We begin this year while living with the consequences of the worst budget cuts in Rutgers history. Rutgers-Newark has been forced to lay off 43 staff members, leave seven staff positions vacant, and reduce nine staff employees from 12-month to 10-month positions. Administrative units have taken the largest share of the cuts, but academic programs could not be spared. We were forced to cancel 12 faculty searches, and could not offer positions to 33 faculty working on one-year contracts. We have cancelled 140 class sections, and reduced operating hours of the library and various offices that serve students.

In light of these cuts, many would assume that the state of the campus must be bad – but they would be wrong. Despite the budget cuts, very exciting things are going on, and the outlook for the next few years is encouraging. Rutgers is a great university, and it will not disappear. We simply cannot give up, whatever short-term pain we are feeling; we must continue to build for the future.

Rutgers-Newark possesses exceptional assets. We are located in the downtown of New Jersey’s largest and most important city, surrounded by corporate headquarters and businesses, government agencies and courts, law firms, arts institutions, hospitals and health care agencies, the state’s preeminent newspaper, social service agencies, the state’s largest urban public school system, and so much more. We sit only 10 miles and a 15-minute train ride from Manhattan, arguably the most important center of global commerce and governance anywhere. Our student body is extraordinarily diverse, comprising students from every corner of the globe. And we are an integral part of one of the nation’s top research universities, with a first-rank faculty of leading scholars.

Let’s review the major developments on campus of the last year, many of which illustrate how we are building on these assets:

- For the 10th year in a row, *U.S. News and World Report* has ranked us first in diversity among national universities, and *U.S. News* has only done diversity rankings for 10 years;
- We opened University Square, our newest residence hall, in August, doubling our residential population;
- We have had a dramatic increase in the enrollment of new first-year students;
- In June, the Board of Governors established the School of Public Affairs and Administration, the first new school at Rutgers-Newark since the School of Criminal Justice was established in 1972;
- The new Division of Global Affairs has taken shape with the establishment of a core faculty;
- We have purchased 11 floors of One Washington Park as the new home of our business school;
- We are undergoing significant transition in key leadership positions; Dean Tuckman has left the Rutgers Business School, and School of
Criminal Justice Dean Leslie Kennedy and Faculty of Arts and Sciences Dean Ned Kirby plan to return to faculty in July 2007;
- We have a dynamic new administration in the City of Newark.

I can’t discuss our leadership changes without first acknowledging the splendid contributions that Deans Kennedy and Kirby have made, and are continuing to make, to Rutgers-Newark. They deserve our gratitude and admiration.

I realize that changes in stable leadership always create anxieties, especially, in this case, combined with the stresses of the budget cuts. But I look at leadership changes as opportunities to bring fresh ideas and energy into an institution, as I hope you will.

The search committee for a new Business School dean, under the leadership of School of Public Affairs and Administration Dean Marc Holzer, has screened several excellent candidates and is still at work, while Rosa Oppenheim is providing superb leadership as Acting Dean. Search committees for Arts and Sciences and Criminal Justice are being chaired, respectively, by Dean Kennedy and Professor Richard Langhorne.

As we celebrate our No. 1 ranking in diversity for 10 years in a row, we need to do a better job of explaining why this is so important. U.S. News separates its rankings for educational quality from those for diversity, as if diversity is disconnected from academic quality. This is unfortunate, since even the U.S. Supreme Court, in recent affirmative action cases, has recognized that diversity enhances educational quality. The presence of students from many different national, ethnic, religious and racial backgrounds presents all sorts of educational opportunities, and a project headed by Dr. John Gunkel recently encouraged faculty to use classroom diversity as a teaching tool. For instance, faculty in management courses had students prepare global venture proposals, drawing upon students’ different cultural backgrounds in considering how these business ventures would fare in different parts of the globe. Social science students undertook numerous ethnographic and oral history assignments, working through their families, communities and their own ethnic neighborhoods. Students of Professor Tim Raphael in Visual and Performing Arts conducted oral histories of relatives and friends; they then created a fascinating theatre production on issues of immigration and ethnic identity entitled “Something to Declare.”

