential return on investment indicate. The increase of graduate and transfer students will compensate for any loss of first-time undergraduates resulting from the targeted financial aid programs for the other campuses.

Clearly, success in implementing the proposed initiatives promises an apt resolution of the issue that has plagued the Montana University System since the founding in the early 1890s. Policy makers and implementers as well as scholars have worried this issue unceasingly over the years. As Michael Malone concluded in his history of Montana, echoing earlier critics and perhaps reinforcing later ones, the original decision to distribute campuses around the State culminated in rampant, seemingly uncontrollable competition – virtual “guerilla warfare” – in an insatiable quest for students and resources that resulted in an under-funded and struggling array of campuses that the State of Montana finds it difficult to support. [Michael P. Malone, Richard B. Roeder, and William L. Lang, Montana: A History of Two Centuries (Rev. Ed.; Seattle & London: University of Washington Press, 1991), pp. 361-6.] However, rejecting the counsel of the critics, the policy makers over the years have sustained the distributed approach, emphasizing the value and prudence of responsiveness to local concerns. Success with the proposed initiatives will open a new era in the context of the radically different conditions of the 21st century. With the assistance of modern information technology and new delivery media, we can reaffirm and demonstrate the long-term prudence of a decision taken a century ago to balance local and State interests, rendering the past as prologue to the future. Success will also provide an affirmative answer to Merriam’s query in 1969: Is The University of Montana ready to assume its place as a graduate research university? In my view, the record of achievement during the last few years, combined with a renewed commitment to respond to emerging needs in Montana, warrant a positive response, echoing Merriam’s closing words: “The University of Montana – It Shall Prosper!”

PRIORITIES FOR THE YEAR

For 18 years, I have used this occasion to outline the priorities for the coming year. The odd numbered years typically involve fewer projects because of the demands of a Legislative Session. For FY 2009, we also have several tasks associated with some rapidly approaching deadlines that will constrain us even more. Finally, the critical importance of our success in reaching agreement among the stakeholders about the strategic direction of the Montana University System during the next decade will necessitate that we concentrate on that challenge before launching very many new initiatives. The following list includes the priorities as I see them.

1. Deliver the courses and programs at the level of quality that will satisfy the students who accept our invitation to enroll, whether on or off campus, using the delivery medium appropriate to the identified needs. That means making certain we offer the courses needed at times that make sense, including online offerings, and taught by qualified faculty. Success also includes **full implementation** of the transfer policies adopted more than a year ago by the Regents.
2. Over the coming year, implement the Plan for Student Success which includes advising, retention, and recruitment programs with appropriate benchmarks to demonstrate progress toward goals and looks toward assuring a successful initial year for entering freshman and addressing the needs of sophomores and upper division students.
3. From September through early November, participate actively in the educational process to assure that the public has all the necessary information to consider approval of the Six Mill Levy for the support of the Montana University System in the November General Election.
4. Over the coming months, interact as frequently and extensively as possible with the members of the Schweitzer Administration and the Legislature to provide

information about and advocacy for the System budget request and any special higher education initiatives.

5. Develop and secure endorsement by the Regents of a revised approach to undergraduate admissions on the Missoula campus involving strategic enrollment management to achieve enrollment goals associated with increased transfer and graduate student numbers.
6. Complete and implement the redesign of the home pages of the University for user convenience and relevance by November 2008.
7. By May 2009, complete the time-sensitive fund raising projects remaining from the successful campaign that ended on 31 December 2007.
8. By May 2009, complete all but the final draft of the Self Study required for the accreditation visit by the Northwest Commission on Colleges and Universities scheduled for Spring 2010.
9. By May 2009, complete the Academic Strategic Planning Process and present a plan for consideration, approval, and implementation.
10. By May 2009, complete the process for the formal approval and establishment of the Hamilton Higher Education Center.
11. During the coming year, complete the electronic transcript project in collaboration with the Office of the Commissioner of Higher Education, the Office of Public Instruction, the Governor's Office, selected campuses, and selected high school districts.
12. During the coming year, initiate the collaborative project involving The University of Montana, Montana State University, the Office of the Commissioner of Higher Education, the Superintendent of Public Instruction, the Governor's Office, and selected other stakeholders to increase the number of science and math teachers in the State.
13. Finally, maintain and expand the Campus Sustainability Program to reduce the emission of green house gases, complete with appropriate academic programming, and assure its alignment with the Governor's 20X10 energy use initiative.

CLOSING

In many respects, 2008-2009 shapes up as a year of significant change, challenge, and opportunity for the Montana University System and The University of Montana. As mentioned, much hangs in the balance depending on our success in the Six Mill Levy Campaign and the Legislative Session, and on the energy and resources devoted to address the identified priorities during the coming year. The longer term outlook will become clear as we learn incrementally what we have achieved by year-end. As I view current trends and likely developments, I find myself in agreement with Merriam's 1969 statement that the prospects appear bright and certainly encouraging.

The University of Montana benefits from a talented, world-class, and dedicated faculty, continues to attract more outstanding students every year, manages despite financial disincentives to retain a committed and highly capable staff, and views itself as the graduate research university Merriam envisioned in 1969. As an engaged participant, I have experienced and at times marveled at this maturational drama since August 1990, very much honored and gratified by my relatively minor part in it. I do not make this comment with false modesty. Presidents and students come and go, but faculty and staff remain. I pledge, however, to do all I can to contribute. In doing so, I look forward to working with you as we address the challenges before us.

At this time, I take pride in introducing our new 90 second "UM Lifestyles" video designed to inform the public about the University, the opportunities available to students, and the environment. It has already begun to appear on television screens around the State and country.

For now, have a good, productive year and enjoy it as you do. Thank you.