But it is not just the Provost and some enthusiastic faculty who believe that diversity is a unique asset and a competitive advantage in providing a quality education; our students also tell us that. Each year, graduating seniors complete a questionnaire about their Rutgers experiences. The final question is, “Would you recommend Rutgers-Newark to someone else, and if so, why?” Ninety percent say they would recommend Rutgers-Newark, and many cite the diversity of the campus as their reason, saying that they had learned a great deal from our diverse student body.

Alumni echo that. At our second annual alumni homecoming brunch, a 2003 graduate, Amit Rijhsinghani, spoke about his experiences at Merrill Lynch, where he has risen to an assistant vice president. He credited his success in part to the academic rigor of his courses, but even more to his ability to interact with people from cultures across the world – something he learned at R-N. Merrill Lynch has given him more and more assignments abroad because of this ability, according to Amit, and, he reported, the
company considers Rutgers-Newark a prime source of employees well-qualified to function in a global world.

Our faculty, however, is not nearly as diverse as our student body. President McCormick and I have both asked faculty to make special efforts to appoint individuals who add to the diversity of academic departments and schools. We continue to make progress: of the 16 new tenure-track, tenured or clinical faculty who joined us this academic year, six are Asian-American, five are white, three are African-American and two are Hispanic. Nine are women and seven are men.

A number of new academic programs build upon our strengths and the opportunities of our location. The new School of Public Affairs and Administration launched a certificate program and MPA concentration in school administration, linking our excellent programs in public administration to the needs of urban schools. The school also is working with various humanities and social science departments to develop a new undergraduate major in public service, the first of its kind in New Jersey. This will give the school, which now offers exclusively graduate programs, an important role in undergraduate education.

Under the leadership of Professor Jayne Anne Phillips, a new MFA in writing will be launched next fall, while the College of Nursing is initiating a new Doctorate in Nursing Practice, a non-research doctorate for practitioners. The Business School is starting a Master in Information Technology as a feeder program to the Ph.D.; the Law School is implementing significant academic improvements following a thorough and sophisticated reaccreditation self-study. The opening of our new life science building has strengthened laboratory instruction and faculty and student research in chemistry and cell and molecular biology.

We are also making major improvements in undergraduate education. A thorough and perceptive report was recently completed by an FAS-N committee chaired by Professor John Sheridan. In short, the report:

- Outlines competencies that students should achieve through a revised general education core;
- Recommends ways to use technology more effectively;
- Suggests how campus life can be strengthened to enhance undergraduate learning, discussing ways to increase faculty engagement in undergraduate education;
- Recommends how to improve faculty teaching evaluations.

After FAS-N holds public hearings on the report, I will appoint a campus-wide committee to implement its findings. Why a campus-wide group? Undergraduate education once was nearly the sole responsibility of the arts and sciences faculty, but today it engages almost all of our colleges and our student life staff. Forty-eight percent of undergraduate majors are in arts and sciences departments, 31 percent in business, 13 percent in nursing and 8 percent in criminal justice; the School of Public Affairs and Administration will also be launching an undergraduate program. Arts and science faculty will continue to have exclusive responsibility for teaching core general education courses.

The growth of our residential population has meant increased opportunities for building living/learning communities that link residence life to our undergraduate
academic programs. With the opening of University Square, our residence halls now include academic clusters of Honors College students, academic transition program students, and transfer students; a health programs floor (with the College of Nursing), a criminal justice floor (with the School of Criminal Justice), a Renaissance floor emphasizing the arts, a wellness floor (in collaboration with the campus health services) and a leadership floor (in collaboration with the Office of Student Life and Leadership).

Our student life offices have also made great strides toward our goal of creating a vibrant 24/7 community on campus and in the surrounding neighborhood. Student groups are deeply engaged in community service in the city of Newark. We have created a 24-hour study lounge, brought Starbucks and Quiznos to the Paul Robeson Campus Center, provided student discounts for performances at the New Jersey Performing Arts Center, increased the number of campus dances, parties, films and special events, and initiated midnight swims. Student life staff members are working on a student ID retail program and other projects to connect our students with a revitalizing campus neighborhood.

Word of our increasingly appealing campus and its neighborhood is spreading. For many years, campus enrollments were hurt by Newark’s negative image. But the changing reputation of the city, the beautification of the campus over the last several years, and our efforts to market the academic advantages of our location, our diversity, and our distinguished faculty, are now being reflected in enrollments. We enrolled 700 first year full-time students this fall, compared with 513 last fall. Our Honors College enrollment has increased steadily from 179 in 1999 to 414 today.

I want to acknowledge the excellent work done in the last year by our new Director of Admissions, Jason Hand, who is proving very effective in getting our message out.

We are still not getting as many applicants as we would like from high school students from Newark, Irvington, Orange and other nearby jurisdictions, although we do get large numbers of these students as transfers from Essex County College. Through a program initiated by Vice Provost Marcia Brown, we send Rutgers-Newark student ambassadors -- who themselves come from inner city communities -- into every Newark high school. We need to redouble our efforts to attract capable students from this community.

One of the very exciting developments on our campus is the growth of our residential population. I am delighted to report that University Square is 96 percent occupied, and our overall campus housing occupancy is 92 percent. This is a remarkable achievement for a year in which we doubled our housing capacity, and it shows how strong the demand is for campus housing. We have proposals from four developers to convert 15 Washington Street (the old Law School building) to graduate student apartments, in a public-private partnership. We are also getting into the retail business, under the leadership of Executive Vice Provost Gene Vincenti. University Square will include a Subway and several other stores at street level. We have also renovated storefronts in Parking Deck II facing Halsey Street and Central Avenue, and are working to fill them. Retail space is critical for a lively streetscape and a 24/7 neighborhood.

In September we closed on our acquisition of 11 floors of One Washington Park as the new home of our business school. The Business School will move into a state-of-the-art facility with advanced technology and room for future
expansion in shelled space. This is a project we have been working on for nearly three
years. It is being financed by an $18 million appropriation last year by the state, given to
us because this project will spur further economic development on the north side of
downtown. The project will also receive approximately $7 million to $10 million in
federal support through new market tax credits, which support redevelopment in
designated urban areas. We hope to raise a substantial part of the remaining costs from
private donors through a building campaign, and Rutgers will bond the rest of the funds.

Rutgers already owns significant property adjacent to this site, including 15
Washington Street, where we plan graduate student apartments. We also own property
behind 15 Washington, between Essex Street and University Avenue, where we have
very preliminary plans (but no funding) for a mixed-use development that could include
street-level retail, parking, and market-rate or faculty housing. Such a project would
likely involve a collaboration with the Newark Public Library, and possibly also with the
Newark Museum. Two Rutgers-owned lots on Orange Street also are envisioned as
student housing in the university’s master plan.

The move of the business school will open up significant space for growth on the
older part of the campus. This is an extraordinary development; it is not often that an
urban university can add 280,000 square feet to its facilities in a downtown where
property values are escalating dramatically. Because this expansion of space is so
exceptional, I have asked Executive Vice Provost Gene Vincenti to undertake a major
study of our current and future space needs. We need to take a long view to make optimal
use of the space vacated by the business school.

Through these plans, we find ourselves deeply involved in the revitalization of
downtown Newark. This is only fitting, since the fate of our campus and the fate of the
city are integrally connected. It is exciting to see so many positive developments in our
city. Real estate activity in downtown Newark is very brisk: Cogswell Realty has opened
new luxury housing at 1180 Raymond Boulevard, and plans to develop loft apartments in
the Hahnes and Griffith buildings on Broad and New streets. Several other downtown
market-rate housing and office projects have been announced, while the Newark Arena is
under construction, scheduled to open in 2007. Planning for the surrounding arena district
is proceeding.

The new city administration headed by Mayor Cory Booker has brought extensive
positive attention to our city and is changing the way outsiders look at Newark. The
mayor’s senior leadership team consists of committed and experienced professionals
determined to improve the lives of the citizens of this city and develop the city’s
extraordinary assets to their fullest. We will work closely with them.

Let me end with my vision of Rutgers-Newark 10 years from now. I believe this
campus, in a dramatically revitalized downtown, a 15-minute train ride to midtown or
lower Manhattan, with a top faculty and Rutgers-quality education, will become the
school of choice for students who want an engaged urban education in a global
metropolis with a student body that has unparalleled diversity. Such an environment will
also attract the very best faculty and graduate students. This development must not
deflect us from our traditional mission of providing a first-rate education to students of
low and modest incomes, or to the first-generation college students whom this institution
has served since its inception nearly a century ago. By growing our enrollment, we can
fulfill both of these missions.
Despite the immediate pain of severe budget cuts, I believe the long-term outlook for Rutgers-Newark is very bright indeed.